

NEW NUMBER

810

LAW OFFICES

ALVORD AND ALVORD

200 WORLD CENTER BUILDING  
918 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-2973

OF COUNSEL  
JESS LARSON  
JOHN L. INGOLDSBY  
URBAN A. LESTER

CABLE ADDRESS  
"ALVORD"

TELEPHONE  
AREA CODE 202  
393-2266

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D.C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

14746

JUL 26 1985 - 2 35 PM

INTERSTATE COMMERCE COMMISSION

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440348 CDAA UI

July 25, 1985

BY HAND DELIVERY

Mr. James H. Bayne  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

7/26/85  
10.00  
IOB Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are two copies of a Locomotive Lease dated March 9, 1984, a "primary document" as defined in the Commission's Rules for the Recordation of Documents.

A description of the railroad equipment covered by the enclosed document is:

One (1) EMD SW-9, 1200 horsepower locomotive bearing Serial Number 4098-7 and Locomotive Number 160.

The names and addresses of the parties to the enclosed document are:

Lessor: Inman Service Company, Inc.  
115 North Main  
Baytown, Texas 77520

Lessee: Mobay Chemical Corporation  
West Bay Road  
Baytown, Texas 77520

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 200 World Center Building, 918 16th Street, N.W., Washington, D.C., 20006.

Mr. James H. Bayne  
Page Two  
July 25, 1985

Also enclosed is a check in the amount of \$10.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Locomotive Lease dated March 9, 1984, between Inman Service Company, Inc., Lessor, and Mobay Chemical Corporation, Lessee, covering one EMD SW-9, 1200 horsepower locomotive bearing Serial Number 4098-7 and Locomotive Number 160.

Very truly yours,



Charles T. Kappler  
Attorney for the purpose of  
this filing for:

Inman Service Company, Inc.

CTK/mlt  
Enclosures



Inman Service Company Inc.

18

*Diesel-Electric*  
**LOCOMOTIVES**

14746

RECORDATION NO. .... FILED 1426

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LOCOMOTIVE LEASE

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, made and entered into this 9th day of March 19 84, by and between INMAN SERVICE COMPANY, INC., a Corporation, having its principle office at 115 North Main, Baytown, Texas (hereinafter referred to as "Lessor") and MOBAY CHEMICAL CORPORATION a Corporation Corporation/ Partnership/ Proprietorship, whose address is West Bay Road, Baytown, Texas 77520 (hereinafter referred to as "Lessee").

WITNESSETH:

WHEREAS, Lessee desires to Lease from Lessor for use in its business operations, the locomotive hereinafter described, upon the terms and conditions herein set forth; and

WHEREAS, Lessor agrees to furnish the locomotive hereinafter described and is willing to lease the same to Lessee upon the terms and conditions set forth.

NOW THEREFORE, the parties hereto, for and in consideration of the mutual covenants and promises herein set forth and other good and valuable consideration, receipt and sufficiency of which is acknowledged, agrees as follows:

1. LOCATION OF USE AND DESCRIPTION OF LOCOMOTIVE. Lessor leases and lets unto Lessee and Lessee accepts and takes from Lessor for use at Baytown Texas Plant site that certain locomotive identified as an EMD SW-9, 1200 horsepower, 120 ton locomotive No. 160. SERIAL NUMBER #4098-7

2. RENT. Commencing on the date Lessee takes possession of the aforesaid locomotive, and thereafter during the term hereof until possession of said locomotive is surrendered to Lessor, Lessee shall pay monthly to Lessor for rental and maintenance of said locomotive the sum as calculated for an EMD SW-9 locomotive.

Rate per month \$2,400.00. The first payment of the base rate is due on or before the date Lessee takes possession of the aforesaid locomotive. If the Lease begins (and therefore ends) on a day other than the 1st day of a month, the rent payable for the first and last partial months of the term hereof shall be prorated for the number of days Lessee actually is in possession of the locomotive. The base monthly rental is due before each month. In the event the locomotive is out of service for repairs for more than one (1) day during any month during the term of this lease, the monthly rental charge for any such month will be reduced 1/30th for each full day the locomotive is out of service. This credit will not apply if the repairs are necessitated by damage caused by the Lessee's negligence or abuse of the locomotive.

3. LEASE TERM. This locomotive lease shall extend for an initial term of one year commencing with the acceptance of possession of the locomotive by Lessee, and shall continue from month to month after the conclusion of such initial term until terminated by either party hereto by such party giving to the other party thirty (30) days notice in writing of its election to terminate this lease. In such event, this lease shall terminate at the expiration of said thirty (30) day period following notice.

4. MAINTENANCE BY LESSOR. Lessor shall, at its expense, supply all replacement parts and shall perform all major maintenance repairs, and periodic inspections, lubrication and filter changes. For purposes of this Lease, a major maintenance repair is a repair that requires more than two man-hours of work to complete.

5. LESSEE'S RESPONSIBILITY FOR DAMAGE TO LOCOMOTIVE. The Lessee shall be responsible for all physical damage to the locomotive from any cause, other than normal wear, or the negligence or other fault of Lessor while locomotive is in the possession of Lessee. This shall include, but not necessarily be limited to damages resulting from collisions, accidents, derailments, vandalism and from the negligence of the Lessee or its employees, agents or subcontractors. Lessee's liability for damage to the locomotive shall not exceed the sum of \$125,000.00 Dollars per incident or occurrence. The Lessee will supply the locomotive fuel, water, oil, filters, sand and other current operating supplies in accordance with Lessor's specifications as may be needed.

6. NOTICE OF DEFECTS. Lessee shall notify Lessor promptly, of any defect requiring repairs as observed by the Lessee. Lessee will permit the Lessor's employees, agents, or subcontractors on Lessee's property for the purpose of making inspection of or repairs to the locomotive. Lessor agrees to indemnify and save harmless Lessee from and against any liability, howsoever caused, resulting from damage to any property by, or from injury to or death of, such employees, agents or subcontractors of Lessor.

7. OPERATION BY QUALIFIED PERSONNEL. Lessee is solely responsible for the safe operation of the locomotive and for insuring that all personnel involved in any way with the locomotive, including but not limited to those involved in the operation and maintenance of the locomotive, are fully qualified and properly supervised.

8. OPERATION ONLY IN SAFE LOCATION. Lessee is solely responsible for determining where and when the locomotive shall be operated. Lessee acknowledges and fully understands that there is severe danger of fire or explosion if the locomotive is operated in any area or building in which a spark or flame could cause an explosion or fire, and Lessee assumes all risk of loss due to explosion or fire in any way resulting from or connected with the operation of the locomotive while in Lessee's possession, unless due to the negligence or other fault of Lessor.

9. DEFAULT. Time is of the essence under this agreement and any of the following events shall constitute defaults hereunder:

- (i) The failure of the Lessee to pay any installment of rental within 15 days after the date on which the same shall become due;
- (ii) Any breach or failure of either party to observe or perform any of its obligations hereunder and the continuance of such default for

fifteen (15) days after notice in writing to that party of the existence of such default;

- (iii) The insolvency or bankruptcy of either party or the making by either party of an assignment for the benefit of creditors, or the consent of either party to the appointment of a trustee or receiver, or the appointment without its consent, of a trustee or receiver for either party or for a substantial part of its property;
- (iv) The institution by or against either party of bankruptcy, reorganization, arrangement, or insolvency proceedings.

Upon the occurrence of any such default, the party not in default may at its option and without notice to or demand on the defaulting party declare this Lease Agreement in default and thereupon all rights and obligations therein shall become null and void.

10. RISK OF LOSS AND INSURANCE. (a) All risk of loss or damage to the locomotive shall be borne by the Lessee, unless due to the negligence or other fault of Lessor.

(b) The Lessee shall, at its own expense, keep the locomotive insured, at its full value, against fire, theft, damage, or destruction and for product liability risks in such amounts as are reasonable and with insurance carriers qualified to do business in the state in which the item of equipment is located, with losses, if any, payable to Lessor. The Lessee shall deliver to the Lessor the policies or evidence of insurance satisfactory to the Lessor. The failure of the Lessee to secure or maintain such insurance shall constitute a breach under this Lease Agreement and the Lessor may, but shall not be obligated to effect such insurance, the cost of such insurance being deemed additional rent to be paid forthwith by the Lessee.

11. TAXES: LICENSES. The lessee shall pay all license fees, sales taxes, excise taxes, personal property taxes, assessments, ad valorem taxes, stamp and documentary taxes, and all other governmental charges, fees, fines or penalties whatsoever, whether payable by the Lessor or the Lessee or others, on or relating to the locomotive or the use, registration, or operation thereof, other than federal or state income and franchise taxes of the Lessor, and shall file all returns required therefor and furnish copies thereof to the Lessor. Upon demand, the Lessee shall reimburse the Lessor for any such taxes, assessments, charges, fines, or penalties which the Lessor may be compelled to pay in connection with the equipment. The Lessor will cooperate with the Lessee and furnish the Lessee with any information available to the Lessor in connection with the Lessee's obligations under this paragraph.

12. LESSOR'S INDEMNITY. (a) The Lessee shall indemnify, protect and hold harmless the Lessor, its agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, of whatever nature, arising out of, incident to, connected with or in any way caused by the possession, control, use or operation of the locomotive by Lessee, its employees, agents, servants or subcontractors, regardless of

where, how and by whom operated, except for any damage or loss resulting from the negligence or other fault of Lessor, its agents, servants, employees or subcontractors.

(b) The Lessee shall assume the settlement of, and the defense of any suit or suits or other legal proceedings brought to enforce all such losses, damages, injuries, claims, demands and expenses and shall pay all judgments entered in any such suit or suits or other legal proceedings.

(c) The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the termination of the Lease Agreement, whether by expiration of time, by operation of law or otherwise.

(d) The Lessee is an independent contractor and nothing contained in this Lease Agreement shall authorize the Lessee or any other person to operate any item of equipment so as to incur or impose any liability or obligation for or on behalf of the Lessor.

13. POSSESSION. Possession of the locomotive shall pass to Lessee as of the moment the locomotive arrives on Lessee's railroad siding track. Possession of the locomotive shall be reacquired by Lessor when the locomotive leaves the Lessee's siding under the control of Lessor or its agents or employees after the termination of this lease for whatever reason.

14. NO IMPLIED REPRESENTATIONS OR WARRANTIES. The parties hereto acknowledge and agree that the Lessor is not a manufacturer or engaged in the sale or distribution of the locomotive. It is further acknowledged that the Lessor makes no representations, promises, statements, or warranties, expressed or implied, with respect to the merchantability, suitability or fitness for purpose of the locomotive or otherwise. Lessor shall in no event be responsible to Lessee for any indirect or consequential damages.

15. INVALID PROVISION. Any provision of this Lease Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of the Lease Agreement.

16. CONSTRUCTION. The validity, construction and enforcement of this Lease Agreement shall be governed by the laws of the State of Texas.

17. COMPLETE AGREEMENT. This Lease Agreement contains the entire understanding of the parties, and such understanding may not be modified or terminated except in writing signed by the parties.

18. NOTICES. All notices shall be in writing and delivered in person to an officer of the party to which such notice is being given or mailed by registered mail to such party at the address first above written, or to such other address as may be hereafter specified by like notice by either party to the other.

19. BINDING EFFECT. This lease shall be binding upon and inure to the benefit of the parties hereto, their successors, legal representatives, and assigns.

IN WITNESS WHEREOF the Lessor and the Lessee have caused these presents to be duly executed the day and year first above written.

LESSOR:

INMAN SERVICE COMPANY, INC.

115 North Main St., Baytown, TX

BY: [Signature]

LESSEE:

MOBAY CHEMICAL CORPORATION

West Bay Road, Baytown, TX

BY: [Signature]  
Executive Vice President

ATTEST:

[Signature]

ATTEST:

[Signature]  
Notary Public

3-13-84  
[Signature]  
Rham

MMB

THE STATE OF TEXAS

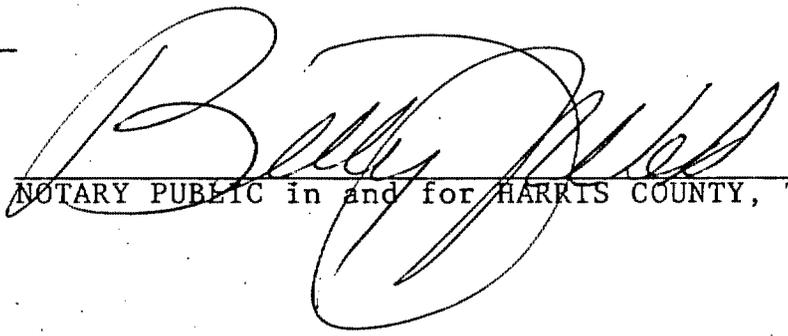
COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Weldon Inman and N.J. Prater known to me to be the persons whose names subscribed to the foregoing instrument and acknowledged to me that executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 9th day of

March A.D. 1984

(L.S.)

  
NOTARY PUBLIC in and for HARRIS COUNTY, TEXAS

PURCHASE ORDER

**Mobay Chemical Corporation**

WEST BAY ROAD • BAYTOWN, TEXAS 77520  
PHONE 713/383-2411



THIS NUMBER MUST APPEAR ON ALL PAPERS AND PACKAGES RELATIVE TO THIS ORDER.

PURCHASE ORDER No.  
**884-9002 S/1**

DATE  
**1-2-85**

PAGE  
**1** OF **1**

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INMAN SERVICE CO INC  
115 N MAIN  
BAYTOWN TX 77520

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UNLESS OTHERWISE INDICATED BELOW MATERIAL WILL BE SHIPPED TO

RAIL: **Mobay Chemical Corporation**  
ELDON, TEXAS

TRUCK AND **Mobay Chemical Corporation**

ALL OTHERS: ATTENTION: RECEIVING DEPT.  
WESTBAY ROAD  
BAYTOWN, TEXAS 77520

PLEASE ENTER OUR ORDER FOR THE FOLLOWING MATERIAL AND OR LABOR SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THIS AND THE REVERSE SIDES. ADVISE PROMPTLY IF ANY LABOR OR MATERIAL COVERED BY THIS ORDER IS TO BE SUBLET.

MAKE ALL DELIVERIES BETWEEN **8 A.M. & 4 P.M.**  
MONDAY THROUGH FRIDAY

REQUIRED DELIVERY QUOTED SHIPPING DATE CHARGE CODE

SHIP VIA MOST ECONOMICAL ROUTING UNLESS OTHERWISE SPECIFIED.

SHIP VIA MWO/AFE NO. ITEM/EQUIPMENT No.

VENDOR No. REQUISITION No.  
**MH-1952**

INVOICE TERMS: **Net 30** FREIGHT TERMS: F.O.B.

ADDRESS CORRESPONDENCE TO

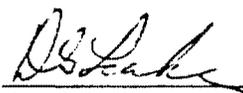
ITEM No.	QTY	QUANTITY	UNIT	MATERIAL AND DESCRIPTION	UNIT PRICE	TOTAL PRICE
				<p>Please refer to our above referenced Blanket Order for which this Supplement is issued to show an increase in the Lease Rate effective Jan. 1, 1985 as follows:</p> <p>Rental and Maintenance of Locomotive</p> <p>All other terms and conditions shall remain the same.</p>	\$3,000.00/MO	

• TEXAS SALES TAX EXEMPTION DIRECT PAY PERMIT No. 300014-6279-2

**IMPORTANT INSTRUCTIONS:**

- THIS DOCUMENT IS NOT AN ACCEPTANCE OR CONFIRMATION DOCUMENT UNLESS STATED OTHERWISE.
- THIS ORDER MAY BE ACCEPTED ONLY IN ACCORDANCE WITH THE TERMS SET FORTH HEREIN: KINDLY NOTIFY US OF YOUR ACCEPTANCE IMMEDIATELY.
- A PACKING LIST WITH THIS P.O. No. MUST BE FURNISHED WITH EACH SHIPMENT.
- MAIL INVOICE IN DUPLICATE, PRICING EACH ITEM SEPARATELY, TO THE ADDRESS INDICATED AT THE TOP OF THIS FORM. ATTENTION ACCOUNTS PAYABLE DEPARTMENT.
- ATTACH TO THE INVOICE ALL RECEIPTED BILLS OR BILLS OF LADING COVERING ANY TRANSPORTATION CHARGES INCLUDED.

**Mobay Chemical Corporation**

BY   
D. G. Leake

## TERMS AND CONDITIONS

1. **ACCEPTANCE** — Seller's written acceptance. Seller's shipment of the goods or Seller's commencement of any work pursuant to the face hereof, whichever shall first occur, shall constitute Seller's acceptance of this order and agreement to the terms and conditions on the face and back hereof and attached hereto by Buyer.

2. **CHANGES** — The terms and conditions set forth herein shall constitute the entire contract between Buyer and Seller. No additional, different or revised terms or conditions, whether stated in Seller's acceptance of this order or otherwise, shall become part of this contract unless Buyer expressly agrees thereto in a writing which shall specifically refer to this purchase order number. Stenographic or clerical errors on this order are subject to correction.

3. **WARRANTY-INDEMNITY** — SELLER WARRANTS THAT ALL MATERIALS AND/OR SERVICES DELIVERED HEREUNDER SHALL BE OF MERCHANTABLE QUALITY, FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP, SHALL CONFORM STRICTLY TO ALL SPECIFICATIONS, DESIGNS AND DESCRIPTIONS, IF ANY, AND SHALL BE FIT FOR THEIR ORDINARY, INTENDED PURPOSES, AS WELL AS ANY PARTICULAR PURPOSES SPECIFIED HEREIN. SELLER SHALL INDEMNIFY AND SAVE HARMLESS THE BUYER FROM ANY AND ALL LIABILITY, EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, COSTS, DAMAGES AND/OR LOSSES OF ANY KIND ARISING OUT OF INJURIES TO PERSON OR PERSONS OR DAMAGE TO PROPERTY OF ANY KIND CAUSED IN WHOLE OR PART OR ARISING OUT OF ANY NEGLIGENT ACT OR OMISSION BY SELLER IN PERFORMANCE OF THIS CONTRACT.

4. **INFRINGEMENT** — Seller warrants that the use or sale of the material delivered hereunder shall not infringe any United States patent claims or trademarks, and that Seller shall at its sole expense defend any and all actions or suits charging such infringement, and shall save Buyer harmless from all expenses and recoveries; provided, however, that Seller does not warrant against infringement by reason of the use thereof in combination with other materials or in the operation of any process.

5. **REJECTION** — Payment for the goods hereunder shall not constitute acceptance thereof. All materials shall be received subject to Buyer's inspection and rejection. If materials are rejected, Buyer shall so notify Seller within a reasonable time, and Buyer, at its sole option and at the expense and risk of Seller, may either return such rejected materials to Seller or hold same for such disposal as Seller may indicate. No goods returned as defective shall be replaced without Buyer's written permission.

6. **SHIPMENT** — All shipments shall be made in timely fashion and in accordance with the quantity, price and terms hereof. Failure of any of the foregoing shall allow the Buyer, at its sole option, to cancel this contract and purchase the material covered hereunder elsewhere and hold Seller liable for any additional costs or damages incurred. Within 24 hours of shipment, Seller shall forward notice of such shipment to Buyer. The original bill of lading must accompany invoice and be mailed promptly in accordance with instructions on the face hereof. Complete packing list must accompany each shipment. Separate invoices are required for each purchase order and for each shipment when partial deliveries are made.

7. **TAXES** — Unless prohibited by law, any applicable Federal, State, Municipal or other sales, use or transportation tax and any other present or future tax that may apply, shall be paid by the Seller.

8. **CONTINGENCY** — If Seller or Buyer is prevented from carrying out the provisions hereof by reason of any Act of God, war, revolution, blockade, strike, riot, earthquake, cyclone, fire, flood, car shortage or delay by carrier, fuel shortage, embargo, lockout or other labor disturbance, the operation of statutes or of law, interference of civil or military authority or other providential, governmental, or physical cause, existing or future, beyond the reasonable control of the parties interfering with the production or receipt of goods as herein contemplated, the party so interfered with, upon prompt, written notice to the other party in advance of actual shipment, shall be excused from making or taking deliveries to the extent of such interference.

9. **MISCELLANEOUS** — a) The validity, interpretation and performance of this contract shall be governed by the laws of the state in which delivery is made to Buyer for the Commonwealth of Pennsylvania if delivery is not made to a location of Buyer or if goods are not involved.

b) This purchase order shall not be assigned without Buyer's prior written consent.

c) No waiver by Buyer of a breach of any provision of this order by Seller shall constitute a waiver of any other breach or provision. The invalidity in whole or in part of any condition, term or provision of this order shall not affect the validity of the other conditions, terms and provisions hereof.

d) All drawings, plans or specifications furnished by Buyer to Seller in connection with orders hereunder, marked or otherwise described to Seller as confidential, are to be so treated by Seller, and Seller shall make no commercial use thereof (except in connection with this order) and shall not disclose same to anyone either before or after completion of this order except to those of its employees requiring such information in connection with this order, without having obtained the prior written consent of the Buyer. All such drawings, plans or specifications shall be returned to Buyer upon request.

e) If any work or services covered hereunder or any part thereof are performed by Seller on property designated by Buyer, such performance shall be governed by Buyer's applicable general terms and conditions for contractors in lieu of the conditions stated in this purchase order. Contractor shall obtain a copy of same from Buyer's Purchasing Department.

10. **GOVERNMENT REGULATIONS** — a) Seller certifies that the goods produced and covered hereby were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act as amended, and of the regulations and orders of the United States Department of Labor issued under Section 14 thereof.

b) All equipment and/or installation furnished under this specification must meet the standards established under the 1970 Occupational Safety and Health Act (Williams-Steiger Act) as of the date of shipment, and vendor certifies that the equipment and/or installations meet such standards.

c) Employment of the Handicapped. Unless this contract is within an exemption provided in regulations promulgated under the Rehabilitation Act of 1973, Seller shall comply with 20 CFR Sections 741.20 and 741.3 which are herein incorporated by reference.

d) Employment of Disabled Veterans & Veterans of the Vietnam Era. Unless this contract is within an exemption provided in regulations promulgated under the Vietnam Era Veterans Readjustment Assistance Act of 1974, Seller shall comply with 41 CFR 60-250.4, which is herein incorporated by reference.

e) Equal Opportunity. Seller certifies that it does not and shall not maintain segregated facilities for its employees and, unless otherwise exempt, agrees as follows:

1. The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this non-discrimination clause.

2. The Seller will, in all solicitations or advertisements for employees, placed by or on behalf of the Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age or national origin.

3. The Seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contact or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Seller's commitments, under Section 202 of the Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The Seller will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

5. The Seller will furnish all information and reports required by Executive Order No. 11246, of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the Seller's non-compliance with the non-discrimination clauses of this contract or with any or such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the Seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

7. The Seller will include the provisions of paragraph 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Seller will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the Seller becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Contracting agency, the Seller may request the United States to enter into such litigation to protect the interests of the United States.