

To Whom It May Concern:

We appreciate your interest in working for Jokake Construction. Enclosed is a Jokake Subcontractor Pre-qualification Package. All information in this package is necessary for consideration for placement on our subcontractor bid list. Please complete the entire application, along with the required documentation and return it to **iris.mckinney@jokake.com**. I will review your information and respond to your company within 30 days.

Pre-qualification Application (required):

- W-9
- Pre-qualification Form
- Agreement of Disclosure of Financial Statements
- Subcontractor Safety Training Verification
- Air Quality Department Dust Control Disclosure

Additional Documentation (required):

- ✓ A copy of your Transaction Privilege Tax License
- ✓ A copy of your General Liability, Automobile, and Worker's Compensation Insurance Certificates (*see Subcontractor Insurance Requirements*)
- ✓ A copy of your company's Safety program (*see sample document*)
- ✓ A copy of your Hazcom programs (*see sample document*)
- ✓ A copy of appropriate license
 - ✓ ROC License (AZ)
 - ✓ ROC License (CA)
 - ✓ Nevada Contractors Licence (NV)
 - ✓ Contractors Licence (applicable trades in TX only)

A sample master contract is also enclosed for your REFERENCE ONLY.

A signatory copy will be forwarded to you once your application has been reviewed and approved. Please DO NOT sign and/or return the sample master contract.

Your cooperation in completing this information is appreciated. Please DO NOT submit partially completed documents. If you have any questions or need any assistance, please feel free to call me directly at 602-224-4524.



OFFICE: 602 224 4500
FAX: 602 667 5500

5013 E WASHINGTON ST
SUITE ONE HUNDRED
PHOENIX, ARIZONA 85034

AZ ROC# 241197
CA LIC# 960871

Sincerely,
Jokake Construction Services, Inc.

Iris McKinney

Iris McKinney
Subcontractor Pre-qualification
Iris.mckinney@jokake.com
602-224-4524

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="radio"/> Individual/sole proprietor <input type="radio"/> C Corporation <input type="radio"/> S Corporation <input type="radio"/> Partnership <input type="radio"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.



AN EMPLOYEE-OWNED
CONSTRUCTION COMPANY

Date: _____

JOKAKE CONSTRUCTION PRE-QUALIFICATION FORM

CONTACT INFORMATION

If we have any questions regarding the information presented in this packet, please provide us with a contact name:

Company Name: _____

Contact name: _____ Email: _____

Phone: _____ Fax: _____

GENERAL INFORMATION

Locations (check all that apply): AZ: CA: NV: TX:

Company: _____

Street Address: _____

City, State, Zip: _____

**Previous address if current address is less than 2 years old:*

Street Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

Trade: _____ Website: _____

Sales Tax Number (Nevada Only): _____

Accounting Contact Name: _____ Phone: _____

Estimating Contact Name: _____ Phone: _____

Estimating Email: _____

Site Emergency Contact Name: _____ Phone: _____



AN EMPLOYEE-OWNED
CONSTRUCTION COMPANY

**GENERAL LIABILITY
(SEE ATTACHED SUBCONTRACTOR INSURANCE REQUIREMENTS)**

Carriers Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Phone: _____

**EXCESS/UMBRELLA LIABILITY (If Applicable)
(SEE ATTACHED SUBCONTRACTOR INSURANCE REQUIREMENTS)**

Carriers Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Phone: _____

**AUTOMOBILE LIABILITY
(Minimum Requirements are \$1,000,000 CSL)**

Carriers Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Phone: _____

**WORKER'S COMPENSATION
(Minimum Requirements are \$500,000 Policy Limit)**

Carriers Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Phone: _____

REQUIRED INFORMATION

Please choose one:

Union **OR** Open Shop:

Please choose one:

L.L.C.:
Corporation:
Partnership:
Sole Proprietor:

Certified MBE:

Please indicate type:

Asian:
African American:
Hispanic:
Native American:

Certified WBE:

Number of Employees: _____

Tax I.D. #: _____

Years in Business: _____

Date Business Started: _____

Contractors' License #: _____

Yearly Volume: _____

Experience Modification Rate (EMR): _____

Please enclose a copy of the EMOD letter from your Workers Comp. Carrier*

SUPPLIER ACCOUNTS Minimum of 2

Reference #1

Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Email: _____

Phone: _____ Fax: _____

Reference #2

Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Email: _____

Phone: _____ Fax: _____

CLIENT REFERENCES Minimum of 3

Reference #1

Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Email: _____

Phone: _____ Fax: _____

Reference #2

Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Email: _____

Phone: _____ Fax: _____

Reference #3

Name: _____

Address: _____

City, State, Zip: _____

Contact name: _____ Email: _____

Phone: _____ Fax: _____

REFERRAL INFORMATION

1. Have you ever worked with Jokake Construction before? Yes No

If YES, when? _____

2. Who referred you to Jokake or how did you hear about us?

3. Have you had any previous work experience with any of our staff? Yes No

If YES, who have you had experience with? _____

4. Who is your Jokake Sponsor?

Name: _____ Title: _____



AN EMPLOYEE-OWNED
CONSTRUCTION COMPANY

AGREEMENT OF DISCLOSURE OF FINANCIAL STATEMENTS

Jokake may request Financial Statements at any time of your company in order to ensure that we are doing business with only financially stable entities.

By signing below you understand, agree to, and provide Jokake Construction Services with financial statement documentation in a prompt manner when requested.

You also agree that any financial information provided to Jokake Construction Services is accurate and true.

I certify that we will comply with the above to disclose any financial statements should Jokake Construction Services make such a request.

Company: _____ Printed Name: _____

Signature: _____ Date: _____

SUBCONTRACTOR SAFETY TRAINING VERIFICATION

Do you have a Safety Program?

Yes:

No:

Do you have a Hazard Communication Program?

Yes:

No:

**Note: Proof of these documents must be sent to our office for verification. Please include copy of both programs with this pre-qualification packet.*

Safety Director's Name: _____

Address: _____

City, State, Zip: _____

Phone: _____ Email: _____

How do you train your employees?

When and how often do you provide your training?

What equipment and tools are the employees trained to use?

Do you have a New Employee Safety Orientation Program?

Yes:

No:

If you answered yes, please describe your program. *If you require additional room to fill in the questions, please use the back of this page. It will be beneficial if you also provide examples of your program.*

I certify the information listed above is current and correct and that we will not hold Jokake liable for any of our Safety Violations.

Company: _____ Printed Name: _____

Signature: _____ Date: _____

AIR QUALITY DEPARTMENT DUST CONTROL DISCLOSURE

Applicable to any divisions which cause dust generating operations regardless of state.

Locations (check all that apply): AZ: CA: NV: TX:

1) Does your company potentially cause activities that will disturb a surface area equal to or greater than 0.1 acre or the demolition of buildings?

Yes: No: N/A:

(Optional Comment):

2) Does your company carry a air quality department dust control permit for your state?

Yes: No: N/A:

3) If you answered "YES", please provide the registration number and expiration below:

Registration #: _____

Expiration Date: _____

I certify the information listed above is current and correct and that we will not hold Jokake liable for any Air Quality Violations.

Company: _____ Printed Name: _____

Signature: _____ Date: _____

Attachment A To General Conditions of the Subcontract Agreement

SUBCONTRACTOR INSURANCE REQUIREMENTS

1. **Commercial General Liability or Comprehensive General Liability** providing coverages including, but not limited to:

- A. Commercial General or Comprehensive Form
- B. Premises Operations
- C. Underground Explosion & Collapse Hazard (if applicable)
- D. Products/Completed Operations
- E. Contractual
- F. Independent Contractor's
- G. Broad Form Property Damage
- H. Personal Injury

Coverage Forms A-H must provide at least \$1,000,000 Bodily Injury and Property Damage on a Combined Single Limit (CSL) Form **except** for the trades of plumbing, fire protection, electrical, HVAC and excavation. These trades must have at least \$1,000,000 per Occurrence and \$2,000,000 General Aggregate and include **completed operations coverage on the additional insured endorsement**.

2. **Commercial or Comprehensive Automobile Liability** including non-ownership and hired car liability as well as owned automobile coverage with limits of not less than \$1,000,000 Bodily Injury and Property Damage on a Combined Single Limit Basis. Verification of insurance for those automobiles used on the project, which are personally owned and not covered by the Certificate of Insurance, must also be supplied. Any umbrella insurance policy shall apply to "all autos".

3. Notification that the Subcontractor has **Worker's Compensation Insurance** as required by State statutes with Employer's Liability limits of \$100,000 each accident, \$100,000 each employee, and \$500,000 policy limit **except** for the trades of plumbing, fire protection, electrical, HVAC and excavation. These trades must have limits of \$500,000 each accident, \$500,000 each employee, and \$500,000 policy limit.

4. **Certificate of Insurance** naming "**Jokake Construction Services Inc. and Owner as additional insured for any and all jobs, per written contract**" **THE ADDITIONAL INSURED ENDORSEMENT MUST BE INCLUDED (SEE SAMPLE ENDORSEMENT ATTACHED)**. Jokake Construction Services must be listed as the additional insured. There could be additional expense for this addition to your insurance binder, so check with your agent. Remember, failure to provide the necessary information could put you in breach of our master subcontractor agreement. (in accordance with Section 10 of the General Conditions of the Subcontract Agreement). This must be on file PRIOR to any work starting. **Insurance Companies can no longer give us advance notice of at least thirty (30) days of substantial coverage change, cancellation of insurance, or non-renewal of the subcontractor's policy. It will be the Subcontractor's responsibility to let us know of any insurance changes.**

Failure on behalf of the Subcontractor to comply with these requirements prior to the start of the work described in the Subcontract Agreement, and specifically before invoicing for payment, will result in the delay of payment or possible forfeiture of any and all monies due the Subcontractor in order to bring the Subcontractor's insurance coverage into compliance.

Subcontractor's obligation of indemnity contained in Section 9 of the General Conditions of the Subcontract Agreement shall survive the termination of the Subcontract Agreement, and specifically includes Subcontractor's duty as Indemnitor to hold harmless and defend the Indemnitees for any and all such loss following completion of Subcontractor's scope of work, notwithstanding Subcontractor's insurance carrier's non-compliance with the additional insured, including completed operations, provisions contained in the insurance requirements of the Subcontract Agreement and its incorporated Attachments.

Subcontractor:
Policy Number

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization: Jokake Construction Services Inc.
Owner
5013 E. Washington St. Suite 100
Phoenix, AZ 85034

RE: ANY & ALL JOBS

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Who is an insured (Section III) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your work performed for that insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE	
Name of Person or Organization:	
Location And Description of Completed Operations:	
Additional Premium:	

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".

JOKAKE CONSTRUCTION SERVICES

HAZARDOUS COMMUNICATION WRITTEN PROGRAM

This program has been prepared to comply with the requirements of the Federal OSHA standard 1926.59 and to ensure that information necessary for the safe use, handling and storage of hazardous chemicals used by this company is provided to and made available to employees.

OSHA's definition of a hazardous chemical is any chemical that a recognized authority labeled as hazardous and any chemical that produces cellular effect of some kind in any potential or possible exposure in normal use or foreseeable emergency.

This program includes guidelines on identification of chemical hazards and the preparation and proper use of containers labels, placards and other types of warning devices.

A. CHEMICAL INVENTORY

1. Jokake Construction Company maintains an inventory of all known possibly hazardous chemicals in use on the work site. A chemical inventory list is available from the project Superintendent.
2. Hazardous chemicals brought onto the work site by Jokake will be included on the hazardous chemical inventory list.
3. Subcontractors/Employers who use or store hazardous chemicals on site in such a way that employees of other employers may be exposed are required to notify the project superintendent. The project superintendent will add these items to the Hazardous Chemical Inventory List.

B. CONTAINER LABELING

1. All chemicals on site will be stored in their original or approved containers with a proper label attached, except small quantities for immediate use. Any container used by Jokake and not properly labeled should be given to the project superintendent for labeling or proper disposal.
2. Workers may dispense chemicals from original containers only in small quantities intended for immediate use. Any chemical left by Jokake after work is completed must be returned to the original container or the project superintendent for proper handling.
3. No unmarked containers of any size are to be left in the work area unattended.
4. Jokake Construction Company will rely on manufacturer applied labels whenever possible, and will ensure that these labels are maintained. Containers that are not labeled or on which the manufacturer's label has been removed will be relabeled.
5. Jokake Construction Company will ensure that each container used by Jokake is labeled with the identity of the hazardous chemical contained and any appropriate hazard warnings.
6. All Subcontractors/Employers working for Jokake are required to take full responsibility for all chemicals they bring on site, including proper labeling and disposal as stated below.

C. MATERIAL SAFETY DATA SHEETS (MSDS)

1. Employees working with a Hazardous Chemical may request a copy of the material safety data sheet (MSDS). Request for MSDS's should be made to the project superintendent.
2. MSDS should be available and standard chemical reference may also be available on the site to provide immediate reference to chemical safety information.
3. Should an emergency arise requiring a material safety data sheet (MSDS) where the MSDS cannot be found on site or with the superintendent, contact the Safety Coordinator at Jokake's office.

4. Subcontractors/Employers who bring hazardous materials on site shall provide the project superintendent with a copy of the material safety data sheet (MSDS) during or prior to delivery of such materials. An MSDS is required for each hazardous chemical the other employer's employees may be exposed to while working. MSDS sheets for the job site can be obtained from the material supplier, or manufacturer.

D. EMPLOYEE TRAINING

Jokake employees will be trained to work safely with hazardous chemicals. Employee training will include:

1. Methods that may be used to detect a release of hazardous chemical(s) in the workplace,
2. Physical and health hazards associated with chemicals,
3. Protective measures to be taken,
4. Safe work practices, emergency responses and use of personnel protective equipment,
5. Information on the Hazard Communication Standard including
 - a. Labeling and warning systems, and
 - b. An explanation of Material Safety Data Sheets.

E. PERSONNEL PROTECTIVE EQUIPMENT

1. Required Personnel Protective Equipment is available from the project superintendent.
2. Subcontractors will be required to supply personnel protective equipment if necessary to their own employees and to other employers' employees in the affected area that may be exposed to hazardous chemicals.

F. EMERGENCY RESPONSE

1. Any incident of over exposure or spill of a hazardous chemical/substance must be reported to the project superintendent at once.
2. The foreman or the immediate supervisor will be responsible for ensuring that proper emergency response actions are taken in leak/spill situations.

G. HAZARDS OF NON-ROUTINE TASKS

1. Supervisors will inform employees of any special tasks that may arise which would involve possible exposure to hazardous chemicals.
2. Review of safe work procedures and use of required Personnel Protective Equipment will be conducted prior to the start of such tasks. Where necessary, areas will be posted to indicate the nature of the hazard involved.

H. INFORMING OTHER EMPLOYEES

1. Other on site employers are required to adhere to the provisions of the Hazard Communication Standard.
2. Information on hazardous chemicals known to be present will be available to other employers through the project superintendent or will be posted at some central location on the job site. Employers will be responsible for providing necessary information to their employees.
3. Other on site employers will be provided with a copy of Jokake Construction Company's Hazard Communication Program.

I. POSTING

1. Jokake Construction Company has posted information for employees at each job site on the Hazard Communication Standard.

JOKAKE CONSTRUCTION SERVICES

SAFETY POLICY

2. SAFETY POLICY STATEMENT
 - A. JOKAKE SAFETY PROGRAM RESPONSIBILITIES
3. PROJECT MANAGER RESPONSIBILITIES
4. PROJECT MANAGEMENT PRE-CONSTRUCTION PLANNING
5. SUPERINTENDENT RESPONSIBILITIES
6. FIELD LABOR FORCE RESPONSIBILITIES
7. SUBCONTRACTOR RESPONSIBILITIES
8. SUBCONTRACTOR SAFETY REQUIREMENT
 - A. CONTRACTUAL OBLIGATIONS
 - B. OSHA AND STATE AGENCIES
 - C. COMPLIANCE WITH SAFETY PROGRAM
 - D. NOTICE OF NON-COMPLIANCE WITH THESE SAFETY POLICIES
9. SUBCONTRACTOR SAFETY REQUIREMENTS – CONT
 - A. BACKCHARGE OF SUBCONTRACTOR
10. SAFETY COMMITTEE
11. SAFETY EDUCATION
12. SAFETY CHECKLIST
13. FIRST AID & ACCIDENT REPORTING
14. DISCIPLINARY ACTION
15. VEHICLE SAFETY
16. NON CONTRACTUAL CONTRACTORS OR OWNER VENDERS
 - A. FALL PROTECTION
 - B. EQUIPMENT QUALIFICATION & SAFETY TRAINING

SAFETY POLICY STATEMENT

The management of Jokake Construction feels that accident prevention is a function of management and contributes to safe, efficient and professional operations.

We maintain a Safety and Health Program that conforms to the best practices within the construction industry. To be successful, such a program must embody the proper attitude toward injury and illness prevention, on the part of both our superintendents and our subcontractor community. Only through such cooperative effort can a Safety Program in the best interest of all, be established and preserved.

It is the policy of Jokake Construction. to utilize all appropriate safety practices and equipment available, to prevent any accident or injury to the people or property of those we come in contact with. We conform to any and all OSHA requirements and those requirements of the governing agencies having jurisdiction over the jobsites.

All of our employees and our subcontractor's employees are expected to follow safe work practices and to take an active role in our accident prevention program.



Dave Alben
Vice President of Field Operations

JOKAKE SAFETY PROGRAM RESPONSIBILITIES:

Our safety objective, as a Jokake Team, is to provide for the safety and health of all those involved, and for the protection of our client's property.

To meet this objective, Project Managers, Superintendents, our Field Labor Force and our Subcontractors, all must take on certain additional responsibilities.

PROJECT MANAGER RESPONSIBILITIES:

1. Provide a means to accomplish Jokake's written Safety Policy through pre-construction planning.
2. Support and enforce the Jokake Safety Policy.
3. Require all Subcontractors to abide by our Jokake Safety Policy and insist upon the documentation of any violations, for review with the Jokake Safety Coordinator.
4. Give consideration to all safety factors necessary for the project during the bidding and planning stages. Involve the Jokake Safety Committee with any unique or unusual safety problems that may be expected or encountered.
5. Communicate to all personnel the importance of abiding by safe work practices and the need for maintaining safe working conditions throughout the duration of the Project.
6. Support disciplinary measures where warranted, including work stoppage, removal of personnel, written notices, etc., documenting all such actions and notifying appropriate personnel (Owner, Subcontractor, Jokake Safety Coordinator etc.)
7. Make sure all Subcontractors have been pre-qualified before issue of Subcontracts.

Employee Signature _____

Supervisor Signature _____

PROJECT MANAGEMENT PRE-CONSTRUCTION PLANNING

Prior to the start-up of construction activities, a project should be pre-planned from a safety standpoint as well as a construction standpoint. Just as equipment, materials, personnel, and schedules must be determined, the safety requirements standard to any job, and those peculiar to an individual job, must be pre-planned.

Project Management should forecast the need for particular safety equipment or safety procedures prior to start-up and based upon the construction work activities planned. For example, plans should be made to provide barricades for protecting pedestrian traffic from hazardous conditions.

Project Management should work with Supervisors and Subcontractors to evaluate the exposures or hazards that will be or may be presented from the construction activities, and provide appropriate safety equipment or outline proper safety procedures that may be taken to eliminate, control or minimize these potential hazards or exposures to themselves and the public.

Proper planning and communications before the construction starts should help you to eliminate or lessen problems that could occur during the job, and provide for a more efficient as well as safe jobsite.

SUPERINTENDENT RESPONSIBILITIES:

1. Enforce the Jokake Safety Program and discipline any employee or Subcontractor willfully disregarding it.
2. Comply with all Federal, State, and Local safety laws and regulations.
3. Give consideration to all safety factors necessary for the project during the planning stages, and involve the Project Manager and the safety coordinator with any unique or unusual safety problems that may be expected or encountered.
4. Comply with the procedures to be followed for the reporting and treatment of injuries that may occur on the Project. Report all injuries and near misses to the safety coordinator within 24 hours.
5. Provide adequate first aid and fire fighting equipment. Make sure its location is known and is accessible to all.
6. Enforce the use of all necessary personal protective equipment, and provide such equipment where responsible to do so.
7. Provide and permit only properly guarded and maintained tools, machinery, and equipment on the Project. Perform periodic inspections of the same.
8. Communicate to all personnel the importance for abiding by safe work practices and the need for maintaining safe working conditions throughout the duration of the Project. Construction toolbox talks will be provided.
9. Promptly complete, distribute, and maintain necessary accident reports as required by Federal, State, or Local authorities, and our Insurance Carrier.
10. Investigate all accidents or injuries that occur to employees, Subcontractors, and the public, promptly and file full reports on each. (See chapter of First Aid and Accident Reporting.)
11. Require all Subcontractors to abide by our Safety program and initiating disciplinary measures where warranted, including work stoppage, removal of personnel, written notices, etc., documenting all such actions and notifying appropriate personnel (Project Manager, General Superintendent, etc.), when deemed necessary to do so.
12. Conduct weekly safety inspections of the project, and follow-up on all deficiencies identified. (Refer to the chapter on Safety Checklist.)
13. Conduct weekly safety meetings, such as tool box talks and document appropriately.
14. Encourage employees and Subcontractors to report all unsafe conditions. Make note of corrective measures taken.
15. Consult with and escort all representatives of OSHA, our Insurance Carrier, and other inspectors who visit the Project.

Employee Signature

Supervisor Signature

FIELD LABOR FORCE RESPONSIBILITIES

1. Work according to good safety practices printed, posted, instructed, and discussed.
2. Refrain from many unsafe act or horseplay that might endanger you or your fellow workers.
3. Use all personal protective equipment or safety devices provided for your protection. Use of eye protection (safety glasses or face shield) is mandatory for any employee using power tools that present potential eye/face injury. This would include such tools as the routers, saws, and ramset's.
4. Report any unsafe act or unsafe condition to your Supervisor immediately. Remember, the purpose of promptly reporting unsafe practices and conditions is not to fix blame on individuals, but rather to apply immediate corrective action necessary to avoid possible accidents.
5. Promptly report all property damage or bodily injury that occurs on the job to your immediate Supervisor.
6. Refrain from using any tool or piece of equipment that is broken, damaged, not fit for use, etc., and report such items to your Supervisor.
7. Wear the appropriate apparel when working on the job, (i.e. long pants, sleeved shirt, etc.)
8. Cooperate and participate in all safety activities such as meetings, training sessions, inspections, investigations, etc.
9. Recognize your responsibility to your family to be a safe worker.
10. You, as the employee, are responsible for understanding and following your work assignment. If you don't understand the safe and proper way to perform a task, ask your Supervisor for further job instructions.
11. Make good housekeeping and orderliness a part of each task you perform to promote safety and efficiency.

Employee Signature

Supervisor Signature

SUBCONTRACTOR RESPONSIBILITIES

1. Work according to good safety practices printed, posted, instructed and discussed.
2. Refrain from any unsafe act that might endanger themselves, their fellow workers, or the public.
3. Use all personal protective equipment or safety devices provided or required for their protection.
4. Report any unsafe act or unsafe condition immediately.
5. Promptly report all property damage or bodily injury that occurs on the job immediately.
6. Refrain from using any tool or piece of equipment that is broken, damaged, not fit for use, etc.
7. Wear the appropriate apparel when working on the job. (i.e. long pants, shirt, etc.)
8. Comply with all safety procedures, directives, and other requirements imposed by the General Contractor, Owner, or authority having jurisdiction - including all Federal, State, Local laws or ordinances applicable to their activity.
9. Provide Project Management with a current Certificate of Insurance for Worker's Compensation and General Liability PRIOR to beginning any work.
10. Overall housekeeping of the work area and safe work layout contributes to the overall efficiency and well being of each project. Maintain all work areas in a safe and orderly manner on a daily basis.
11. Provide written communications program, OSHA regulation 1926.59 and job specific MSDS to Jokake's contract administrators before start of every job.

Employee Signature _____

Supervisor Signature _____

SUBCONTRACTOR SAFETY REQUIREMENT

Jokake is striving to maintain a safe work environment for all personnel working together on our Projects. We expect our Subcontractors and their employees to fully comply with all applicable safety practices for the benefit of the whole team.

CONTRACTUAL OBLIGATIONS

Every Subcontractor - at any time - working on the jobsite, is contractually obligated to comply with legally constituted safety requirements, our Safety Program, and if applicable, the Owner's Safety Program. These combined safety requirements constitute the minimum safety performance expected from each employer.

OSHA AND STATE AGENCIES

Due to the complexity of prime Contractors/Subcontractors, and Construction Manager/contractor relationships, coupled with the total number of Contractors working on a construction site, OSHA and State Safety Agencies have experienced difficulty in determining responsibility for violations that are found during an inspection. Therefore, they can and often do cite each Contractor who knowingly or unknowingly allows their employees to be exposed to violations created by other Contractors working on the site.

The OSHA Act provides for increasingly severe actions for repeated violations and willful violations. Therefore, the potential liability is almost unlimited on long-term projects with numerous Contractors. Compliance with governmental safety requirements is mandatory, and enforcement is necessary.

COMPLIANCE WITH SAFETY PROGRAM

Any Subcontractor employee or Supervisor, who is unable or unwilling to comply with the safety requirements on the Project, may be removed from the jobsite. Any such disciplinary measure should be fully documented as to who, why, and when such action took place.

NOTICE OF NON-COMPLIANCE WITH THESE SAFETY POLICIES

Jokake, as Project Management, will monitor the safety performance of the Contractors working under our direction. When violations of legally constituted safety requirements or our company's safety procedures, or the Owner's requirements are observed, the responsible Subcontractors(s) shall be informed as follows:

SUBCONTRACTOR SAFETY REQUIREMENTS - CONT.

- | | |
|---------------------|---|
| 1. FIRST VIOLATION | *Written Notification to Subcontractor's office. |
| 2. SECOND VIOLATION | * Written Notification to Subcontractor's office. |
| 3. THIRD VIOLATION | *Jokake Safety Coordinator will review to determine disciplinary action to be taken, in non-compliance.
*Third Violation, within a one-year period, carries an automatic suspension from bidding any work with Jokake Construction Co. for a period of not less than six (6) months. |
| 4. FOURTH VIOLATION | *Enforcement of Safety Coordinator and VP of Field Operations disciplinary action previously outlined.
*Fourth Violation carries an automatic suspension from bidding any work with Jokake Construction Co. for a period of not less than one (1) year. |

The Subcontractor shall be given a reasonable amount of time to evaluate and correct the conditions contained in the notice. However, the time period shall reflect the severity of the violations.

In Imminent Danger situations, the work shall be halted immediately by the person observing the violation. The Subcontractor's Supervisor should be notified immediately that the corrective action is required prior to resumption of the work.

In Non-Serious Violation situations, the Subcontractor will be notified in a timely manner of the condition(s), and afforded a reasonable amount of time for correction.

BACKCHARGE OF SUBCONTRACTOR

After the Second Notice of non-compliance has been issued, should the Subcontractor fail to perform by correcting the safety violation which creates a hazard to persons or property, we can perform, or cause to be performed, the necessary work and unilaterally back charge the Subcontractor.

All contractors will turn over HAZCOM COMMUNICATION PROGRAM before start of any Jokake project. Non-compliance can impact the schedule of project resulting in back-charge.

SAFETY COMMITTEE

Two permanent members represent the Safety Committee.

THEIR RESPONSIBILITIES ARE:

1. Implement the new Safety program.
2. Implement additions or modifications of the Safety Program.
3. Follow through with enforcement.
4. Review violations for disciplinary action.
5. Help provide solutions to Safety Problems.
6. Provide training and education of safer methods.

THE SAFETY COMMITTEE IS REPRESENTED BY:

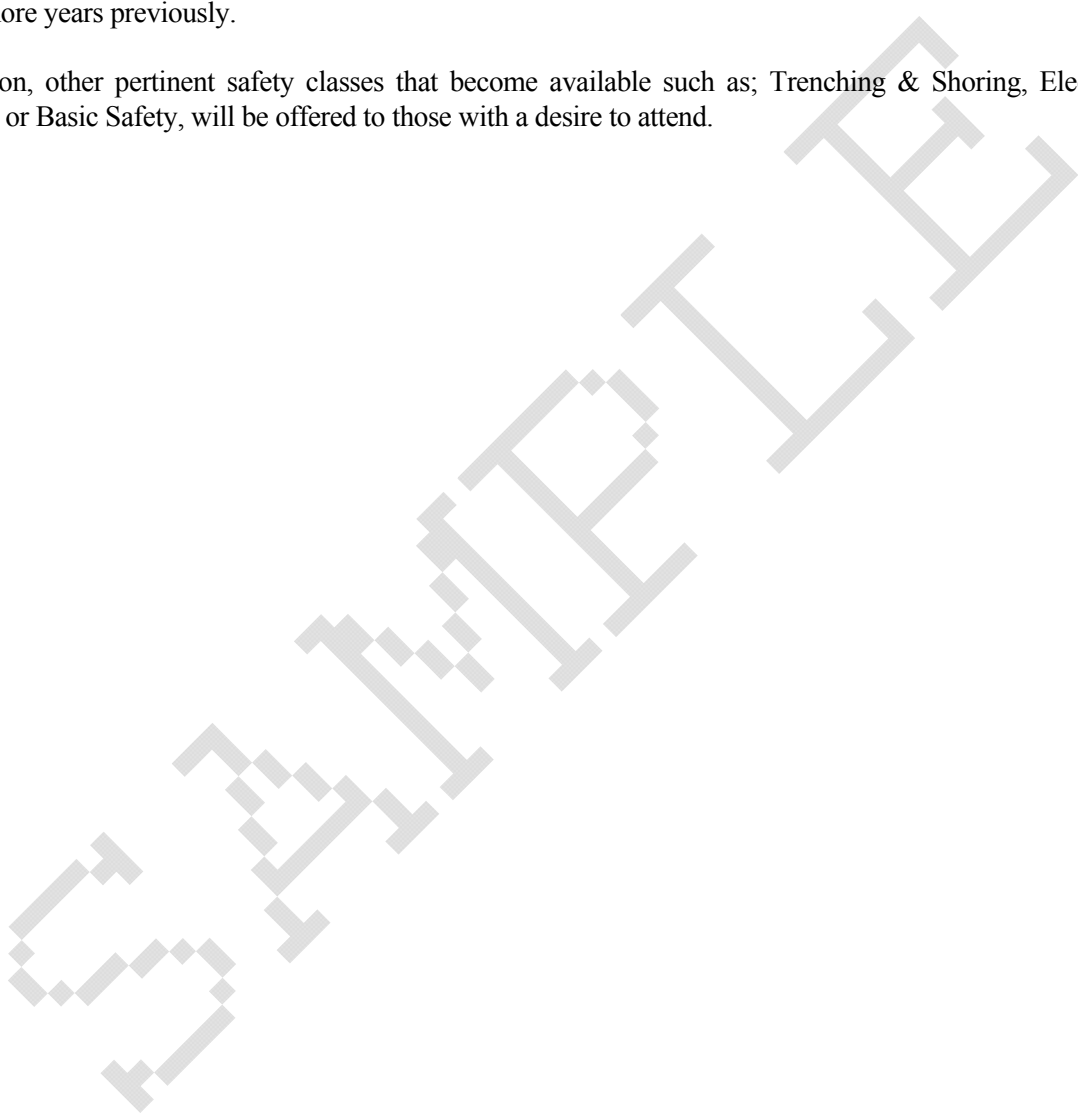
1. Safety Coordinator/VP of Field Operations
2. Labor Division Manager

SAFETY EDUCATION

The Jokake Team would like to educate themselves for a safer working environment.

The desire is to have every full-time field person certified in OSHA ten hour and First Aid / CPR. This would include any and all office personnel who would like to participate. Certification should take place as class availability and schedules permit. Refresher courses are to be made available to those who where certified two or more years previously.

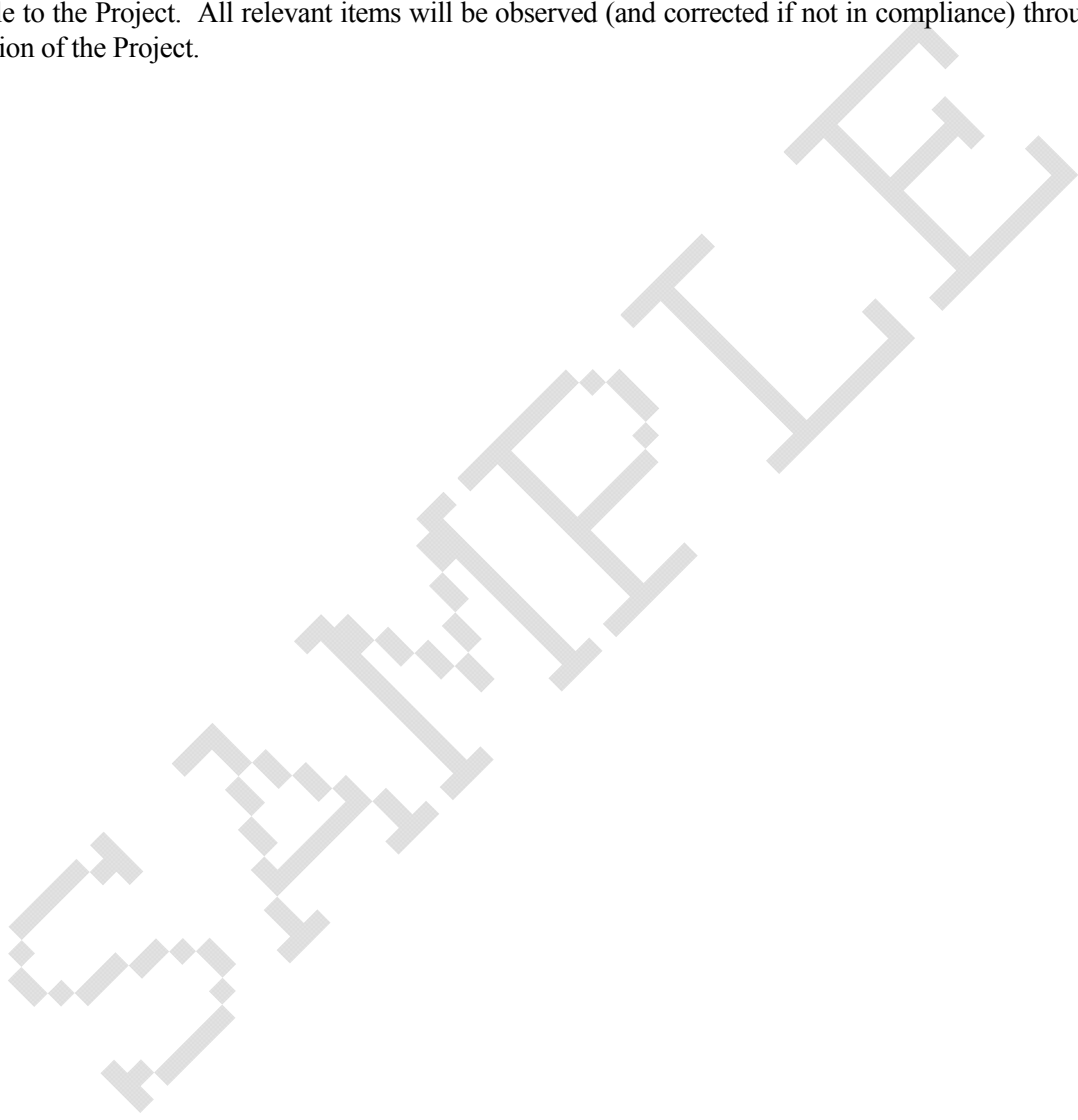
In addition, other pertinent safety classes that become available such as; Trenching & Shoring, Electrical Hazards, or Basic Safety, will be offered to those with a desire to attend.



SAFETY CHECKLIST

The Safety Checklists were compiled as a reminder to Superintendents, or critical safety guidelines to be practiced.

The following pages are an example of a Safety Checklist that will be placed in every bluebook. Either the Tenant Improvement Checklist or the Shell Construction Checklist will be used for the corresponding type of project. Superintendents will fill out the checklist at the start of each Project and mark off those items not applicable to the Project. All relevant items will be observed (and corrected if not in compliance) throughout the duration of the Project.



FIRST AID & ACCIDENT REPORTING

1. Report immediately to your Supervisor each and every accident or injury, including minor cuts, bruises, burns, etc. This includes not only Jokake employees, but accidents involving the public, Subcontractors or the company fleet.
2. Report the causes of your injuries honestly and promptly so that sound accident prevention measures may be applied to prevent a recurrence of the same type of accident or injury to you or one of your co-workers.
3. It is important that prompt medical attention be secured for all injuries no matter how slight. First Aid Kits are available along with emergency phone numbers if necessary.
4. After proper medical attention has been provided for, a "Supervisor's Report of Industrial Injury" (4" wide blue book), must be completed as follows:
 - If a Labor Division employee is injured, the Superintendent for the particular job must complete and sign the injury report.
 - If a Superintendent is injured, the General Superintendent must complete and sign the report. If you need to be hospitalized and cannot get a signature from the Safety Coordinator in a timely manner, sign it yourself.
 - The white copy should be delivery to the Safety Coordinator as soon as possible. The blue copy is for the Doctor or Hospital and the yellow copy stays in the book.
 - For a Subcontractor or public accident, the Safety coordinator only needs the white copy. It is not our responsibility to fill out a Doctor's copy, therefore, do not put our Policy Number on a Subcontractor or public accident report.

Specific and detailed information is very important; especially how the accident happened and the extent of injury or damage.

The Office Manager will give further instruction, if any are necessary.

DISCIPLINARY ACTION

SUBCONTRACTORS:

See requirements and non-compliance - pages 8 & 9.

The Safety Citation - see page 17 - is used to document Subcontractor Safety Violations:

The Project Manager and superintendent shall in conjunction complete the citation as necessary and forward to:

Subcontractor's Foreman or Superintendent

Subcontractor's Home Office

Jokake's Safety Committee

JOKAKE EMPLOYEES:

Failure to comply with Jokake's Safety policy will result in the following disciplinary action:

- | | | | |
|----|----------------|---|--|
| 1. | FIRST OFFENSE | - | Written Warning |
| 2. | SECOND OFFENSE | - | Written Warning |
| 3. | THIRD OFFENSE | - | Within any 12-month period of time is grounds for immediate dismissal. |

In Addition to the above actions, any act of complete disregard for Safety, shall be grounds for immediate dismissal.

A sample Employee Disciplinary Action Warning form is included on page 18.

VEHICLE SAFETY

1. Company fleet vehicles must be kept in good running condition. This includes brakes, tires, lights, signals etc. The driver is responsible for maintaining the vehicle (periodic preventive maintenance is paid for by Jokake - see the Jokake Policy Manual for more information).
2. Any loads should be properly secured and properly tagged.
3. All company vehicles should have a properly maintained fire extinguisher and First Aid Kit in the vehicle.



NON CONTRACTUAL CONTRACTORS OR OWNER VENDERS

1. Work according to good safety practices printed, posted, instructed and discussed.
2. Refrain from any unsafe act that might endanger yourselves, your fellow workers, or the public.
3. Use all personal protective equipment or safety devices provided or required for your protection.
4. Report any unsafe act or unsafe condition immediately.
5. Reflective Orange vests will be worn per job site requirements.
6. Comply with all safety procedures, directives, and other requirements imposed by the General Contractor, Owner, or authority having jurisdiction - including all Federal, State, Local laws or ordinances.
7. Maintain all work areas in a safe and orderly manner on a daily basis. Keep your area clean.
8. A pre-task form must be filled out and reviewed by owner and General contractor prior to start of work.
9. Subcontractors not working under contract with Jokake must comply with all the General Contractor, Owner, or authority having jurisdiction - including all Federal, State, Local laws or ordinances.
10. Notify Jokake in writing if your company has contracted to another sub before start of their work.

FALL PROTECTION

Fall protection refers to a system designed to restrain workers from falling. Fall protection could be containment, as with a guardrail system or could be something which controls the fall, as with a fall arrest system.

All workers on this jobsite are required to be protected from the hazard of falling whenever work is being completed at heights of 6' or greater except where OSHA regulations state otherwise.

Safety Harnesses and decelerating lanyards are required on this project.

EQUIPMENT QUALIFICATION & SAFETY TRAINING

Jokake will need your equipment and safety qualifications prior to starting work. Here are a few examples.

- Scaffold Erection and Dismantling
- Confined Space Entry
- Lockout / Tag-out
- Fall Protection
- Forklifts, Aerial lifts, and Scissors lift
- 10 hour OSHA
- Heavy Machinery
- Powder Actuated Tools

JOKAKE CONSTRUCTION SERVICES, INC.
5013 E. Washington St., Suite 100
Phoenix, AZ 85013
Telephone: (602) 224-4500
Fax: (602) 224-1396

Contractor License No.: ROC241197

Project No.: To be determined

Subcontractor License No.: _____

Master Contract No.: _____

MASTER CONSTRUCTION SUBCONTRACT AGREEMENT

THIS MASTER AGREEMENT, made this _____ day of _____, by and between Jokake Construction Services ("Contractor") and _____ ("Subcontractor"), whose address is _____ for construction projects to be identified over the course of the time this agreement remains in full force and effect ("the Project").

Contractor and Subcontractor agree as follows:

Section 1. Contract Documents.

1.1 The Contract Documents for this Subcontract include this Agreement; the attached General Conditions of the Subcontract Agreement; the General Contract between Contractor and Owner (to be identified and made available to Subcontractor on a per project basis), ("the General Contract"); the General, Supplementary and any other conditions of the General Contract; Drawings; Specifications; all Addenda issued before the execution of this Subcontract; the Project Schedule as may be amended from time to time, and any other documents referred to in the General Contract ("the Contract Documents").

1.2 The Contract Documents form this Subcontract and are fully incorporated in this Subcontract as if fully set out herein.

1.3 Subcontractor has carefully reviewed the Contract Documents and agrees to be bound thereby. If Subcontractor performs any construction activity knowing it involves errors, inconsistencies, or omissions in the Contract Documents without first notifying Contractor or Architect, Subcontractor shall assume appropriate responsibility for such performance and shall bear the costs attributable to any correction.

1.4 Subcontractor shall assume toward Contractor with respect to the Subcontract Work all of the obligations and responsibilities that Contractor assumes toward Owner. Subcontractor shall have the benefit of all rights and remedies against Contractor that Contractor, by the Contract Documents, has against Owner, except as otherwise provided herein. In the event that the Contract Documents conflict with or are inconsistent with this Agreement or the General Conditions attached hereto, this Agreement and the General Conditions shall govern.

Section 2. Scope of Work. For Division:

2.1 Subcontractor shall furnish all necessary and incidental labor, materials, tools, equipment and supplies necessary to perform fully and completely in a good and workmanlike manner all necessary work which will be identified on a per project basis on a subsequent Construction Subcontract Agreement form.

2.2 Subcontractor shall commence performance of the Subcontract work within * days after receiving the Notice to Proceed from Contractor. The Notice to Proceed shall be conveyed to Subcontractor in writing, directed to its business address noted above, or orally through its usual business telephone number. Time is of the essence of this Subcontract.

Section 3. Payment.

3.1 For the satisfactory and timely performance of the Subcontract Work in accordance with this Agreement and the Contract Documents, Contractor shall pay Subcontractor an amount to be mutually agreed upon on a project by project basis subject to additions and deductions as provided in the Subcontract Documents.

3.2 Payments shall be made in installments as the work progresses unless Subcontractor is in default. By the ___* day of each month, Subcontractor shall submit to Contractor a written request for payment showing the proportionate value of the work completed and the allocable materials and equipment stored in place to date. Contractor shall retain from each progress payment ___*% of the requested amount as retention. All payments shall be in accordance with and subject to the payment provisions of the General Conditions incorporated herein.

3.3 Subject to the payment provisions of the General Conditions incorporated hereto, to the extent approved by Owner and Contractor, the progress payments less any retainage shall be payable to Subcontractor within ___* calendar days after payment is received by Contractor from Owner.

Section 4. Completion Time Frame.

4.1 Subcontractor shall fully complete the Subcontract Work within the time set forth below. Subcontractor agrees to perform the Subcontract Work as directed by Contractor in a timely fashion and as generally noted below and/or in accordance with Contractor's schedule for the Project as reasonably amended from time to time.

4.2 Contractor is assessed liquidated damages by Owner for failure to complete the Work on time and if Contractor's delay in completion or any part of that delay in completion has been caused by Subcontractor, Subcontractor agrees to pay: (a) the portion of the liquidated damages caused by or attributed to its failure to complete its work on time and in accordance with the Project Work Schedule; and (b) additional liquidated damages in the amount of \$___* per calendar day of delay attributable to Subcontractor for such damages, expenses and charges incurred by Contractor, and not as a penalty because Contractor's actual damages for any such delay are not subject to reasonable calculation at this time due to the nature of Contractor's business.

4.3 All shop drawings, submittals and samples shall be in Contractor's office ___* working days after this Agreement is signed.

* To be determined on a project by project basis.

IN WITNESS WHEREOF, the parties hereby execute this Master Subcontract.

CONTRACTOR:

SUBCONTRACTOR:

JOKAKE CONSTRUCTION SERVICES

By _____

By _____

Name Dave Miller

Name _____

Title CFO, Secretary/Treasurer

Title _____

Date _____

Date: _____

GENERAL CONDITIONS OF THE SUBCONTRACT AGREEMENT

Project No.: To be determined on a project by project basis

Master Subcontract Date: _____

1. **Time of Performance.**

1.1 Time is of the essence of this Subcontract.

1.2 After commencing the Subcontract Work, SUBCONTRACTOR shall continue with sufficient workers so as not to delay the progress of the Project. SUBCONTRACTOR shall complete the Subcontract Work in accordance with CONTRACTOR's schedule and in a manner, which will cause no delay or disruption to CONTRACTOR or any other subcontractors. SUBCONTRACTOR shall keep informed as to the progress of the Project and faithfully prosecute the Subcontract Work in such order as CONTRACTOR considers necessary to keep the Project on schedule and to avoid any delay in completion of the Project.

2. **Payment.**

2.1 CONTRACTOR shall have the right to withhold any payments from SUBCONTRACTOR if SUBCONTRACTOR fails to present satisfactory evidence that all current bills for labor, materials or other liabilities have been paid. When required by CONTRACTOR, and as a prerequisite to payment, SUBCONTRACTOR shall provide in a form satisfactory to CONTRACTOR, written lien releases for labor and materials furnished to the Project for the completed Subcontract Work.

2.2 SUBCONTRACTOR hereby agrees to furnish, pay for when due, and hold CONTRACTOR harmless from the payment of all supplies, materials, equipment, labor and such other requirements necessary for the proper and complete performance of the work. Immediately after receipt of any progress payments, SUBCONTRACTOR shall discharge all Project obligations incurred. CONTRACTOR reserves the right to make payment to SUBCONTRACTOR by joint check or by direct check to SUBCONTRACTOR's materialmen or sub-subcontractors or any persons who have a right of action against CONTRACTOR or CONTRACTOR's surety for any SUBCONTRACTOR obligations incurred in connection with this Agreement. CONTRACTOR may deduct or setoff from any amounts due or to become due to SUBCONTRACTOR any sum or sums owing by SUBCONTRACTOR to CONTRACTOR under this Agreement or any other contract or transaction.

2.3 Notwithstanding any other provisions of the Contract Documents, SUBCONTRACTOR agrees that payment by OWNER to CONTRACTOR for Work performed by SUBCONTRACTOR will be a condition precedent to any payment obligation of CONTRACTOR to SUBCONTRACTOR hereunder. SUBCONTRACTOR expressly agrees that it will not be entitled to receive any payments or retention for Subcontract Work performed in the event that CONTRACTOR is not paid by OWNER for that Work. The provisions stating the time for Progress Payments and Final Payments are subject to the condition that CONTRACTOR will receive Progress or Final Payments or retention from the OWNER in amounts which are at least equal to those amounts then due and payable to SUBCONTRACTOR on account of the Subcontract Work then properly completed by SUBCONTRACTOR. Otherwise, the time when such payments will be due SUBCONTRACTOR will be postponed until five (5) days after CONTRACTOR receives payment therefor from OWNER. SUBCONTRACTOR specifically assumes the risk associated with any failure or refusal of OWNER to pay CONTRACTOR. SUBCONTRACTOR expressly agrees that it waives any and all rights to make a payment demand on CONTRACTOR directly or on CONTRACTOR's bond for any payment due unless CONTRACTOR has received payment from OWNER for the amount due to SUBCONTRACTOR but which has not been paid as required herein.

2.4 Before commencement of the Subcontract Work, SUBCONTRACTOR shall furnish to CONTRACTOR a complete list of subcontractors, suppliers, and materialmen to be used by SUBCONTRACTOR in the performance of this Agreement. SUBCONTRACTOR will notify CONTRACTOR at any changes or additions in subcontractors, suppliers and materialmen within five (5) days of such change or addition.

2.5 Retention, if any, shall be released and final payment shall be made to SUBCONTRACTOR within 30 days after final completion and acceptance of the Project by OWNER and CONTRACTOR, provided that: (a) SUBCONTRACTOR shall have completed its work to the full satisfaction of CONTRACTOR, Architect and OWNER; (b)

CONTRACTOR has received final payment from OWNER; (c) all subcontractors and materialmen have been fully paid and are waiving their lien rights and/or bond claims on the Project. CONTRACTOR's obligation to make final payment is subject, at all times, to SUBCONTRACTOR furnishing proof satisfactory to CONTRACTOR that all labor, materials and other obligations incurred by SUBCONTRACTOR in connection with performance of the Subcontract Work have been paid in full or otherwise resolved.

2.6 No payment, including final payment, will be evidence of the adequacy of performance of this Subcontract by SUBCONTRACTOR, either in whole or in part, and no payment will be construed as an acceptance of defective or incomplete work.

2.7 Acceptance of final payment shall constitute a waiver of all claims by SUBCONTRACTOR relating to the SUBCONTRACTOR's Work, but shall in no way relieve SUBCONTRACTOR of liability for other warranty obligations assumed in the Subcontract for repair of defective work appearing after final payment. SUBCONTRACTOR agrees that partial or final payment to SUBCONTRACTOR does not constitute or imply acceptance by CONTRACTOR or OWNER of any portion of the Subcontract.

3. **Right To Withhold Payments.**

3.1 CONTRACTOR may withhold payment of sums otherwise due to CONTRACTOR from SUBCONTRACTOR under the terms of this Agreement including, but not limited to, sums paid directly to SUBCONTRACTOR's materialmen and suppliers, or sums due CONTRACTOR for additional costs or expenses incurred as the result of SUBCONTRACTOR's failure to adequately perform the work.

3.2 If notification of any claims have been made against SUBCONTRACTOR or CONTRACTOR arising out of labor or materials furnished on the Project on account of any actions or failure to act by SUBCONTRACTOR in the performance of the Subcontract, CONTRACTOR, at its discretion, may pay such claims or withhold the funds otherwise due or to become due hereunder to cover the claims and any costs or expenses arising or to arise in connection therewith pending legal settlement thereof, and any such amounts so paid or withheld by CONTRACTOR shall be charged to the account of SUBCONTRACTOR. This right of CONTRACTOR shall not be exclusive of any other right of CONTRACTOR under this Agreement or provided by law.

4. **Other Subcontractors' Work.**

4.1 SUBCONTRACTOR understands that CONTRACTOR will subcontract other work on the Project to other subcontractors and, in addition, that OWNER may have contracts for the performance of other work on the Project. SUBCONTRACTOR agrees to cooperate fully with CONTRACTOR and with other contractors and subcontractors which are performing work on the Project site so as not to interfere with the performance of work by them or any of them. In the event of the failure for any reason of SUBCONTRACTOR and of other contractors or subcontractors to agree upon the extent of cooperation or the work to be done by either or any of them and in order to insure proper completion of items of contiguous tracts, such disagreement shall be determined by CONTRACTOR whose decision shall be final and conclusive.

4.2 In the event SUBCONTRACTOR sustains damage or loss through any delay, default, act or omission or any other contractor, subcontractor, their agents or employees, suppliers or materialmen, SUBCONTRACTOR agrees that CONTRACTOR shall not be liable therefor and that CONTRACTOR does not assume any responsibility for the acts or omission of any other contractor, subcontractor, supplier or materialmen, their agents or employees. In addition, SUBCONTRACTOR shall have no claim against CONTRACTOR for damage or loss by reason of delay, default, acts or omission of other subcontractors of CONTRACTOR, but shall have the right to recover therefor against such other subcontractors pursuant to a provision similar to this paragraph which has been or will be inserted in the subcontracts of other subcontractors of CONTRACTOR. If SUBCONTRACTOR, its agents, employees, suppliers or materialmen, by any delay, default, act or omission, damages any other subcontractor of CONTRACTOR, SUBCONTRACTOR hereby agrees to be directly responsible to such other subcontractor or CONTRACTOR for any such damage. SUBCONTRACTOR further agrees to the same extent to indemnify and hold CONTRACTOR harmless for any such delay, default, act or omission on the part of any of its materialmen or suppliers.

4.3 SUBCONTRACTOR agrees to pay for any expense CONTRACTOR or any other subcontractor may suffer as a result of SUBCONTRACTOR's failure, through causes within the SUBCONTRACTOR's control, to carry out the provisions of this Subcontract.

5. **Safety.**

5.1 All work, labor, services and materials to be furnished by SUBCONTRACTOR must strictly comply with all applicable federal, state and local laws, rules, regulations, statutes, ordinances and directives (hereinafter "Laws") now in force or hereafter in effect. All work, labor, services or materials necessary to comply with the Laws will be furnished by SUBCONTRACTOR as part of this Subcontract without any additional compensation. SUBCONTRACTOR agrees to indemnify and save CONTRACTOR and OWNER harmless from and against any and all claims, loss or expense caused directly or indirectly by its failure to fully comply with the laws.

5.2 SUBCONTRACTOR agrees that the prevention of accidents to workmen engaged in the work under the SUBCONTRACTOR is solely its responsibility. SUBCONTRACTOR shall comply with all applicable safety laws and to any safety standards established during the progress of the work by CONTRACTOR. If requested, SUBCONTRACTOR shall submit a safety plan for review by CONTRACTOR. The review of any safety plan by CONTRACTOR shall not be deemed to release SUBCONTRACTOR or in any way diminish its liability, by way of indemnity or otherwise, as assumed by it under this Agreement.

5.3 When so ordered, SUBCONTRACTOR shall stop any part of the work which CONTRACTOR deems unsafe until corrective measures satisfactory to CONTRACTOR have been taken. Should SUBCONTRACTOR neglect to adopt such corrective measures, CONTRACTOR may do so and deduct the cost from payments due to SUBCONTRACTOR. SUBCONTRACTOR shall timely submit copies of all accident or injury reports to CONTRACTOR.

5.4 In the event SUBCONTRACTOR encounters on the site material reasonably believed to be asbestos, polychlorinated biphenyl (PCB), or any other hazardous substance or hazardous material which is required to be removed or contained by any applicable rule or law and which has not been rendered harmless, SUBCONTRACTOR shall immediately stop Work in the area affected and report the condition to CONTRACTOR in writing. The Subcontract Work in the affected area shall resume in the absence of such hazardous substance or when it has been rendered harmless, by written agreement of CONTRACTOR and SUBCONTRACTOR, or in accordance with final determination by OWNER.

6. **Interpretations And Decisions.**

6.1 In the event an Architect or Engineer has been engaged by either CONTRACTOR or OWNER, or other agents, and has prepared plans and/or specifications, such Architect's or Engineer's interpretations and decisions relating to the interpretation or application of any such plans and/or specifications shall be final and binding as between the parties hereto.

6.2 In the event of any dispute or claim between CONTRACTOR and OWNER which directly or indirectly involves the Subcontract Work required to be performed by SUBCONTRACTOR under this Subcontract or in the event of any dispute or claim between CONTRACTOR and SUBCONTRACTOR which directly or indirectly involves a claim against OWNER for either additional compensation or an extension of time under the Contract Documents, SUBCONTRACTOR agrees to be bound to CONTRACTOR to the same extent that CONTRACTOR is bound to OWNER by the terms of the Contract Documents and abide all decisions, findings or determinations made thereunder by the person so authorized in the Contract Documents, by an administrative agency or court of competent jurisdiction or arbitration proceeding boards, whether or not SUBCONTRACTOR is a party of the proceedings before said persons, board, agency or court. If any dispute or claim is prosecuted or defended by CONTRACTOR, and SUBCONTRACTOR is not directly a party of litigant, SUBCONTRACTOR agrees to cooperate fully with CONTRACTOR and to furnish all documents, statements, witnesses and other information required by CONTRACTOR for such purpose. SUBCONTRACTOR shall reimburse CONTRACTOR for all expenses and costs, including reasonable attorneys' fees, incurred in connection with pursuing the claim to the extent of the SUBCONTRACTOR's interest in such claim or dispute. It is expressly understood and agreed in connection with the determination of such claims or disputes that CONTRACTOR never shall be liable to SUBCONTRACTOR to any greater extent that OWNER is liable to CONTRACTOR.

7. **Unemployment Contributions And Industrial Insurance.**

7.1 SUBCONTRACTOR hereby agrees and acknowledges that SUBCONTRACTOR is an independent CONTRACTOR hereunder, and shall furnish and provide at its sole expense all applicable Compensation and Industrial

Commission benefits relating to the work to be performed hereunder, and agrees to save and hold harmless CONTRACTOR from any such expense.

8. **Warranties And Guaranties.**

8.1 SUBCONTRACTOR warrants and guarantees to CONTRACTOR and OWNER that all materials and equipment furnished shall be new unless otherwise specified in writing, and that all work under this Subcontract shall be of good quality, free from faults and defects and in conformance with the Contract Documents.

8.2 SUBCONTRACTOR agrees, for the guarantee or warranty period established in the Contract Documents, and if no such period be stipulated in the Contract Documents, then for a period of one year from date of completion and acceptance of the Project by OWNER, and within 24 hours after receiving specific written notice from CONTRACTOR, to promptly correct without cost to CONTRACTOR or OWNER, all work reasonably rejected as defective or failing to conform to the Contract Documents. SUBCONTRACTOR further agrees to execute any special guarantees as provided by the Contract Documents or required by law. SUBCONTRACTOR shall require similar guarantees from all of its vendors and lower tier subcontractors. This guarantee shall be in addition to and not in limitation of any implied warranties of good workmanship or other warranties, rights and remedies available at law or provided for in the Contract Documents.

8.3 SUBCONTRACTOR shall pay for all changes to the work resulting from such defects in workmanship or materials and all expenses necessary to replace or repair the work, including that damaged or disturbed by making replacements or repairs. This guarantee is in addition to all other guarantees, warranties and rights set forth in the Contract Documents or available at law.

9. **Liability and Indemnification.**

9.1 All the work covered by this Agreement done at the site of construction, or in preparing or delivering materials or equipment, or any or all of them, to the site, shall be at the sole risk of the SUBCONTRACTOR. The SUBCONTRACTOR shall, with respect to all such work which is covered by or incidental to this Agreement, defend, indemnify and hold the CONTRACTOR and OWNER harmless from and against each and all of the following:

(a) Any claim, liability, loss, damage, costs, expenses, including attorney's fees, awards or judgments arising by reason of the death or bodily injury to persons, injury to property, design defects (if the design was originated by the SUBCONTRACTOR, his supplies, employee or agent), or other loss, damage or expense, including any of the same resulting from CONTRACTOR'S or OWNER'S alleged or actual negligent act or omission, regardless of whether such act or omission is active or passive, provided, however, the SUBCONTRACTOR shall not be obligated under this Agreement to indemnify the CONTRACTOR or OWNER with respect to damages which are due to the sole negligent or willful misconduct of the CONTRACTOR or OWNER, or their respective agents or servants.

(b) Any and all liens and charges of every type, nature, kind or description which may at any time be filed or claimed against the said real property, or any portion thereof, or the improvement situated thereon, as a consequence, direct or indirect, of any act or omission of the SUBCONTRACTOR, his agents, servants, employees, supplier, subcontractors, or any and all of them.

(c) Any and all liability, loss, cost, damage, or expense, sustained by the CONTRACTOR or OWNER, including attorney's fees, on account of or through the use of the land which is the site of the Project, the improvements thereon, or any part of the invitation, express or implied, of the SUBCONTRACTOR, or by permission of the SUBCONTRACTOR arising out or indirectly or directly due to or resulting from the performance of this Agreement by the SUBCONTRACTOR.

(d) Any liability, loss, cost, damage or expense, including attorneys' fees, by reason of the use or misuse by the SUBCONTRACTOR, his agents, servants, employees, invitees, licenses or permittees of the real property or any part thereof, or the improvements situated thereon, or of the equipment owned, rented or leased by CONTRACTOR.

(e) Any and all reinspection fees levied against the CONTRACTOR as a result of faulty or inferior workmanship and/or materials according to the standards as established by the Contract Documents.

10. **Liability Insurance.**

10.1 Before starting work, SUBCONTRACTOR, at its own expense, shall provide and furnish satisfactory proof to CONTRACTOR of public liability insurance in full force and effect in an amount sufficient to protect CONTRACTOR from any and all claims for damages for personal injury, including death, suffered by persons other than employees which may arise from SUBCONTRACTOR's performance of work under this Agreement. SUBCONTRACTOR will not sublet or subcontract any part of this Agreement without assuming absolute responsibility for requiring similar insurance from its subcontractors and suppliers. Specific insurance requirements are as noted in Attachment "A" hereto.

10.2 CONTRACTOR and OWNER shall be named as additional insured under the comprehensive general liability policy [or the commercial general liability policy]. Such policy shall provide that the insurance afforded by SUBCONTRACTOR shall be primary insurance so that any other insurance maintained by CONTRACTOR or OWNER shall be excess only and will not contribute with CONTRACTOR's insurance.

10.3 The policies of insurance shall be in such form and shall be issued by such companies as may be satisfactory to CONTRACTOR. Before starting work, SUBCONTRACTOR shall furnish CONTRACTOR with certificates of insurance from the issuing companies that specify the effective dates of the policies, the limits of liability there under and that contain a provision that the insurance shall not be cancelled except upon 30 days notice in writing to CONTRACTOR. SUBCONTRACTOR shall not cancel any policies or insurance required hereunder either before or after completion of the Subcontract work without CONTRACTOR's written consent.

11. **Storage Of Materials, Supplies And Equipment.**

11.1 SUBCONTRACTOR may store any materials, supplies, or equipment necessary to perform its work at the job site only with written permission from CONTRACTOR. SUBCONTRACTOR must be prepared at all times to prove exact quantities and qualities of the materials and equipment being used and/or stored in place. SUBCONTRACTOR agrees to store such items where directed by the CONTRACTOR. SUBCONTRACTOR agrees that such storage is for its sole convenience and assumes all risk of loss, responsibility and liability for the stored materials. SUBCONTRACTOR agrees to maintain, at all times, sufficient insurance to cover any losses of any sort and to hold CONTRACTOR harmless from any such claim.

12. **Contract Termination.**

12.1 If OWNER, with or without cause, shall terminate the General Contract or stop or suspend work under the General Contract, CONTRACTOR may so notify SUBCONTRACTOR in writing and upon receipt of the notice, this Agreement also shall be terminated or suspended, and SUBCONTRACTOR shall immediately stop the Subcontract Work. In the event of an OWNER termination or suspension, CONTRACTOR's liability to SUBCONTRACTOR is limited to the extent of CONTRACTOR's recovery on SUBCONTRACTOR's behalf under the Contract Documents for the Subcontract Work furnished as of the date of termination or suspension.

12.2 If SUBCONTRACTOR refuses or fails to supply enough properly skilled workers, proper materials, or maintain the Schedule of Work, or it fails to make prompt payment for its workers, sub-subcontractors or suppliers, disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a material breach of a provision of this Agreement, and fails within 48 hours after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, then CONTRACTOR, without prejudice to any rights or remedies, shall have the right to any or all of the following remedies:

(a) supply such number of workers and quantity of materials, equipment and other facilities as CONTRACTOR deems necessary for the completion of the Subcontract Work, or any part thereof which SUBCONTRACTOR has failed to complete or perform after the aforesaid notice, and charge the cost thereof to SUBCONTRACTOR, who shall be liable for the payment of same including reasonable overhead, profit and attorney's fees;

(b) contract with one or more additional contractors to perform such part of the Subcontract Work as CONTRACTOR shall determine will provide the most expeditious completion of the total Work and charge the cost thereof to SUBCONTRACTOR;

(c) withhold payment of any monies due SUBCONTRACTOR pending corrective action to the extent required by and to the satisfaction of CONTRACTOR;

(d) in the event of an emergency affecting the safety of persons or property, CONTRACTOR may proceed as above without notice; or

(e) terminate this Agreement and use any materials, implements, equipment, appliances or tools furnished by or belonging to SUBCONTRACTOR to complete the Subcontract Work.

12.3 All of the costs incurred by CONTRACTOR in so performing the Subcontract Work, including reasonable overhead, profit and attorney's fees, shall be deducted from any monies due or to become due SUBCONTRACTOR. SUBCONTRACTOR shall be liable for the payment of any amount by which such expense may exceed the unpaid balance of the Subcontract price.

13. **Removal Of Debris And Clean Up.**

13.1 On a daily basis during the courses of construction and at the completion of Subcontract Work, SUBCONTRACTOR will clean its work and work area. This includes removal of all waste materials and rubbish from and about the job as well as all tools, construction equipment, machinery and surplus materials. SUBCONTRACTOR shall leave its work and work area "broomclean" or its equivalent unless otherwise specified. Should SUBCONTRACTOR fail to perform its responsibility under this section, CONTRACTOR may perform this work and charge SUBCONTRACTOR at the prevailing rate.

13.2 SUBCONTRACTOR shall be responsible, at its own cost, to dispose of any hazardous material used in performing the Subcontract Work at an approved landfill or dump. Under no circumstances shall SUBCONTRACTOR dispose of any hazardous materials on site.

14. **Changes In Work.**

14.1 CONTRACTOR may order changes in the work to be done by SUBCONTRACTOR. However, no changes shall be made without the written consent of CONTRACTOR. Before commencement of such changes or revised work, SUBCONTRACTOR will submit promptly to the CONTRACTOR, for its approval, written copies of the cost or credit proposal for such revised work in a manner consistent with the Contract Documents. CONTRACTOR will not be liable for a greater sum than CONTRACTOR obtains from the OWNER for such revised work, and the recovery by SUBCONTRACTOR for such work will be conditioned upon a prior recovery by CONTRACTOR from the OWNER for such work.

14.2 All claims, disputes or other matters in question, arising out of or in any way relating to this Subcontract, or the breach thereof shall be subject to the same Notice requirements and shall be decided in the same manner and under the same procedure as provided with respect to disputes between OWNER and CONTRACTOR in the Contract Documents. In the event of dispute between CONTRACTOR and SUBCONTRACTOR over any aspect of Subcontract, SUBCONTRACTOR agrees that no such dispute will interfere with the progress and performance of work under this Subcontract, and SUBCONTRACTOR shall perform under the terms of the Subcontract without cessation or delay.

15. **Miscellaneous Provisions.**

15.1 Waiver by CONTRACTOR of any SUBCONTRACTOR breach shall not constitute a waiver of any subsequent breach of the Subcontract.

15.2 This Agreement and any sums due there under shall not be sublet or assigned to any other person or entity without the prior written consent of CONTRACTOR.

15.3 This Agreement shall be deemed to have been made in Maricopa County, Arizona, and shall be interpreted and the rights and liabilities of the parties here determined under the laws of Arizona. SUBCONTRACTOR hereby consents to the jurisdiction of any State or Federal court located within Maricopa County, Arizona, and waives the personal service of any and all process upon SUBCONTRACTOR herein, and consents that all such service of process may be made by Certified or Registered Mail, return receipt requested, directed to SUBCONTRACTOR at the address noted in above. Any claim or action by SUBCONTRACTOR against CONTRACTOR must be commenced within two (2) years from the date the cause of

action accrued, but in no event later than one (1) year after substantial performance of this Agreement, and in no event after final payment to SUBCONTRACTOR.

15.4 SUBCONTRACTOR shall not discriminate against any employee or applicant for employment because of race, religion, color or national origin, and will comply with and be bound by all federal, state and local laws, statutes and regulations relative to employment of employees.

15.5 The subject headings herein used are for convenience of the parties only and do not limit the application of the language used.

15.6 The provisions of the Agreement shall inure to the benefit of, and be binding upon, the permitted and respective assigns, successors, and representatives of the parties hereto. This Agreement is personal to SUBCONTRACTOR, and as such SUBCONTRACTOR may not assign this Agreement without the prior written consent of CONTRACTOR. CONTRACTOR may assign this Agreement to any person or entity who, directly or indirectly, acquires or otherwise succeeds (whether by purchase, merger or otherwise) to any portion of the business or assets of CONTRACTOR, or to any affiliate, parent, or subsidiary person or entity of CONTRACTOR.

15.7 SUBCONTRACTOR waives all right of subrogation against OWNER, other subcontractors and the CONTRACTOR for damages caused by fire, or other perils covered by Insurance, except such rights it may have to the proceeds of such insurance.

15.8 SUBCONTRACTOR shall defend all suits or claims for infringement of patent rights arising out of the work to be performed hereunder by SUBCONTRACTOR, and shall save CONTRACTOR harmless, and agrees to wholly indemnify CONTRACTOR for such damages or claims.

15.9 SUBCONTRACTOR shall pay all sales, consumer, use and other similar taxes required by law and incurred under this Agreement. SUBCONTRACTOR shall also secure and pay for all permits, fees and licenses necessary for the proper execution and completion of the work herein called for, and shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority relating to the work including the safety of property and persons.

15.10 If required by CONTRACTOR, SUBCONTRACTOR shall furnish and provide payment and performance bonds, each in an amount equal to the full Subcontract price, with such sureties as may be agreeable to CONTRACTOR at SUBCONTRACTOR's sole expense.

Attachment A To General Conditions of the Subcontract Agreement

SUBCONTRACTOR INSURANCE REQUIREMENTS

1. **Commercial General Liability or Comprehensive General Liability** providing coverages including, but not limited to:

- A. Commercial General or Comprehensive Form
- B. Premises Operations
- C. Underground Explosion & Collapse Hazard (if applicable)
- D. Products/Completed Operations
- E. Contractual
- F. Independent Contractor's
- G. Broad Form Property Damage
- H. Personal Injury

Coverage Forms A-H must provide at least \$1,000,000 Bodily Injury and Property Damage on a Combined Single Limit (CSL) Form **except** for the trades of plumbing, fire protection, electrical, HVAC and excavation. These trades must have at least \$1,000,000 per Occurrence and \$2,000,000 General Aggregate and include **completed operations coverage on the additional insured endorsement**.

2. **Commercial or Comprehensive Automobile Liability** including non-ownership and hired car liability as well as owned automobile coverage with limits of not less than \$1,000,000 Bodily Injury and Property Damage on a Combined Single Limit Basis. Verification of insurance for those automobiles used on the project, which are personally owned and not covered by the Certificate of Insurance, must also be supplied. Any umbrella insurance policy shall apply to "all autos".

3. Notification that the Subcontractor has **Worker's Compensation Insurance** as required by State statutes with Employer's Liability limits of \$100,000 each accident, \$100,000 each employee, and \$500,000 policy limit **except** for the trades of plumbing, fire protection, electrical, HVAC and excavation. These trades must have limits of \$500,000 each accident, \$500,000 each employee, and \$500,000 policy limit.

4. **Certificate of Insurance** naming "**Jokake Construction Services Inc. and Owner as additional insured for any and all jobs, per written contract**" **THE ADDITIONAL INSURED ENDORSEMENT MUST BE INCLUDED (SEE SAMPLE ENDORSEMENT ATTACHED)**. Jokake Construction Services must be listed as the additional insured. There could be additional expense for this addition to your insurance binder, so check with your agent. Remember, failure to provide the necessary information could put you in breach of our master subcontractor agreement. (in accordance with Section 10 of the General Conditions of the Subcontract Agreement). This must be on file PRIOR to any work starting. **Insurance Companies can no longer give us advance notice of at least thirty (30) days of substantial coverage change, cancellation of insurance, or non-renewal of the subcontractor's policy. It will be the Subcontractor's responsibility to let us know of any insurance changes.**

Failure on behalf of the Subcontractor to comply with these requirements prior to the start of the work described in the Subcontract Agreement, and specifically before invoicing for payment, will result in the delay of payment or possible forfeiture of any and all monies due the Subcontractor in order to bring the Subcontractor's insurance coverage into compliance.

Subcontractor's obligation of indemnity contained in Section 9 of the General Conditions of the Subcontract Agreement shall survive the termination of the Subcontract Agreement, and specifically includes Subcontractor's duty as Indemnitor to hold harmless and defend the Indemnitees for any and all such loss following completion of Subcontractor's scope of work, notwithstanding Subcontractor's insurance carrier's non-compliance with the additional insured, including completed operations, provisions contained in the insurance requirements of the Subcontract Agreement and its incorporated Attachments.

Subcontractor:
Policy Number

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

**ADDITIONAL INSURED - OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

**Name of Person or Organization: Jokake Construction Services Inc.
Owner
5013 E. Washington St. Suite 100
Phoenix, AZ 85034**

RE: ANY & ALL JOBS

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Who is an insured (Section III) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your work performed for that insured.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE
Name of Person or Organization:
Location And Description of Completed Operations:
Additional Premium:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the schedule of this endorsement performed for that insured and included in the "products-completed operations hazard".