



SAFETY BOOKLET

EXHIBIT 7

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PROJECT SAFETY

Our company has recently experienced a radical increase in the cost of our liability insurance. Unless your company is in a unique position, we expect that you have also encountered similar increases or will do so on your next policy renewal. These increases are caused by three factors:

1. Market conditions in the insurance industry resulting from the large underwriting losses over the last several years.
2. The increasing costly involvement of the legal profession including excessive claim awards being given by juries.
3. The poor safety record of the construction industry as a whole.

All employers (generals and subcontractors) are required to have the following items in writing:

- Required Posters
- Injury and Illness Prevention Program and the documentation to prove it is being implemented and maintained.
- OSHA Log 300A
- Hazard Communication Program
- Emergency Action Plan
- Emergency Medical Services Plan
- Fire Prevention and Protection Program
- Respiratory Protection program (if applicable)
- Hearing Conservation Program (if applicable)
- Assured Equipment Grounding Program
- Trenching/Excavation Plan (if applicable)
- Confined Space Entry Program (if applicable)

Also, insure each employer has at least one (1) CPR and first-aid trained employee to render aid.

Lacking any of the above may result in Fed/OSHA penalties.

Neither of us can do much to change or affect the first two factors, but we certainly can work together to improve our safety records and thereby reduce our losses.

Straub has implemented an Injury and Illness Prevention Program. In this effort, we are requesting all employees and Subcontractors to vigorously participate in making all Straub job sites as safe as possible. Additionally, we are searching for new methods, ideas and equipment to provide greater protection on our jobs.

Straub will provide 100% orientation to all workers on each project. A method of distinguishing between non-oriented and oriented workers (hard hat stickers) will be required.

Each Subcontractor will provide a written list of Competent Persons designated by the employer for all work performed where Competent persons are required per OSHA CFR 1926 Regulations.

In order to implement an effective safety program, we must have your full participation and cooperation. We are therefore directing our jobsite supervisory personnel to observe the following guidelines relative to subcontractor's personnel:

1. If an employee of a subcontractor is observed creating an unsafe condition or performing an unsafe act, he will be asked to correct that condition without observing the usual lines of communication. That is, the employee will be informed directly, prior to advising your onsite management personnel.

2. If an individual continues to disregard our request to correct safety conditions, we will direct you in writing to remove that individual.
3. If you as a subcontractor continue to allow unsafe conditions to go uncorrected after they have been brought to your attention, such conditions will be corrected at your expense.

Neither this letter nor the above guidelines shall relieve you from your obligations with respect to safety. Per your subcontract agreement you agreed to comply with all safety requirements of OSHA, Army Corps of Engineers EM-385-1-1 and other governing bodies and the safety provisions of all applicable codes as they relate to the work performed by it, and that all work will be performed in a safe manner with the highest regard for safety of all individuals at the jobsite.

Please provide Straub with a copy of your firms Injury and Illness Prevention Program a.k.a. "**SAFETY PLAN**".

The intent of this letter is not to make your job more difficult, but rather to encourage your participation in project safety and to prevent accidents.

Your cooperation is appreciated.

DRUG FREE WORKPLACE

Straub Construction, Inc. is dedicated to providing a drug-free and safe workplace for everyone working on our projects. To do this, we must eliminate to the extent possible the use of illegal drugs, alcohol, the illegal use of controlled substances, and the excessive use of legal controlled substances.

“Drug-free workplace” means the site(s) for the performance of work done by the Contractor in connection with a specific contract at which employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of any controlled substance.

The Contractor (or subcontractor) agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.

Drug-Free Workplace: This project is certified as a “DRUG-FREE WORKPLACE”. Neither the SUBCONTRACTOR, sub-tier subcontractor, nor supplier of subcontractor, while performing services at the project, shall be in any way impaired because of being under the influence of alcohol or a drug, shall possess an open container of alcohol or consume alcohol or possess or be under the influence of an illegal drug, shall sell, offer or provide alcohol or a drug to another person. Any employee’s failure to abide by this provision shall be considered reasonable cause to suspend the employee’s right to work on this project.

Statement of Policy

The use, manufacture, sale or possession of alcohol, narcotics, illegal drugs, or controlled substances while on the job, Company property, or a Company jobsite is prohibited and is a dischargeable offense. (Narcotics, illegal drugs and controlled substances are hereinafter referred to as “drugs”). Any illegal substances will be turned over to the appropriate law enforcement agency and may result in criminal prosecution.

Employees are prohibited from reporting for, or being at work while under the influence or effects of alcohol or drugs. Contractors shall adopt appropriate personnel procedures to deal with employees who are found to be using drugs illegally.

Contractors shall not allow any employee to remain on duty or perform in a sensitive position who is found to use illegal drugs until such times as the Contractor, in accordance with procedures established by the Contractor, determines that the employee may perform in such a position.

ACCIDENT PREVENTION

1. In performing this Agreement, the SUBCONTRACTOR shall provide for protecting the lives and health of employees and other persons; preventing damage to property, materials, supplies, and equipment, and avoiding work interruptions. For these purposes, the SUBCONTRACTOR shall, for its scope of work:
 - a. Provide appropriate safety equipment and signal lights. The SUB- CONTRACTOR will closely coordinate its activities with other on-site CONTRACTORS in order to prevent an unsafe working environment. If safety devices are erected or installed by others (such as a lifeline) and used by SUBCONTRACTOR'S employees, it is SUBCONTRACTOR'S responsibility to inspect such devices and, as between CONTRACTOR and SUBCONTRACTOR, SUBCONTRACTOR accepts sole responsibility for use of such safety devices in accordance with local, state, and federal safety and health laws, orders, or regulations. If equipment or materials are provided by or available from others on site (such as ladders, scaffolding, and forklifts) prior to any use thereof by SUBCONTRACTOR, SUBCONTRACTOR shall obtain the written consent of the provider, and it is SUBCONTRACTOR'S responsibility to inspect such equipment and materials and, as between CONTRACTOR and SUBCONTRACTOR, the SUBCONTRACTOR accepts sole responsibility for use of such equipment for materials in accordance with all local, state, and federal safety and health laws, orders, or regulations;
 - b. Comply with all local, municipal, state, and federal safety and health laws, orders, and regulations applicable to SUBCONTRACTOR'S operations in the performance of the work hereunder. Any conflicts between such laws, orders, or regulations, will be resolved in favor of the stricter safety requirement. While on the premises of the OWNER, SUBCONTRACTOR and his employees shall comply with the requirements of the Occupational Safety and Health Act of 1970 (84 U. S. Stat. 1590), as amended, and any State plan similar to such Act, and the regulations thereunder, to the extent applicable; and
 - c. SUBCONTRACTOR shall comply with the safety, health, and site regulations of the CONTRACTOR and OWNER and shall ensure that all his employees, CONTRACTORS, and agents have a safe place of work on the premises of OWNER.
 - i. The SUBCONTRACTOR shall maintain an accurate record of all accidents incidental to work performed under this contract resulting in death, injury, occupational disease, or damage to property, materials, supplies, or equipment. The SUBCONTRACTOR shall provide CONTRACTOR copies of all accident reports filed with federal, state, and local governmental agencies and such additional data as may be requested by CONTRACTOR.
2. While it is the SUBCONTRACTOR'S sole responsibility and obligation to furnish a safe place to work for its employees, the CONTRACTOR may notify the SUBCONTRACTOR of any noncompliance with these requirements and of the corrective action required. This notice, when delivered to the SUBCONTRACTOR or the SUBCONTRACTOR'S representative at the site of work, shall be deemed sufficient notice of the noncompliance. After receiving the notice, the SUBCONTRACTOR shall immediately take corrective action. If the SUBCONTRACTOR fails or refuses to take corrective action promptly, the CONTRACTOR may issue an order suspending all or part of the work until satisfactory corrective action has been taken. The SUBCONTRACTOR shall not base any claim or request for equitable adjustment for additional time or money on any suspension issued under these circumstances.
3. In the event of any claim for damages brought against the OWNER or CONTRACTOR by employees of the SUBCONTRACTOR or its SUBCONTRACTORS alleging that the OWNER or CONTRACTOR negligently failed to furnish a safe work place, such claim shall be subject to SUBCONTRACTOR'S obligation to defend, indemnify and hold harmless CONTRACTOR and OWNER.
4. SAFETY - The prevention of accidents on or in the vicinity of its work is the SUBCONTRACTOR'S responsibility, even if the CONTRACTOR establishes a safety program for the entire project. The SUBCONTRACTOR shall establish a safety program implementing safety measures, policies and standards conforming to those required or recommended by governmental and quasi-governmental authorities having jurisdiction and by the CONTRACTOR and OWNER, including, but not limited to, requirements imposed by the contract documents. The SUBCONTRACTOR shall comply with the recommendations of CONTRACTOR'S and/or OWNER'S insurance company having an interest in the Project, and shall suspend any part of the work, which the CONTRACTOR deems unsafe until corrective measures satisfactory to the CONTRACTOR shall have been taken. The CONTRACTOR'S failure to

suspend the SUBCONTRACTOR'S unsafe practices shall not relieve the SUBCONTRACTOR of the responsibility for the unsafe practices. The SUBCONTRACTOR shall notify the CONTRACTOR immediately following any accident and promptly confirm the notice in writing. A detailed written report shall be furnished to the CONTRACTOR. The SUBCONTRACTOR shall indemnify the CONTRACTOR for fines, damages or expenses incurred by the CONTRACTOR because of the SUBCONTRACTOR'S failure to comply with safety requirements.

5. Safety: SUBCONTRACTOR shall comply with all OWNER'S safety programs, General Contractor, OSHA and EM 385-1-1 requirements and site safety regulations and rules, whatever is most stringent.
6. Jobsite Safety: SUBCONTRACTOR shall assume sole and complete responsibility for the jobsite conditions including safety of all persons and property. This requirement shall apply continuously; for the entire duration of your work and shall not be limited to normal working hours. SUBCONTRACTOR shall be responsible for securing equipment left on site after working hours to prevent unauthorized operation.
7. Hardhats, safety glasses and PPE's are required to be worn at all times during working hours at the job site. Workers will not be allowed on site without a hardhat of their own. Straub Construction may assess fees per occurrence for non-compliance. Additional fines may be assessed for non-compliance within OSHA guidelines.
8. Lighting: SUBCONTRACTOR will be responsible for additional task lighting as required to perform his specified work.
9. Hazard Communication Regulations / Environmental Protection: SUBCONTRACTOR is responsible for complying with Hazard Communication Regulations and must provide Contractor with Material Safety Data Sheets on all hazardous substances and estimated quantities to be used on this Project five (5) days before delivery of said substances.
10. By execution of this agreement, the SUBCONTRACTOR agrees to be bound by Straub Construction, Inc.'s job site safety program as established by Straub Construction, Inc.'s management and interpreted and enforced by the project Superintendent and / or assistant. Furthermore, SUBCONTRACTOR agrees to establish and maintain an effective injury prevention program as required by Senate Bill 198 and Assembly Bill 2249 (Penal Code 387) of the California Corporate Criminal Liability Act, effective July 1, 1991.