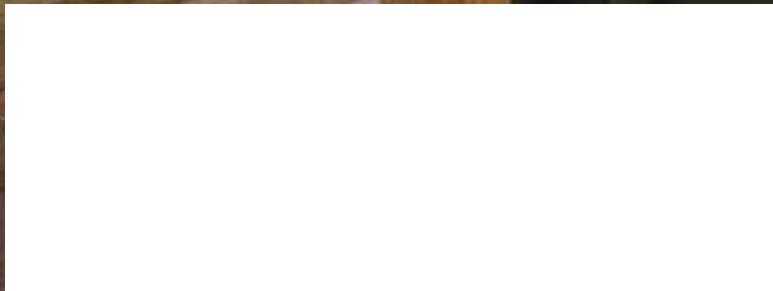




Foundation

A Quarterly Publication
from The Layton Companies
www.laytoncompanies.com

Summer 2010
Stein Eriksen Lodge
Deer Valley, Utah



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Layton in the News

4-5 | CLIENT PROFILE
Stein Eriksen Lodge



Let us join your team!

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Repeat Work

Happy clients become motivated salespeople

The features in this issue of *Foundation* remind me of the importance of our customer relationships. Our Layton mission statement says that “we will clearly differentiate our performance by creating lasting relationships with employees and customers, understanding and exceeding customer expectations.”



David S. Layton

A straightforward goal in the construction industry is the importance of finding “repeat work.”

Over many years, as we have strived to build quality, we’ve also worked to build friendships. Alan W. Layton, my father and our company’s founder, taught us that “a satisfied customer is like putting out a salesman.”

Many of our great customers have also become personal friends. We appreciate when they come back to bring us more work opportunities! It is so much easier to do another project with people we already know, with whom we’ve learned to communicate, who also know and trust us.

I visited Russ Olsen and the worksite at his premier Stein Eriksen Lodge in Park City, Utah, during our recent construction there. When our customer is operating a facility whose clientele can go pretty much anywhere to spend their dollars and choose to go to Stein Eriksen Lodge, we do everything we can to present a construction scenario that is equal to their five-star experience.

Frankly, we need to be out of sight and out of mind on a project like that. But when resort guests commented that they enjoyed looking down on the construction site from their rooms and seeing



Pink's Hot Dogs – a Hollywood legend and a Layton client – is an example of what it takes to build customer loyalty.

PHOTO COURTESY PINK'S HOT DOGS

construction workers busily engaged, it is clear that we were paying close attention to the noise levels, cleanliness and order of the job site. I told Russ that his might not be the largest job in the Layton project log, but it is absolutely just as important as any other project.

We are working on another Community Health Systems hospital in College Station, Texas (in addition to CHS healthcare facilities in Tooele, Utah, and Barstow, Calif.). Even more critical than taking care of resort hotel guests is offering stellar customer service when we construct on top of and within a functioning medical center. Parents of newborns and critically ill children have little tolerance for construction noise and dust. We understand that we need to meet the needs of our clients’ clients.

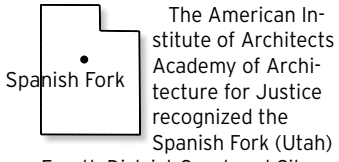
When our team in Phoenix proposed on the Westin Kierland Resort and Spa, we integrated our Building Information Modeling (BIM) three-dimensional time-lapse model into our presentation to show how their project would unfold. The Westin Kierland team loved the BIM graphics so much that they have added it to their Web site (www.kierlandenhancements.com) and will have a running display on our temporary construction wall so resort guests and potential customers can see what the addition and renovation will look like when complete.

We are told that Host Hotels and Resorts, Westin Kierland’s parent company, will insist that BIM be used for all future construction projects. We hope that we have helped set a new construction standard for Westin Kierland and other resort properties, and that it might help us find repeat work with that organization.

Pink’s Hot Dogs at LAX has to be among the smallest of jobs we’ve ever undertaken. But when we have the chance to build for a Hollywood icon and continue a relationship with a good customer — Delaware North Companies — we’ll do what they ask of us to maintain and build that relationship.

At Pink’s, customers have been coming back for 70 years because of the product, quality and friendly service. If you’re ever at LAX, pause to buy a Chili Dog at Pink’s. Remind yourself of Layton’s goal and desire to be like Pink’s because we also know that a quality product results in repeat work. 🍌

Utah city's justice center receives architectural award



The American Institute of Architects Academy of Architecture for Justice recognized the Spanish Fork (Utah) Fourth District Court and City Police Justice Center as one of the top law enforcement facilities in the 2009 edition of Justice Facility Review. The award was received by facility designer EDA Architects (Salt Lake City).

The 59,000-square-foot building, constructed by Layton, combines brick and sandstone and features "numerous sustainable strategies to reduce its environmental impact, provide occupant health and safety, and ensure long-term value for the citizens."

Hot dog heaven comes to LAX

Pink's Hot Dogs has been a Hollywood legend since 1939. Known as the "Hot Dog to the Stars," Hollywood's who's-who have been visiting Pink's for 70 years, and Pink's has expanded to a dozen locations in the Los Angeles area.

Layton Construction, under agreement with concessionaire Delaware North Companies, a global leader in hospitality and food service, is building out the latest Pink's kiosk at the Bradley International Terminal at Los Angeles International Airport (LAX). Hot dog!

#63

The Layton Companies stepped three positions closer to the top with the ranking of No. 63 on the 2010 Engineering News Record TOP 400 CONTRACTORS SURVEY released in May. Layton also ranked 58th on ENR's Top 100 contractors (ranked by new contracts). Analyzing the ENR data further, Layton ranks in the top 20 of construction companies based in the 16 western states.



This rendering of the Westin Kierland Resort & Spa expansion illustrates some of the new relaxing space that will be available in December 2010.

Arizona Beauty

Layton expands Kierland Resort & Spa in Scottsdale, Ariz.

Layton Construction Company of Arizona has embarked on expansion and renovation of the Westin Kierland Resort & Spa in Scottsdale, Ariz. A new 23,000-square-foot ballroom will be added atop the existing Grand Ballroom. Renovation includes an added pantry area and pre-function reception space. A 4,500-square-foot lake terrace overlooking the golf course will provide another amenity to this prestigious facility. The terrace includes two large "rammed-earth" fireplaces. Various colors of southwest earth are layered and rammed (or compressed) to build the fireplace structures. Layton's building information modeling (BIM) will be displayed for resort guests to view the three-dimensional graphical model to understand the changes and additions underway at the resort. Layton has confirmed its "reservation" with Westin Kierland for December 2010 when the work will be complete.

'Best of State' recognizes The Layton Companies

The Layton Companies was named the Utah Best of State® 2010 in the Business Services Construction-Commercial category. Best of State® "seeks to recognize businesses that are achieving, innovating and improving the quality of life in Utah." According to the organization, Layton was "recognized for excellence in service, creativity and differentiation and for contributions that make Utah a better place to live." Layton measures up to the Best of State® motto, "Excelling and Surpassing All Else®."

WINNER
BEST OF STATE



UTAH 2010

College Station Medical Center benefits from Layton experience

College Station (Texas) Medical Center is the latest beneficiary of Layton's experience in expanding hospitals.

Tennessee-based Community Health Systems, an operator of acute-care hospitals, has hired Layton to build a 30,000-square-foot vertical expansion above an existing two-level tower. The new third level will house 34 antepartum rooms and a nursery to provide care for 25 newborns. A connecting bridge will link to the existing third-floor women's and newborn center,

and a 19,000-square-foot renovation will convert existing post-partum rooms to 13 private NICU rooms, four additional labor and delivery rooms and four new antepartum rooms.

Layton will also build two operating rooms in the medical center's main level in existing shell space, relocate a lab from the emergency department to an adjacent medical office building, and renovate half of the existing emergency department to provide 10 new exam rooms. Layton will deliver the project in January 2012.



Anything It Takes

Stein Eriksen Lodge expansion highlights Layton’s dedication to customer needs

When the management of a five-star, five-diamond iconic resort located in one of the most beautiful and well-known destinations in the world wants to expand its spa, what company do they choose to build it?

In the case of the Stein Eriksen Lodge (located in Park City, Utah), the management called on a familiar name — Interior Construction Specialists, one of The Layton Companies — when it came time to expand its spa facilities by more than five times the space.

“As we looked at the spa addition, we had contractors coming out of the woodwork, offering rock-bottom prices,” says Russ Olsen, chief executive officer at

Stein Eriksen Lodge. “However, we had previously worked with Layton and asked ourselves, ‘Why would we go with anyone else?’”

REPEAT CUSTOMER

In 2006, Layton’s Interior Construction Specialists (ICS) completed a 150,000-square-foot renovation to the Stein Eriksen Lodge. One year later, Layton paired with Stein Eriksen Lodge again and completed a ground-up addition that added 14,000 square feet to the resort. Not only was the work done well and on time, but Olsen and other members of the Lodge management team were impressed with the creative approach to problem solving the ICS team showed.

“There were some issues that came up (in 2006) that no one could have seen,” Olsen says. “It was great to see the team from Layton bring everyone together and figure out solutions.”

In fact, at one point Layton Construction’s engineers invented a piece of equipment to meet a specific structural need the Lodge had.

“When the spa project came up, we didn’t have to look any further,” Olsen says.

SOLUTION DRIVEN

The Stein Eriksen Lodge caters to the needs of high-end customers from around the world. It’s an exclusive resort that takes care of the customer.

“Our guests can go anywhere in the world,” Olsen says. “So, we have

The Details

STEIN ERIKSEN LODGE SPA EXPANSION

START DATE
July 22, 2009

COMPLETION DATE
December 4, 2009

TOTAL ADDED SQUARE FOOTAGE
20,000
(from 5,000 to 25,000)

COST
\$5.2 million

AMENITIES ADDED

- 16 treatment rooms
- 2 couple treatment rooms
- Relaxation room
- Expanded fitness facilities
- Twice as much pedicure and manicure space
- Added a makeup and hair styling area
- Added 2,000 square feet to heated pool deck



to give them an experience that makes them glad they chose to come here. We have to be focused on solutions.”

That business philosophy is something ICS shares with its client.

“The key to making sure that we got the quality we needed was the excellence of the on-site staff,” says Dale Watson, project manager from ICS. “Our superintendent (Ben Hayward) came up through the ranks and understands what we’re looking for.”

Hayward’s knowledge meant that ICS could catch small issues before they became big ones.

TIMING IS EVERYTHING

Any construction job is challenging — it’s the nature of the business. However, the addition to the Stein Eriksen Lodge posed some particularly difficult challenges.

Originally, the Lodge expansion was scheduled to start about May 1 and be completed before Thanksgiving weekend — giving construction crews barely more than six months to complete the entire project. An ambitious project at best.

However, due to differences in interpretation, the plans took longer to be approved by the city than originally estimated. By the time the project was able to start, it was July 22. But the client’s



The new shared relaxation room provides couples and individuals the chance to rejuvenate mind and body.

needs still came first. ICS revised the construction timeline to reflect the delay and still meet the Thanksgiving weekend deadline.

“That was a firm date for the client, so we adjusted to make sure we met their expectations,” Watson says.

Throw in weather issues, a small staging area and the fact that this was all done at a year-round resort that was still hosting guests, and the challenge increased.

CLEAR COMMUNICATION

“We started by getting all of the subcontractors on board,” Watson says. “We needed to make sure they were committed to the quality and timeframe we needed.”

After clearly expressing ICS’s expectations and getting the sign-off from the subcontractors, Watson brought an adjusted plan to Olsen and other members of the Lodge’s management team and made sure they were on board as well.

“They came back in and said, ‘Here’s a solid gameplan,’” Olsen says. “But we all know that the devil is in the details. You can tell me what you want to happen, but they actually managed the various trades in such a way that they made it happen.”

ANYTHING IT TAKES

One image stands out to Olsen that illustrates the dedication ICS had to getting the project done on time. In the final days, Olsen noticed Watson touching up some paint on the walls himself. When Olsen asked Watson why he didn’t have someone else touch up the paint — like the painting contractor, for example — Watson simply replied that everyone else was busy.

It’s the same thing Olsen and his staff would do to make sure a guest was taken care of: anything to find the solution. 🐾

Five-Star Client

The Stein Eriksen Lodge has received:

- A Forbes five-star rating
- AAA five-diamond rating
- It’s the only resort in Utah to receive the highest ratings from both Forbes and AAA.

The WOW Factor

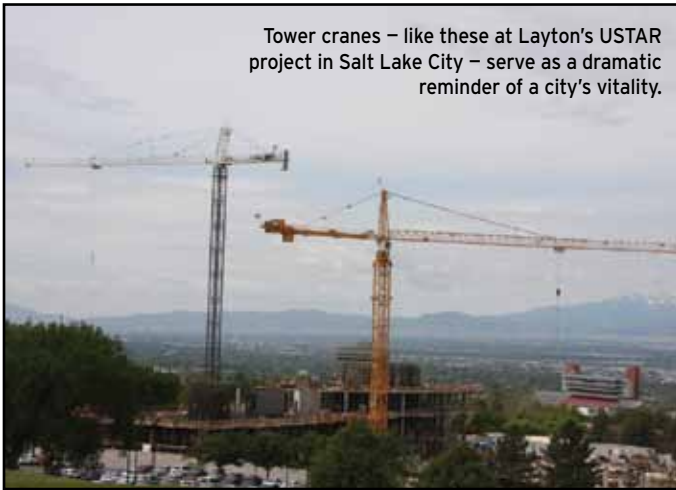
Since the entire resort is one big “wow,” it’s hard to pick just one. So, one of the most amazing things with this project is the timeframe in which Layton’s Interior Construction Specialists completed the work. The entire project was done in about 100 days.

“For future projects, Layton would be at the top of our list and be the only one on our list. No question. You can trust these people. If they say it will happen, it will happen.”

Russ Olsen
Chief Executive Officer
Stein Eriksen Lodge

Note this

- The lodge has one way in and one way out, which is *great for guests* and challenging for construction crews. Crane use was crucial to staging materials.
- This was the *third job* Interior Construction Specialists has done for Stein Eriksen Lodge since 2006, including a 150,000-square-foot renovation to the Lodge.



Tower cranes – like these at Layton’s USTAR project in Salt Lake City – serve as a dramatic reminder of a city’s vitality.

The power of the crane

Efficient tower crane use leads to successful construction projects and easier concrete placement

Standing tall over most jobsites is the tower crane, a well-recognized symbol of construction. While other portable cranes perform a variety of tasks on a construction site, the tower crane is the stationary sentinel of the work being performed under its watchful stance, where architects’ dreams turn into Layton’s constructed reality.

Concrete placement at large commercial jobsites is largely dependent upon the crane. The tower crane is strategically placed to span the breadth of the jobsite so its lengthy boom will reach all corners of the construction project. Often, multiple cranes are necessary.

The concrete footing to which the tower crane is attached is also engineered into the project. When the crane is removed, the footing remains in the depths of the building structure, usually designed so the space once occupied by the crane doubles as an elevator shaft or building stairwell.

Operating the crane at peak capacity is essential to keep construction on schedule and to maximize the return on investment from this high-tech piece of equipment. Before starting the job, construction managers


determine the work that needs to be accomplished with the crane. The efficiencies of the entire construction site often revolve around the crane, so downtimes are held to a minimum. The crane operator climbs the ladder of the crane and once inside the cab, typically spends the full work day in service with little idle time. Construction trades schedule times of crane picks and deliveries of materials and supplies. Even when workers on the ground are on break, the crane is still active, hoisting materials into place for the rest of the day’s work schedule.

Cranes are engineered to carry heavy loads, and laws of physics reason that heavier loads can be carried closer to the tower and weight limits decrease at the distant end of the boom. A full load would likely topple the crane if trolled to the tip of the boom. Operators learn weight capacities through training and by experience, and cranes are also designed with safety systems to prevent overloading. Layton’s Liebherr 420 EC-H16 crane is able to lift loads of 35,275 pounds close to the tower, and the weight capacity diminishes to 7,055 pounds at the tip.

The crane operator and ground crews place concrete walls and columns, orchestrated first to set the outside wall. Crews then place the reinforcing steel, conduit, door and window frames

and other embeds that are elements of the wall segment. The process concludes with the setting of the inside form wall. Concrete is placed using a concrete pump truck, and when the concrete is cured, form walls are stripped and re-set for the next wall section. Every move is calculated and scheduled to minimize the movement of concrete forms and materials. Workers often consider moves two to three stages ahead to maximize placement efficiencies.

Safety is essential to crane operation. The operator communicates with workers on the ground through a dedicated radio channel and is equipped with radios carrying the frequency of other cranes on site to be aware of other operators’ actions and movement. Rigging of the forms and steel on the ground is done by certified riggers, seasoned construction veterans who know the tendencies and movements of those materials as they hang and swing freely in the air. Safe zones are established beneath the load to keep workers out of the path of the materials overhead.

The crane is an indispensable piece of construction equipment and is often recognized as an indicator of the growth and prosperity of the economy in the markets served by Layton, contributing to the productivity of Layton’s skilled concrete crews. 

EMPLOYEE FOCUS | Terry Hafen

One day 27 years ago, Terry Hafen was driving down the street in Provo, Utah, and noticed a crane assisting construction on BYU’s Cougar Stadium expansion.

With his **experience as a crane operator**, Hafen politely and confidently told Larry Dansie that he could run the crane better than the person who was doing it. He was hired on the spot (the full-time crane operator had quit earlier that day and someone was filling in temporarily) and he’s been running – or coordinating – cranes for Layton Construction ever since.

Since that first job, Hafen has run cranes on high-profile jobs including the LDS Church’s **Nauvoo**

Temple – a personal highlight for him.

“That’s where my family and my wife’s family came from,” Hafen says. “I would walk to the work site and **think of the people** who had walked those same roads to work on the original temple. Of course, I came home to a warm house, but they would have had to come home and start a fire.”

While it was experience with a crane that might have brought Hafen to Layton, it’s the **family atmosphere** that has kept him.

“I have great friendships here,” he says. “The camaraderie and friendships that have developed over the past 20 years mean a lot.”



Consistently 'Reliable'

Reliable Plumbing & Heating brings predictability to Layton jobs



Chad Halverson and his team at Reliable Plumbing & Heating has partnered with Layton on projects in Utah, Nevada and Colorado.

The Layton Companies speaks often of providing “predictable outcomes.”

It’s little wonder, then, that Layton’s Interior Construction Specialists has continually found a reason to work with Reliable Plumbing & Heating of Herriman, Utah.

Founded 12 years ago, Reliable Plumbing & Heating echoes Layton’s devotion to the customer and its ability to blend short turn-around times with high-quality work.

“We work to keep our standards high,” says Chad Halverson, owner and founder of Reliable Plumbing & Heating. “We want to do the job well enough to get the next job, too.”

Halverson and his team work with plumbing in new construction and remodels. The company also specializes in working with the wet-side mechanical, making sure

to do the job right the first time and on time.

The relationship with Layton and Interior Construction Specialists goes back years and has taken Reliable Plumbing & Heating to Colorado, Nevada and all parts of Utah — including to Park City and the expansion to the spa at Stein Eriksen Lodge (featured on pages 4-5). In addition to installing plumbing in the expanded spa facilities, the company put in pipes to melt snow off the sidewalk and coordinated improvements with the mechanical system to make sure guests weren’t without necessary services.

“We had to make sure the new system was up and running before we turned off the existing system,” Halverson says. “It took some coordination and communication.”

The communication on the project started early. The short construction window of the project meant the plan had to be efficient, in place and followed with dedication.

“We did whatever it took to get the job done,” Halverson says. “We knew the majority of the work was going to be done in the last few months of the project, so we just prepared for it and made sure we took care of things.”

It’s this do-whatever-it-takes attitude that has led to the company’s continued growth and success. Halverson started the company with just him. Now, there are 30 employees and the company has doubled in size each year since it was founded.

“Layton’s interior jobs are driven on fast-track schedules that are still top quality,” Halverson says. “We’ve built our relationship to work closely with Layton and meet their needs.”

Reliable Plumbing & Heating

FOUNDED
1998

HEADQUARTERS
Herriman, Utah

TYPE OF WORK
Commercial plumbing and wet-side mechanical

EMPLOYEES
30

HIGH-PROFILE JOBS WITH LAYTON
New Sheridan Hotel (Telluride, Colo.)

TOSH: The Orthopedic Specialty Hospital (Murray, Utah)

Stein Eriksen Lodge Expansion (Park City, Utah)

Wasatch County School District Offices (Heber City, Utah)

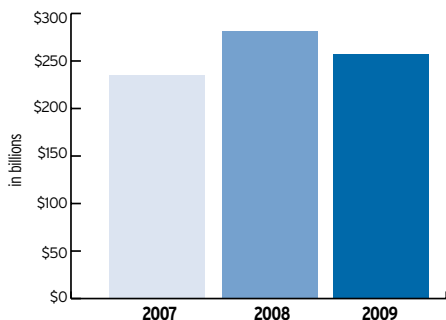
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“Layton’s interior jobs are driven on fast-track schedules that are still top quality. We’ve built our relationship to work closely with Layton and meet their needs.”

— Chad Halverson
Owner and founder
Reliable Plumbing & Heating

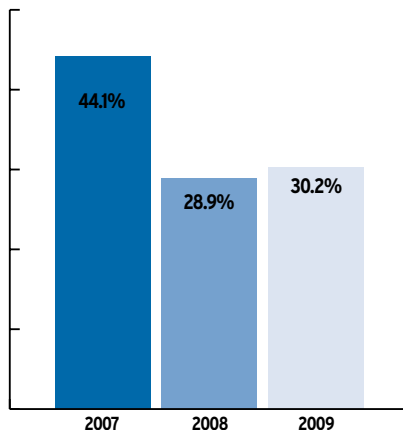
Survey of the Top 400 Contractors

Total Domestic Revenues, Top 400 Contractors



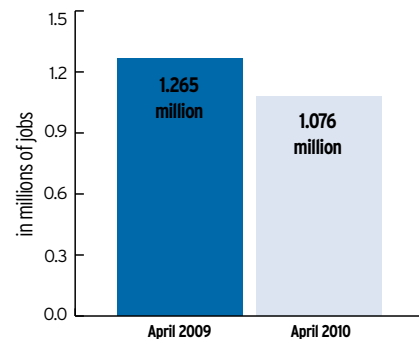
Source: ENR Top 400 Surveys 2008, 2009, 2010

Firms Reporting Higher Backlog, Top 400 Contractors



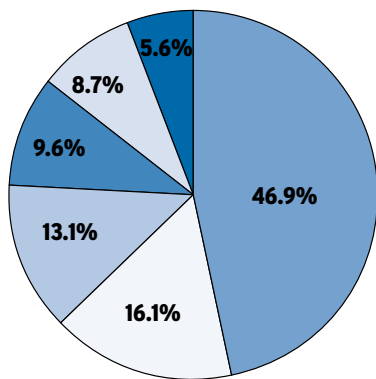
Source: ENR Top 400 Surveys 2008, 2009, 2010

Construction Employment FRB Twelfth District



Source: U.S. Bureau of Labor Statistics, State Employment Data

Construction Revenue Analysis Top 400 Contractors, 2009



General Building **46.9%** Other **9.6%**
 Petroleum **16.1%** Power **8.7%**
 Transportation **13.1%** Industrial **5.6%**

On total revenues of **\$290.6 billion**
 Source: ENR Top 400 Survey, May 2010

Economic Outlook

- Economic activity in the Twelfth District continued to improve modestly during the period of late February into early April.
- Job growth in the District continued to fare moderately worse than that in the nation as a whole over the 12 months ending in March.
- Unemployment rates over the past 12 months increased substantially in the District, even more so than in the rest of the United States, although both have seen some stabilization recently.
- Sales of retail items and services remained somewhat sluggish, but both continued to show signs of improved demand.
- The pace of home sales was mixed across areas but appeared to be largely stable overall, while home prices edged up further in some parts of the district. Meanwhile, conditions deteriorated further in commercial real estate.

Source: Economic Trends and Conditions, May 2010, FRB San Francisco, Economic Research Department (The Twelfth District includes the states of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah and Washington).

Layton
 CONSTRUCTING WITH INTEGRITY



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