

Zimkor Newsletter

President's Column

ANOTHER ZIMKOR MILESTONE HAPPY 35TH BIRTHDAY ZIMKOR

In 1975, Bill Zimmerman II took on the task of starting and building a new company. Originally, Bill wanted to have a small miscellaneous steel and ornamental fabrication shop. Keeping it relatively small, the company had approximately 15 employees and did about \$23,000 in business that first partial year. So much for being a small fabricator. As the years went by, the company continued to grow. In 1976, Zimkor had passed the one million dollar mark per year in revenue. In 1988, we had booked our first million dollar project, the Device Assembly Building at the Nevada test site for Hensel Phelps Construction Co. In 1990, we had completed our first \$10,000,000 year. In 1995, we had topped the \$15,000,000 mark. The milestone of \$20,000,000 per year was reached in 1998. In the past thirty five years, we have completed over 1,800 major contracts. Since 1980, we have completed nearly 500 million dollars of steel construction projects.

We have completed quite a variety of projects over the last 35 years, as we have taken on just about everything imaginable. Here are just a few of the larger projects that come to mind. The Denver Mint, Little Nell Resort in Aspen, Doral Telluride, Villa Montane Resort, Florence Federal Penitentiary, Colorado Convention Center, the New Denver Justice Center, and some of the more unusual projects: Titan Missile blast deflector at Edwards Air Force Base, stainless steel column covers at Stapleton Airport, the

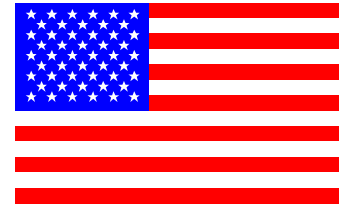
bronze sundial at Standley Lake Library, the welding platform for new Titan Missile Launch Vehicle for Lockheed Martin. Our furthest away project, and one of the most unusual, had to be our 10 ton steel sled that went to the Antarctic.

Over the years, we have completed over 20 prisons and jails from the Denver area to the Southern California desert and to Seattle, Washington. In prison work alone, the total man hours of shop fabrication exceed a quarter of a million man hours. We have completed over 20 mountain resorts and casinos just since 1990. I did not go back to look at the number of schools, hospitals or office buildings, but I can certainly believe that that would be in the hundreds. Since 1980, we have produced over 2.8 million man hours of production.

As we continue to go through this current economic downturn, I am confident that Zimkor will continue to be a leader in the industry. The road is a little bumpy right now, but our determination, values, skills and efforts will lead to the highway of the future for many years ahead. It is all about each and everyone here at Zimkor that makes it a worthwhile journey.

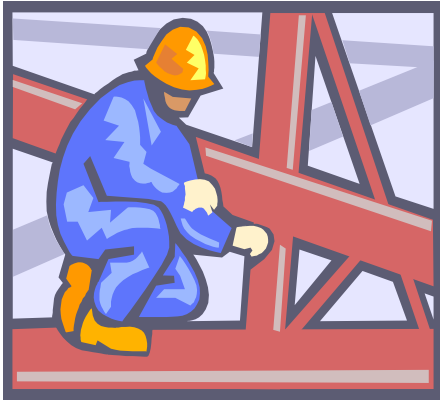
Lastly, I would like to thank all of the Zimkor personnel, subcontractors, vendors, and most of all, our Clients, for help in making Zimkor a success over the last 35 years. Happy Birthday Zimkor!

Denver Johnson



July 29, 2010

| | |
|---|---|
| <i>New Projects Booked 2nd Quarter 2010</i> | 2 |
| <i>Focus on the Future</i> | 2 |
| <i>Zimkor Milestone</i> | 3 |
| <i>From the Accounting Corner</i> | 3 |
| <i>The plan continues to roll on... JWAWA Expansion Update It is HOT!</i> | 4 |
| <i>New Project Coordinator</i> | 5 |
| <i>Shop News</i> | 5 |
| <i>Materials, Materials, Materials</i> | 6 |
| <i>Zimkor Company Picnic Reminder</i> | 6 |
| <i>Notes from Shipping</i> | 7 |
| <i>New Zimkor Employee</i> | 7 |
| <i>"Mix it up"</i> | 8 |



**New Projects Booked
2nd Quarter 2010**

Job #1840—ASPEN CLUB CONDO RAIL—Zimkor is to furnish and install the cable rail at the hot tub area.

Job #1841—THE LONG BUILDING ADDITION PHASE 2—Zimkor is to furnish and deliver the steel, joist, deck and the miscellaneous metals.

Job #1842—PARKER ARTS & CULTURAL EVENTS CENTER—Zimkor is to furnish and install the structural steel, miscellaneous deck, miscellaneous metals, feature walls, stairs and rails.

Job #1843—LOCKHEED MARTIN FLARE STACK—Zimkor is to furnish and install the structural steel.

*Kim Schnaible
Estimating Assistant*

Focus on the Future

Wall Street may be recovering, but Main Street continues to struggle. Despite significant federal stimulus spending, the economy at large remains stagnated. Our construction market, like many others, has a lop-sided Supply – Demand balance. The large number of fabricators vying for the reduced amount of work ensures everyone is slow and prices are low.

Our way of dealing with this situation is to service market segments having needs that can't be fully met by the traditional "beams, columns, stairs and rails" fabricator. These markets will have healthier Supply – Demand balances. Their needs may involve different products than we're used to providing, different services, different geographical locations, and likely different procedures and certifications. The one thing that won't be different is we'll still be fulfilling our customer's needs, or helping them solve a problem, just as we have for the last 35 years. This experience, along with **THIS WAY** accumulated expertise, our highly skilled workforce, proven procedures, reliable subs, and our culture of integrity and commitment ensures we can meet our customer's unique needs in these specialty markets.

To do our best at this market shift, we must not only accept, but welcome the different needs and challenges these markets will offer. We may be required to provide products or services we're not comfortable with, meet high-speed schedules, or deal with unfamiliar specifications, procedures or certifications. These differences, and the challenges they'll bring, are the ticket out of reliance on the depressed traditional construction market.

We have met and succeeded with many significant work challenges over the years, we will succeed at these as well. Our most memorable jobs aren't the run of the mill ones, they're the most challenging ones.

Building NEW Stuff is Fun!

*John Quinn
Executive Vice-President*



Zimkor Milestone!

This quarter we have one employee who has reached a big Zimkor milestone.

Willie Clark—Quality Control Inspector in the shop
25 Years on June 22, 2010

**Congratulations Willie
and Thank You Very Much!!**

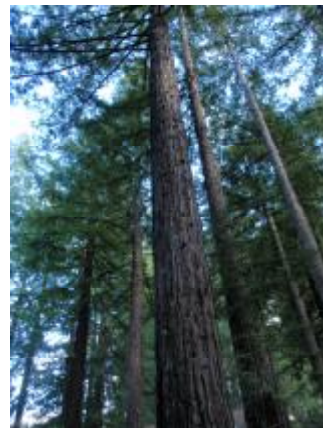
From the Accounting Corner

Once again we have completed another quarter and things are still moving forward.

It is approaching the time for medical and dental insurance renewals. As always the payroll department tries to reconcile the annual amounts that have been deducted and the true-up happens in August. So if any of your medical or dental amounts seem to be a little different, that is what is happening, and then in September the renewal amounts will begin and hopefully all of you were able to attend the renewal meeting on August 3rd and were updated on the renewal amounts. If you have any questions, feel free to come in and see me.

Michael and I have been busy these past few months. My son, Nathan (who lives in Alaska), got married in the Redwood Forest of California in May and we, of course, attended. What a beautiful place. The trees are magnificent and, of course, the bride and groom were a knock-out. Then in June, we went on our annual trip to the USVI of St Thomas. The weather was fantastic and the water, as usual, around 85-89 degrees. We had a great time.

The annual picnic is August 21st I hope all of you plan on attending. We don't always have one, but when we do, everyone seems to enjoy it.



The Magnificent Redwood Forest!!

Just a question to ponder: "What color is the wind?"

*Barb Wray
Controller*

The plan continues to roll on....

...as we envisioned, albeit we sure would like to see some improved market conditions. We will make it through 2010, but the real key will be market conditions and our efforts to maximize our participation in same as we end this year and enter 2011. Private construction remains virtually non-existent, but it is encouraging to see some jobs in the "budgeting" process (free conceptual estimating). It would be very helpful to our prospects if some of these projects actually proceed forward and lessen our reliance on publicly funded work. While we appreciate this type of work, one of our fears is the delay or retraction of publicly funded work as tax revenues continue to decrease. What can we do besides trust our estimating/sales department is doing all they can? Most of us cannot market Zimkor directly, but we sure can **indirectly** by doing our jobs to the best of our abilities every day, making working with Zimkor a positive experience for all we work with and making ourselves as competitive as possible.

JWA Expansion Update

I spent the last 2 years providing updates to the Denver Courthouse project, but I haven't shared much at all about the John Wayne Airport Expansion and Improvement project we are in process with. Our contract is with McCarthy Building Companies and we are providing all of the miscellaneous metals scope for the job. Our detailer is our old trusted friends at Mile High Detailers and our erector is Eagle Iron Erectors from Fontana, CA. We have a great history with Eagle and I am thrilled we have them on the project, a very difficult and demanding project for many reasons. Eagle is also erecting the structural steel for another fabricator, so our site logistics are easier simply because one erector is doing both scopes. Currently we have built roughly 2/3rd of the stairs for the project and we are in process with the exterior jet way stairs, the single biggest item on the project for us. We are in the midst of CMU wall bracing work on site and doing our best to stay out of the contractor's way. This is easier said than done as the project design and administration has left us a very tall order to be successful. Working in California has always been a challenge, working on an airport in California raises the bar to a level only companies like Zimkor can attain. I am confident we will get through the project successfully with our sanities intact!

It is HOT!

Of course, I don't need to tell anyone in the shop this, as I write this in my air conditioned office! So what can we do to enjoy the summer and avoid some of the hot weather ills? Here are some ideas you can consider:

- Drink lots of water, forget the soda, go easy on the alcohol (after work, of course). You'll be better hydrated and probably drop some pounds if you have a soda habit. Most of us do not drink enough water and are chronically dehydrated.
- Sunscreen and hat all the time you are outdoors. Especially if you are follicle challenged like me, a hat is a MUST. Sunburns eventually become the precursors of skin cancerous lesions as we age, best to minimize the number of occurrences you have to deal with.
- To minimize Xcel bill shock, consider setting the thermostat higher when run the AC, keep your blinds/drapes closed during the day to keep the sun out and consider a whole house fan (if you have an attic) to clear out the heat in your attic when the sun goes down (we like the breeze too).

Onward

*Casey Brown
Vice President of Operations*

New Project Coordinator

After weeks of reviewing resumes, calling references, phone and face to face interviews, our Project Coordinator search ended in the last week of May. Greg McMahon was selected from over 200 candidates that applied for the position and joined the Zimkor team on June 1st. Greg graduated from the University of Colorado—Boulder, in 2009, with an Architectural Engineering degree. This course work, which included structural steel design, AutoCAD, Revit and Microsoft Office is an excellent foundation for becoming a successful Project Coordinator at Zimkor.

In the two short months that Greg has been with us, he has worked on multiple projects, including 1815 Cal State Fullerton Parking Garage, 1822 John Wayne Airport Terminal C, 1829 Aspen Employee Housing, 1837 CU Systems Biotech, 1838 Williams Village, and our first project from the industrial initiative, 1843 Lockheed Martin Flare Stack. Yes, after some initial intensive training, he was thrown into the deep end and appears to be a pretty good swimmer.

Please welcome Greg to the Zimkor Team.

*Brent Ross
Detailing Manager*

Shop News



Good News! Only 57 days until fall, and 150 days until Christmas! Why do I say this? Just come out into the shop about 2:30 pm and feel the heat. For the past couple of weeks, it has been pretty miserable. Nothing can be more draining than asphalt paving or working in a welding shop.

To top it off, we have a pretty hot backlog to blaze through. Several of our jobs will be overlapping for the next couple of months, and this is going to keep us very busy! As Casey would say, "Make hay while you can!"

It doesn't take a rocket scientist to see that we are in a bad economy. When will things turn around? I really don't think that anybody knows. All we can do is keep on keeping on and finish what's in front of us.

When I was growing up, one of my favorite folk heroes was Robin Hood. He lived in Sherwood Forest with his bank of merry men. What made him famous? He would take from the rich and give to the poor. Notice that I said poor. Those who were unable to provide for themselves. Today, we have a villain, those who take from working folks, and either keep it for themselves, or give it to those who don't want to do anything. Let's not become discouraged and try to make a difference.

As most of you know, Shawn Malone is working in the shipping department for Dave, and he is doing a great job! All of us may be asked to do something we aren't accustomed to doing, but because we are understaffed right now, we just have to get it done.

Once again, thanks for your sacrifice and hard work!

*Mike Wray
Shop Superintendent*

Materials, Materials, Materials

We have been very busy lately and the price of steel seems to have stabilized for now. Most of the vendors are still holding down on their stock until this economy improves.

We should be grateful for what we have. I was in the Chicago area recently with my wife to help my Mother-In-Law move into an assisted living complex and to put her house up for sale. She had lived in the house for 35 years and finally decided that she didn't want to live alone anymore, as her husband had passed away about 7 years ago. While there, we were chatting with friends and family about local issues and it became apparent that this recession had hit very hard in that area. People hadn't worked in months or years and were scrambling to take care of their family and trying to keep their homes. I saw many empty houses and neighborhoods that were suffering from neglect and it made me realize that even though we have our own problems here in Colorado, it's much worse in other areas of this country.

On a lighter note, here are some real ads that ran in some newspapers. (It must be true because it was on the internet.)

Lost: small poodle, reward, neutered, like one of the family.

Full size mattress: 20 Year warranty, like new, slight urine smell.

Nordic Track—\$300, hardly used, call Chubby,

Open House—Body Shapers toning salon—Free coffee and doughnuts.

Snow blower for sale—used only on snowy days.

Calves, cows never bred—Also one gay bull for sale.

Braille dictionary for sale—Must see to appreciate.

Wanted: Somebody to go back in time with me. This is not a joke. P.O. Box 322, Oakview, CA.

You'll get paid after we

get back. Must bring your own weapons. Safety not guaranteed. I have only done this once before.

Wanted: Unmarried girls to pick fresh fruit and produce at night.

Wedding dress for sale—worn once by mistake.

For Sale-8 puppies from a German Shepherd and an Alaskan Hussey.

Dog for sale—eats anything and is fond of children.

Stock up and save. Limit one.

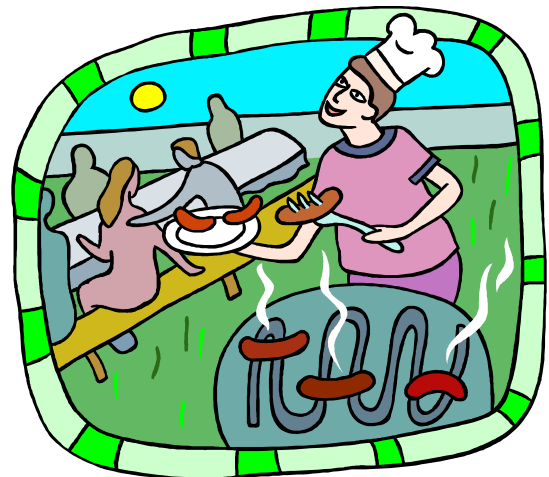
*Gary Slaughter
Materials Manager*

Zimkor Company Picnic Reminder!!

Please remember to fill out your Zimkor Company Picnic RSVP sheet.

The picnic will be held on Saturday, August 21, 2010, at Chatfield State Park.

We hope everyone can make it this year. We all need to have a little fun!!



Notes from Shipping

I am ready for the heat to be over with. It has just been too hot, as far as I'm concerned. We will probably have four to six more weeks of this before it starts to cool down. Maybe by then, I will get used to it— **NOT**.

As everyone knows, we have been crazy busy the last few weeks and it looks like it will stay that way for at least another month or so. We have had a lot of material going to galvanizing and to blast and paint and all of that material has been a rush.. Thanks to AZZ and Quality Linings rushing our material through for us, we have been able to make our schedules and keep our costumers happy. It is great having allies that work hard to help us meet our schedules. Thanks to both of these companies.

I would like to welcome Shawn Malone to the shipping department. He has been a great asset to get. Shawn fills in for any of us when we are on vacation and has helped alleviate some of the craziness when demands over power us. Thanks Shawn, you have been a great addition to the shipping department and willingly do anything you are asked to do.

Hopefully, the market will start to loosen up this year and the guys up front will be able to start securing work for later in the year. We are all pulling for you and looking forward to having a busy last half of the year. We need to remember that it takes all of us working together to make things happen. No one individual can make it happen. We all need to roll up our sleeves and work to the best of our abilities to make things happen the way they need to in order to meet schedules and let our customers know that we are the best team for the job.

Dave Genova
Shipping Manager



New Zimkor Employee

This quarter, the Zimkor welcome mat is extended to one new employee.

Gregory McMahon started at Zimkor on June 1, 2010. He previously worked for Archer Western Contractors. Greg is our newest Project Coordinator in the Detailing Department.. He is single with no children, but he has been going out with his girlfriend, Anna, for over a year. She is an avid Rally Cross racer, as is Greg, and she is constantly closing the gap between their race times! His hobbies include cars—racing, restoring, collecting; photography, downhill mountain biking, snowboarding, skateboarding, computers & technology (he blames his Intel employed Dad :) Greg is currently in first place overall for the Colorado Rally Cross Stock 2 WD class with his 1985 Toyota MR2. He will be competing for the stock rearwheel drive national champion title at the Rally Cross National Championship on August 20-22, 2010. He nearly won the title last year when mechanical failures on the last day dropped him from first to fourth place.



Welcome to Team Zimkor, Greg!

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MISSION STATEMENT

OUR MISSION AT ZIMKOR
IS TO ENSURE THE SUCCESS OF
EVERY PROJECT IN WHICH WE ARE
PRIVILEGED TO BE A PARTNER.

Dedicated to be the best team for the job!



“Mix it up”

The construction market continues much the same as it has the previous year—lean and mean. With little private work and mostly public projects, it makes sense for Zimkor to focus and highlight on our special strengths and diversify our product line and the markets in which we get work. To that end, we will be focusing on four major areas:

- **Commercial Construction**—We will be strengthening our relationships with General Contractors and Developers. We will highlight the things we offer that differentiate us such as completing difficult projects, superior quality workmanship and strong financial performance.
- **Industrial and Energy Construction**—We will add new customers in a broad range of industries. Zimkor has a long history of industrial projects, but will add new focus to acquiring a regular mix of these jobs to our backlog.
- **Architectural Metals**—We have very special skills in the ornate and high-end metal work. Our skilled workforce can offer superior fabrication and truly signature feature items on the project. We will focus on creatively expanding our exposure to work of this type.
- **Disadvantaged Business Participation**—Many of the public projects require DBE partnering within the construction packages. Zimkor is registered as a Small Business and also teams with a select group of Disadvantaged Businesses to offer all the reliable performance we are used to, with the addition of meeting the project goals for DBE participation.

These diverse initiatives will allow us to add projects we otherwise may not have been exposed to. It will stretch us as a company and individuals in new directions, sometimes in ways we are not used to, but will be exciting and rewarded. These efforts are now underway and the message is: “Zimkor continues its solid position, reliable performance, is optimistic and growing for the future.” They say “variety is the spice of life”, so let’s mix it up and enjoy the new opportunities.

Joe Tebben
Vice-President of Sales