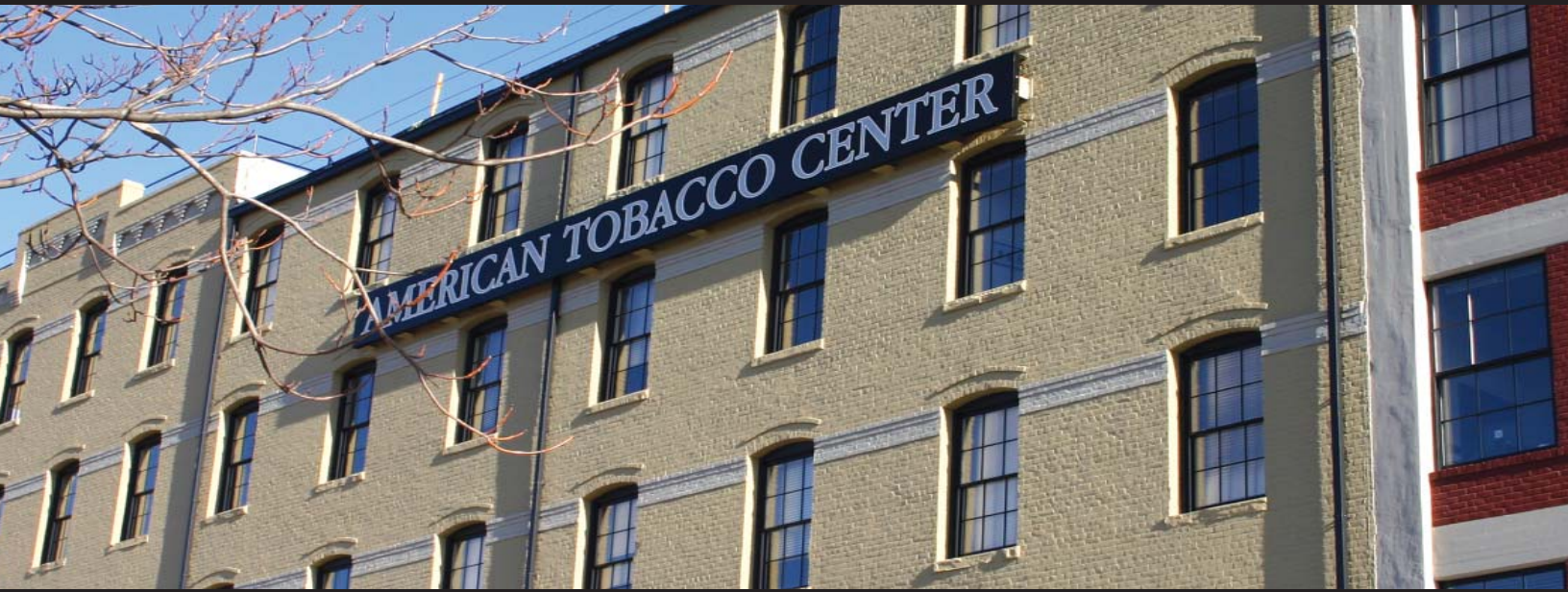


First Quarter 2006

The BluePrint



The American Tobacco Center is one of several former tobacco warehouses renovated in Richmond's Shockoe Bottom.

Another Leaf Turned in Shockoe Bottom

Another of Shockoe Bottom's historic tobacco warehouses, the American Tobacco Center situated on 2001 East Grace Street, will soon be called home to more than 100 Richmond residents.

The adaptive reuse project will add 153 apartment units, including three two-story penthouse units, and three retail spaces to Richmond's Shockoe Bottom.

The units, one to three bedrooms ranging in size from 600–1300 square feet, feature stainless steel appliances, granite countertops, tiled backsplashes, hardwood floors and exposed beams.

The project consists of five separate industrial buildings which are being interconnected. "This project was a lot like working on five projects at once," said Tom Henning, KBS project manager. "Each building involved a closely coordinated schedule, building permit and other owner requirements."

Among the project's luxury amenities, residents will enjoy a rooftop pool with a steel wire system to prevent any obstruction of views of the city skyline, the James River and Church Hill. The penthouse apartments feature direct access to the pool area and private patios overlooking the pool.

In June, construction crews lifted the 10,000-pound, 10,532-gallon, stainless steel pool atop one of the five-story buildings by crane.

The building also features a large common area with a raised seating area overlooking a bar, billiards and additional seating areas. The open floor plan in this room is accented by skylights, industrial lighting and exposed HVAC systems.

The original structures consist of concrete and wood joists and beams which were preserved and serve as the primary architectural feature. Additional steps were taken to provide sound insulation.

Built in 1902, the American Tobacco building has served as a shoe factory, tobacco warehouse, clothing warehouse and, most recently, studio space for local artists.

Approximately 30 units including one penthouse have been leased. The remainder of the project is scheduled for completion in March.

In the past two years, KBS has completed more than one million square feet in adaptive reuse projects including the The River Lofts, Superior Building and Market Villas also located in Shockoe Bottom.

Project Updates



University of Mary Washington's new Graduate and Professional Studies building is designed by Moseley Architects of Virginia Beach.



Tuckahoe Village Shopping Center is now anchored by the newly constructed Food Lion store which opened in December 2005.

UMW Graduate Studies Building

KBS is constructing a 48,777 square foot, two-story academic building at the University of Mary Washington's Graduate and Professional Studies Stafford County campus.

Scheduled to open in early 2007, the project includes classrooms, computer laboratories, a 350-seat multi-purpose hall and faculty offices. A new double-height main lobby will be located between the academic wing and the multi-purpose hall.

The project is designed to achieve the standards of a Silver LEED Rating. It is expected to exceed goals for erosion and sediment control, construction waste management, recycled content of building materials, locally and regionally procured building materials, rapidly renewable materials, certified woods, indoor air quality management and mechanical and electrical systems commissioning.

Tuckahoe Village Shopping Center

KBS recently completed extensive renovations and additions to the Tuckahoe Village Shopping Center which included the addition of a new Food Lion store.

The Henrico County shopping center, originally built in 1975 and owned by The Wilton Companies, received a 6,000 square foot addition and exterior renovations included a parking lot expansion, lighting and landscaping.

The 42,000 square foot project on Patterson Avenue was completed in just eight months. The grand opening of the new Food Lion store was held in December.

Construction for a 67,000 square foot Food Lion store and shopping center began in Montpelier this month. The store is scheduled for completion in December.

In Other News

Mark Your Calendars!

For a complete listing of this year's events, visit the "Events" section on the homepage of our Web site at www.kbsgc.com.

KBS Institute Classes

February 7 — KBS Job Cost Report and Schedule of Values Preparation

February 21 — Review of Contract Types

March 7 — Introduction to the KBS Intranet and Tips for Running Effective Meetings

March 21 — Essentials of Written Communication, Part II

OSHA Certification Courses

KBS is again offering OSHA 10-hour certification courses held on Thursdays from 3:30 – 5:15 p.m.

Safety Fair Celebrates Third Year

Coinciding with National Safety Month, KBS is holding its Third Annual Safety Fair on June 15 from 2 – 5 p.m. The fair is free to attend and will include vendor booths, demonstrations, give-a-ways and a blood drive. Call Mark Lambert at (804) 515-1248 for more information or to reserve booth space for your company.

Recently Awarded Projects

Ameristeel Manufacturing Facility, King George County



Rendering of the Ameristeel facility by Baskervill.

Cedar Works at Rockett's Landing, Richmond

Edgeworth Building Renovation and Hirschler Fleischer Tenant Upfit, Richmond

HH Hunt Tenant Upfit at Hickory Park, Glen Allen

Loveland Distribution Warehouse Addition, Henrico County

Montpelier Shopping Center and Food Lion, Montpelier

Noble Volvo, Fredericksburg

Noble Mercedes-Benz, Fredericksburg

Stony Point Building Four and The Colony Group Tenant Upfit, Richmond

Building Green Has Rewards For CarMax Project Team

The CarMax corporate headquarters project was recently honored with two awards for excellence.

Mid-Atlantic Construction magazine gave the project top honors in the office building category of its Best of 2005 awards program. Also, the James River Green Building Council (JRGC) recognized the project with an award of merit in its Go Green awards program for its efforts in green building.

Mid-Atlantic Construction's Best of 2005 awards program is an annual competition recognizing construction and design excellence in Maryland, Virginia, Delaware, eastern Pennsylvania and the District of Columbia. The JRGC Go Green program is a new this year and honors green building projects in the Richmond area.

"This year's competition drew numerous entries from around the Mid-Atlantic region," said Bruce Buckley, editor-in-chief of *Mid-Atlantic Construction*. "With winning projects stretching from Allentown, Pa., to Hampton, Va., and Wilmington, Del., to Winchester, Va., the jury's selections include some of the finest examples of design and construction in markets throughout the region."

The project was featured in the December 2005 issue of *Mid-Atlantic Construction*. The JRGC presented the CarMax team with the Go Green award during a November ceremony.

For both competitions, an independent jury of industry experts in design and construction judged projects in several categories. The juries awarded projects based on criteria including achievement of goals set out by the team, overcoming the challenges of the job and exhibiting extraordinary teamwork and innovative execution.

KBS met construction objectives in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System® and surpassed benchmarks for recycled and locally manufactured materials used in the project. LEED is a voluntary program developed by the U.S. Green Building Council that rates a building's level of environmentally friendly features based on an industry-wide consensus of best building practices. The criteria address land use, environmental safety, ecological impact and resources conservation.



CarMax project team on site at the corporate headquarters project in August.

Staff News

There are a few new additions to the KBS family, and it's with great pleasure we introduce them to you!

New Employees

Will Paulette came on board as a field employee in August. He is a recent graduate of the Virginia Military Institute.

Kimberly Ross is the project assistant for the Villages at Stoney Run in Newport News. She joins us with 10 years of construction experience.

Kenneth Suggs is the newest laborer assigned to the American Tobacco project in Richmond. He has nine years of construction experience.



Will Paulette



Kimberly Ross



Kenneth Suggs

dates to celebrate

Birthdays

- January
 Jay Stoda, 7
 Mike Allshouse, 8
 Brian Bargo, 8
 Chip Barker, 10
 Jonathan Reid, 19
 McMahon Croft, 23
 Sylvester Williams, 25

- February
 Harold Gardner, 11
 Alex Coleman, 16
 Wayne Harrell, 22
 Wayne House, 24
 Odir Comayagua, 28

- March
 Kim Ross, 1
 Cary Estes, 7
 Michael Lynch, 11
 Joshua Teets, 12
 Mary Ring, 8
 David Doubman, 30

Anniversaries

- January
 Dennis Lynch, 1976
 Cary Estes, 1977
 Mike Walker, 1979
 Alex Coleman, 1987
 Charlie Slemaker, 1988
 Michael Lynch, 1999
 Rogelio Fuentes, 2004
 Brad Kersey, 2004
 David Doubman, 2005

- February
 George Cramp, 1987
 Mike Buzzard, 1993
 John Gillenwater, 2000
 McMahon Croft, 2002
 Stacey Diggs, 2002
 Sam Fisher, 2002
 Christine Miller, 2005

- March
 Tina Hudson, 1985
 Ray Simmons, 2000
 Wayne Harrell, 2004
 Lori Jaskot, 2004
 James Lipscombe, 2004
 Jonathan Reid, 2005



KBS
Building Relationships

Open floor plans in the American Tobacco Center highlight the architecture of the industrial building.

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Auto Dealerships Sport Stylish Digs

Once upon a time, buying a car was hardly glamorous. Today, dealerships are building facilities that create an experience for their customers.

"A well designed dealership, both visually and functionally, greatly improves the customer experience. The customer must feel comfortable in an otherwise uncomfortable situation," explains Jonathan Penney, architect with The Lessard Group.

The Lessard Group has teamed with KBS on projects such as McGeorge Toyota, Mercedes Benz of Richmond and Noble Volvo and Mercedes.

When planning a new facility, automobile dealership clients are seeking a setting for the customer experience. Many dealerships feature spacious customer waiting rooms with comfortable seating areas, private internet stations, wi-fi capabilities and

children's play areas.

Boutique areas are also increasingly becoming an integral part of the customer experience and are typically centrally located within the sales and service areas. Service and parts departments are designed with the capacity to serve customers with increasing efficiency. Future expansion is also a key element in designing a new facility.

Interior finishes often include wood veneers, stainless steel, ceramic and marble tiles, fabric finishes which soften the otherwise hard edges. The exterior façade may have composite metal panels, stainless steel panels, limestone or natural stone, brick and stainless steel woven screens for sun shading.

"Many of the finishes used in [commercial offices and healthcare facilities] are migrating into the nicer dealerships," said Penney. "The experience is becoming more of a retail experience in that how a customer feels in the space can actually persuade or influence the sales environment."



High-end exterior finishes at McGeorge Toyota rival that of many office buildings