

Excellence in general contracting services.

Bob's Corner

Change is Inevitable

Change is inevitable, and a new era is on the horizon. Each day we must keep it in our sights and thoughtfully plan ahead to direct our course for the future. As the construction industry continues to be increasingly competitive, our willingness and ability to improve all aspects of our organization to provide an exceptional value to our clients is imperative. We have recently made great strides in strengthening our organization. From diversifying our client base, to new key hires, including the addition of David Kimberly as Vice President of Operations, and the establishment of an Advisory Board representing a diverse cross section of expertise in industries including banking/finance, architecture, construction, engineering, and recruiting, we are making significant advancements. We firmly believe these changes will bring about creative new ideas for improvements, streamlined processes, and greater resistance to withstand seasonal fluctuations. This in turn translates to increased predictability, reliability, efficiency, consistency, productivity, and cost effectiveness – all of which ultimately benefit our clients. We are confident that our pragmatic approach will cultivate even stronger relationships with our customers and business partners, and further increases our ability to provide exceptional value and quality.

Every action we take is designed to directly support our vision: Westwood Contractors, Inc. will be the **most trusted** national provider of quality construction services through a passionate commitment to our values. We look forward to our future and new opportunities with you!

Sincerely,




Bob Benda
Chief Executive Officer

"After a business implements a strategy, competitors will react, and the firm's strategy will need to adapt to meet the new challenges. There is no stopping point and no final battle. The competitive cycle continues on perpetually. Produce and compete or perish."
– Thomas Timings Holme

ABOUT WESTWOOD:

With more than 35 years of nationwide experience, we deliver excellence in general contracting services for retail, specialty healthcare, high-end office spaces, hospitality, restaurants and other commercial facilities. We will be the most trusted provider of quality construction services through a passionate commitment to our values.

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WESTWOOD NEWS



New Team Members

Since last Fall, we have made several additions to our team. We are pleased to introduce:

David Kimberly, Vice President of Operations. In January, we announced the promotion of David Kimberly to Vice President of Operations. Since joining our team, David has made significant contributions to the company's operational performance. He is directly responsible for supervising the company's project management team and all field superintendents.

Kriste Underwood, Senior Accounting Manager. Given her proficiency in Sage 300 and experience working in a construction accounting environment, Kriste is an exciting addition to our staff. She has 12 years of experience in the construction industry analyzing and maintaining financial reports and five years performing and managing successful financial and tax liability audits.

Max Stewart, Project Manager. Max brings 20 years of construction experience to our team. He has 10 years of successful executive-level experience in various industries from aerospace to warehouse/logistics. Prior to that, he has six years of experience as a construction project manager for retail, healthcare/medical, restaurant, and commercial office projects. His construction experience combined with his business operations acumen and personal approach make him an excellent complement to our Westwood team.

Paul Laird, Project Manager. During his military service, Paul developed extensive project management competencies that encompass 10 years of experience prioritizing and managing multifaceted projects with a deep understanding of needs assessment, quality assurance, supply management, communication, project solutions, budgeting, scheduling, and delivery. He retired from the Air Force in 2016 after completing 22 years of service. Paul is based in our Charleston, SC office.

All Our Superintendents are Now OSHA-30 Certified!

The ability to deliver quality projects goes hand-in-hand with a strong commitment to health, safety, and environmental standards. As part of our year-round safety training program, we instituted a new initiative requiring all our Superintendents to become OSHA-30 Certified. We are pleased to announce that as of February 2019 all of our current Superintendents have achieved that goal!

Certified Retail Superintendents

Westwood have also started a similar initiative to have each of its Superintendents complete the Retail Contractors Association's (RCA) Retail Superintendent Training Program. "Since having an OSHA 30 Certificate is one of the prerequisites for taking part in RCA's program, it's a natural next step in setting a higher standard of performance for our Superintendents," said Mike McBride, President & Chief Operating Officer. In just a few short months after this initiative began, nearly 50% of our Superintendents have become Certified Retail Superintendents through the RCA.

Newly Established Advisory Board

The Advisory Board has been formed to provide advice and counsel to the Chief Executive of the company to support the development and advancement of its strategic business planning process. The Board will be a resource for the CEO to utilize in reviewing important financial, legal, risk management, and quarterly marketing policies and procedures, and contracting practices as well as the cost performance of its third-party professional consultants. A key objective of the Board is to provide those members of the ownership family who will serve on the Board insight and experience in the governance process and managing the company through a group of employed professional managers. Our Advisory Board consists of the following members:

- **Bill Latham, General Counsel and Risk Manager, Acme Brick Company**
- **Chris Leathers, PE, Civil Engineer, Freese and Nichols, Inc.**
- **Heidi Leathers, Regional Manager of Lawyer Recruiting & Development, Hunton Andrews Kurth's Dallas, Austin, Los Angeles, San Francisco, and Charlotte offices.**
- **Michael Bennett, Principal & Chief Executive Officer, Bennett Benner Partners, Inc.**
- **Nathan Robinett, former Regional Chairman, Dallas, Frost Bank (retired).**

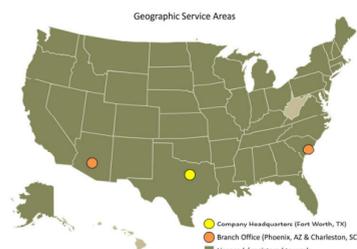
UPCOMING CONFERENCES & TRADESHOWS

GlobalShop (June 25-27, Chicago)

Last year we made a much anticipated return to GlobalShop. This year we will be exhibiting again! Mike McBride, our President & Chief Operating Officer, and David Kimberly, Vice President of Operations, as well as Angelica Palacios, Director of Marketing, will all be in attendance. It's wonderful to be part of an industry event with such a successful 25-year history. To add to the excitement this year, the organizers are bringing together GlobalShop, RFID Journal LIVE! Retail, and IRCE (Internet Retailer Conference and Exhibition). By co-locating all three shows under the name Retail X, the organizers are expanding the experience for all participants. **Visit us at GlobalShop in booth #3251.**

NATIONWIDE CAPABILITIES

Westwood Contractors is licensed and/or registered to perform work in 48 states. We offer a full range of pre-construction services and deliver excellence in general contracting services for shell and interior construction projects, chain-wide feature rollout programs, and refresh & rebranding programs nationwide. The following is a representative list of our ongoing and future projects. If you have projects in these areas and need warranty items reviewed or site surveys performed, let us know and we'll do our best to accommodate your request utilizing staff in the area. Conversely, if you are considering projects in these cities or elsewhere in the United States, we would like an opportunity to bid the job.



WHERE ARE WE NOW?

Ongoing & Future Projects

Below is a list of our ongoing project locations. We believe this may have value to you for future opportunities to work together. If you have stores in these areas and need warranty items reviewed or site surveys performed, let us know and we'll do our best to accommodate your request utilizing staff in the area. Conversely, if you know about potential retail project opportunities for national General Contractors, feel free to let us know as well.

ONGOING WORK

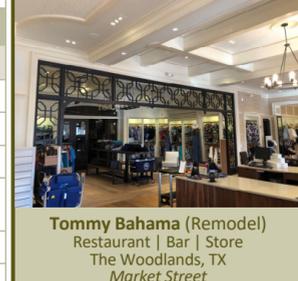
Project	City	State	Location	Type
Charles Schwab	Scottsdale	AZ	N/A	Build-out
Eyemart Express	Ames	IA	814 Duff Ave	Finish-out
Sur La Table	Omaha	NE	One Pacific Place	Finish-out
H&M	Las Cruces	NV	Mesilla Valley Mall	Finish-out
Pylon Sign Update	Santa Fe	NM	Santa Fe Place Mall	Upgrade
Cuadra	Las Vegas	NV	Fashion Show Mall	Finish-out
H&M	Limerick Township	PA	Philadelphia Premium Outlets	Finish-out
Helzberg Diamonds	Nashville	TN	Opry Mills	Finish-out
Firestone	Allen	TX	802 S. Greenville Ave.	Ground-up
Valvoline Instant Oil Change	Fulshear	TX	5330 FM 1163	Ground-up
Firestone	Georgetown	TX	1501 S. IH35	Ground-up
Amerisleep	Houston	TX	The Galleria	Finish-out
Firestone	Killeen	TX	2505 Trimmier Rd.	Ground-up
Jiffy Lube	McKinney	TX	HWY 380 & Skyline	Ground-up
Jiffy Lube	Wiley	TX	FM 544 & HWY 78	Ground-up

UPCOMING/ACTIVE BIDS

Project	City	State	Location	Type
Automotive services	Waukegan	IA	Hickman Rd.	Ground-up
Beauty & cosmetics	Miami	FL	The Falls	Remodel
Eyewear / optical	Albuquerque	NM	Holly Ave.	Finish-out
Office conversion	Grand Rapids	MI	Cascade Rd.	Minor renovation
Landlord work, white box	Lafayette	LA	Acadiana Mall	Renovation
Storage facilities	(multiple)	CA	(multiple)	Remodel



Bassett Furniture (Finish-out)
The Woodlands, TX
Pinecroft Center



Tommy Bahama (Remodel)
Restaurant | Bar | Store
The Woodlands, TX
Market Street

INDUSTRY NEWS: VOLATILITY IN CONSTRUCTION

Tariffs. Trade wars. These are just some of the recent headlines that are impacting the cost of construction materials. According to Associated Builders and Contractors, nonresidential input prices rose 0.9% compared to March and are up 2.8% on an annual basis.¹ Several sources report that the price of materials is also rising faster than inflation. And more to the point, the cost of individual materials has become highly volatile, causing many contractors to include contingencies in their bids or add allowances and escalation clauses to their contracts to help manage unpredictability in pricing. Although the increase is beginning to slow, it is certainly still higher than in previous years and overall is still on an upward trajectory.

While we don't have direct control over economic policies that affect our industry, we continue to be more diligent in making improvements in aspects that we do have control over. We are constantly emphasizing the importance of maintaining top quality throughout our organization. This applies to everyone, every department, every task, every time! We are challenging our Project Managers and Superintendents to be more proactive in identifying and addressing challenges before they occur. We are aggressively recruiting experienced Project Managers and Superintendents who are 100% focused on quality and client satisfaction. We are scrutinizing every expense from estimating to project execution in order to maintain cost/price control. We are in constant communication with subcontractors, vendors, and other resources in various regions to help ensure we have the most current pricing for materials and labor. We are working harder than ever to vet out subcontractors, holding them accountable per our subcontractor agreement to ensure that expectations regarding service, quality, and schedules are met.

Sincerely,



Mike McBride
President & Chief Operating Officer

References

1. *Associated Builders and Contractors (2019, May 26). Construction Input Prices Continue to Rise, Says ABC. Retrieved from <https://www.constructionexec.com/article/construction-input-prices-continue-to-rise-says-abc>*