

E.E. Newcomer Enterprises, Inc.

The Genuine. The Original.



DH PACE

Architectural Doors
and Hardware

DH PACE

Construction
Services

DH PACE DOOR SERVICES

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

DH PACE SYSTEMS INTEGRATION

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS



2002
Annual Report

E.E. NEWCOMER ENTERPRISES, INC.

1142 Clay • North Kansas City, Missouri 64116 • (816) 221-0543 • FAX: (816) 480-2625

To our valued customers, we thank you for your business this past year and we pledge to do everything we can to earn the right to receive your business in the year ahead.


To our valued employees, we thank you for caring about each other and for caring about how we meet the needs of our customers each hour of every day. Your commitment to excellence is foundational to the continued success of our family of companies.

Business author Robert Heller has written: "Change and change management loom very large in today's business requirements. Corporate success in the 21st century no longer rests simply on the old financial measures: earnings per share, profit growth, and return on capital employed. Shareholder value, customer service quality, and market share, must be key additional objectives in the world of any business as it moves forward in conditions of intense and intensifying competition. The need to master change is becoming greater by the minute, in a world where internet usage is doubling every 100 days. Organizations and the people in them are unlikely to succeed, even survive, unless they can successfully manage change".

Over the past twenty five years, our family of companies have consistently broadened the range of products and services we provide to the marketplace. Our Business Groups have continued to increase market share while significantly increasing the number of markets served, and we welcome the opportunity to compete on an even greater scale as the 21st century unfolds with all its change and challenges.

Our employees remain our most important asset and throughout the organization we are blessed with some of the finest, most talented and dedicated employees in the industry. As we survey the road ahead, we truly believe "the best is yet to come" for our family of companies.

May God bless each and every one of you and your loved ones.



E.E. Newcomer • CEO
Chairman of the Board
E.E. Newcomer Enterprises, Inc.



Rex E. Newcomer • COO
President
E.E. Newcomer Enterprises, Inc.

Board of Directors

Edward E. Newcomer

Chairman

E.E. Newcomer Enterprises, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

Robert L. Hamann

Vice Chairman

E.E. Newcomer Enterprises, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

Rex E. Newcomer

President

E.E. Newcomer Enterprises, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

Steve Klein

Chairman of the Board

D.H. Pace Company, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

Steve Pascuzzi

President Overhead Door Group

D.H. Pace Company, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

Brian C. Gillespie

Executive Vice President

E.E. Newcomer Enterprises, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

N. Nelson Newcomer

Vice President

E.E. Newcomer Enterprises, Inc.
1142 Clay • P.O. Box 12517
North Kansas City, MO 64116

David Bywaters

President / Treasurer

Lawrence-Leiter & Company
5324 Somerset Drive
Prairie Village, KS 66207

Paul J. Fissel

Vice President

Fifth Third Bank of
Northeastern Ohio
1404 East 9th Street
Cleveland, OH 44114

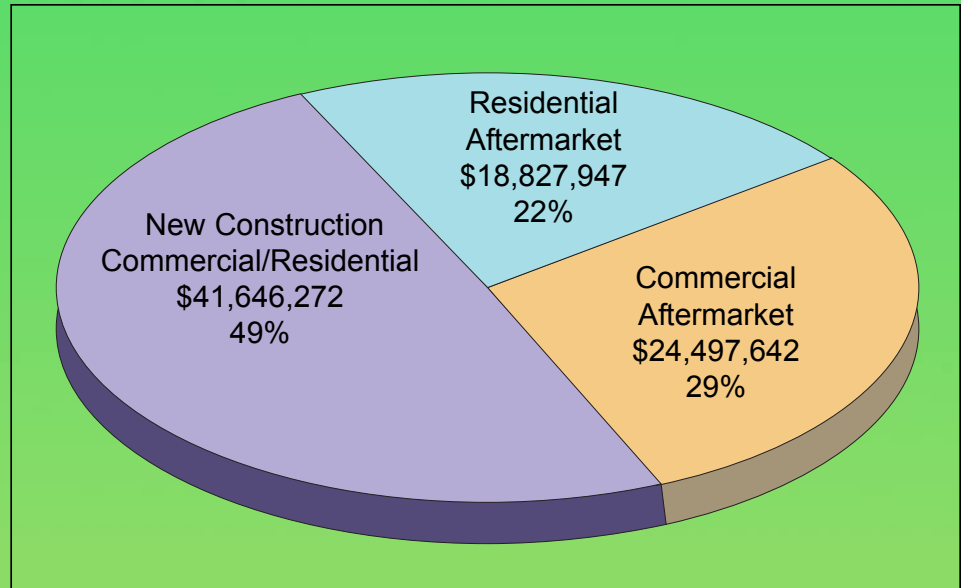
Robert C. Newcomer

Attorney

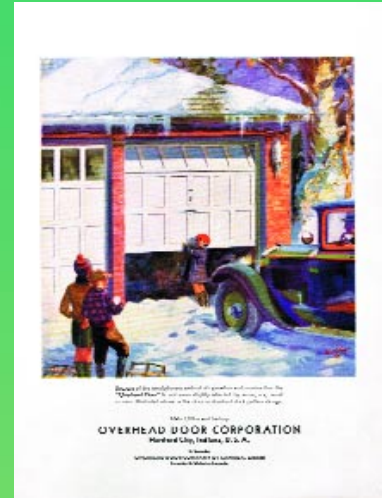
Paul, Hastings, Janofsky
& Walker, LLP
600 Peachtree Street N.E.
Suite #2400
Atlanta, GA 30308

Consolidated Sales for 2002

\$84,971,861



563 Employees striving every
hour of every day to exceed
customer expectations



A History of the Organization

The roots of the organization go back to the invention of the upward-acting sectional garage door in the 1920's. Independent Overhead Door distributorships were established in St. Louis, Missouri in 1926; Kansas City, Missouri in 1927 and Atlanta, Georgia in 1935. Over the next half century each of these distributorships established themselves as the leading providers of Overhead Door products and services in their market areas. In 1973, operations of these separate entities were consolidated and became divisions of the newly formed D. H. Pace Company, Inc.

In 1977, a new generation of leadership joined the D. H. Pace Company, and re-energized the organization with an exciting new vision for the future. In addition to providing products and services for the Overhead Door market, the company expanded its product offering to include all types of door and door related products. This new business philosophy was best summed up in a new and exciting vision for the organization:

"To furnish and maintain safe, secure and functional openings in all types of commercial and residential facilities, which consistently exceed customer expectations."

The company set about making this vision a reality through the addition of new product lines. During the 1980's new showroom facilities in each major market were opened to showcase the expanded line of residential products and services, which includes garage doors, openers, entry doors, windows and patio doors. In 1995, the company established several new satellite sales offices throughout the Midwest to supply commercial entry door products and services to the General Contractor market. With the establishment of these satellite sales offices the company began marketing new construction commercial entry door products and services under the "D.H. Pace Architectural Doors and Hardware" and "D.H. Pace Construction Services" trade names.





In 1998, the company formed the EEN Advertising and Marketing Group to manage the company's multi-million dollar annual investment in print, electronic and media programs, including the development of internet and intranet web sites.

The D.H. Pace Company continues to invest in new technologies and systems. In 1998, over \$3.5 million was invested in a new "backbone" computer system. The company maintains Internet websites for each operating entity as well as an Intranet site called PACE.NET to facilitate employee communication. The Information Services Staff is constantly evaluating and implementing new projects in support of the Companies' mission statement.

In March of 2003, the D.H. Pace Company established offices in Phoenix, Arizona with the purchase of Meyer & Lundahl Architectural Openings and Meyer & Lundahl Systems Integration. These offices will operate under the D.H. Pace Door Services and D.H. Pace Systems Integration tradenames, respectively, and offer a full line of commercial overhead door, entry door and integrated security solutions, including installation, maintenance and emergency service. The general management team in Phoenix averages over 20

years of experience in the door and access control industry.

Today the organization is comprised of over 22 offices and showrooms, providing for the sale, installation, repair and service of doors and door related products. All aspects of residential and commercial new construction and retrofit markets are served, and the marketplace is continually surveyed for new products and emerging trends. The goal remains to bring innovative TOTAL OPENING SOLUTIONS to the marketplace and consistently exceed customer expectations.

As the 21st century unfolds, the pace of change is increasing in all areas of our lives, at home and in the workplace. This trend will impact how we build and maintain facilities in the future to assure that they fit our daily needs and the demands of a changing world. Our organization remains committed to providing the products and services necessary to ensure that the openings in your residential or commercial facility are safe, secure and function properly to meet your specific needs. Today over 75 years of experience and 563 dedicated employees stand behind that commitment 24 hours a day, 7 days a week, 365 days a year.





The Genuine. The Original.



Overhead Door Group (OHD)

Atlanta • Kansas City • St. Louis • Wichita

The D.H. Pace Company's Overhead Door Group is considered a leader in the door industry and is one of the nation's largest distributor groups.

The company operates eight showroom facilities located in four major markets. In addition, two satellite offices operate under the tradenames of "Overhead Door Company of Blue Springs" and "Overhead Door Company of SW Illinois".



Overhead Door Company of Atlanta

GENERAL OFFICES
221 Armour Drive
Atlanta, GA 30324
1-404-872-3667
www.ohdatl.com



Overhead Door Company of Kansas City

GENERAL OFFICES
611 E. 13th Avenue
N. Kansas City, MO 64116
1-816-221-0072
www.ohdkc.com



Overhead Door Company of St. Louis

GENERAL OFFICES
3924 Shrewsbury
St. Louis, MO 63119
1-314-781-5200
www.ohdstl.com



Overhead Door Company of South Central Kansas

GENERAL OFFICES
1711 S. Hoover Road
Wichita, KS 67209
1-316-944-7223
www.ohdsck.com

The OHD Group provides best-in-class service to their residential and commercial customers with a combination of 12 Metro Area Locations and more than 200 Service, Installation and Field Vehicles. In 2002, the OHD Group recorded over 150,000 individual customer transactions.

Visit our Overhead Door websites for more information.



Operations of the OHD Group include **sales, installation, repair and service** of all types of residential, commercial and industrial door related products for both **new construction** and **retrofit (aftermarket)** applications.

Dedicated OHD Group sales teams within each market segment work with general contractors, architects, property and facility managers, home builders, homeowners and end users at all levels to make sure that the proper products and services are provided to meet the needs of each project and customer. All OHD Group sales and field personnel are professionally trained to provide the right doors and door related products to meet the **TOTAL OPENING** needs and code requirements specific to each type of facility and application.

In addition to providing customers with written bid proposals for products and installations, each OHD Group division employs a full compliment of trained service technicians who operate from radio dispatched vehicles outfitted with the products, parts and equipment necessary to service and repair any type of door or electric motor operator. OHD Group technicians often provide **same day service** and can also respond to **emergency calls** 24 hours a day, 365 days per year.



The OHD Group offers comprehensive sales, installation, repair and service on the following type products:

- Rolling Steel Insulated and Fire Doors
- Counter Shutters, steel and aluminum, fire rated
- Grills, coiling and sliding
- Sliding, Bi-fold Industrial Doors, fire rated
- Electric Operators
- Controlled Access
- Knock-out Doors and Panels
- High Speed High Cycle Coiling & Folding Doors
- Security Scissors, Gates, Sliding Chain Gates
- Strip Doors and Barriers
- FDA Bug Screen Doors
- Impact Doors
- Dock Levelers, EODs, Pit Levelers, Truck Restraints
- Dock Seals, Shelters
- Dock Bumpers, Dock Lites, Pipe Bollards
- Traffic Doors
- Retail Doors
- Canopies
- Air Doors
- Hollow Metal Frames, Doors, Fixed Windows
- Solid Core Wood Doors
- Aluminum Store Fronts and Doors
- Finish Hardware
- Electrified Hardware
- Cooler / Freezer Doors
- FRP Doors & Fiberglass Frames
- Commercial Gate Operators & Controlled Access Hardware
- ADA and Automatic Door Operators
- Toilet Partitions and Accessories
- Commercial Entry Door Access Control Systems
- Locksmith Services
- Key Management Systems
- Residential Garage Doors and Openers
- Residential Entry Doors
- Folding Partitions



All products sold by the ADH Group (pgs. 10-11) are also offered by the OHD Group for existing facilities.

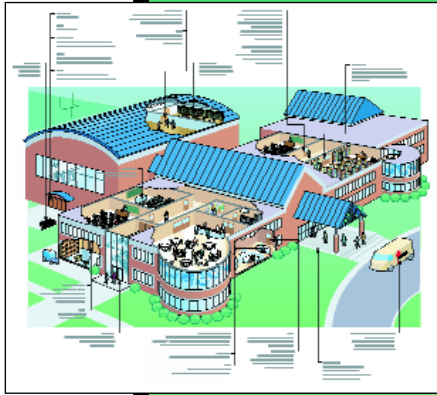


Overhead Door
Atlanta • Kansas City

Site Surveys

The OHD Group offers a variety of door safety and other site surveys to help facilities maintain safe, secure and productive operations, including a program designed specifically for schools and universities.

- Security Analysis
- Fire and Life Safety
- ADA Compliance



End User Training



Missouri Fire
Marshal's
Convention



Healthcare
Facility
Managers

Locksmith Services

The OHD Group provides a complete range of locksmith services including lock installation, cylinder keying, masterkey system design, key record management and electronic access control.



Commercial and Residential Programs and Services

The proper sale and installation of overhead doors, dock equipment, commercial entry doors and related products is only part of the OHD Group's commitment to building a loyal client base and exceeding customer expectations.

By providing a wide variety of industry-leading field and support services, trained and certified installers and technicians, and security and safety expertise, the OHD Group not only offers best-in-class "service after the sale", but provides single source TOTAL OPENING SOLUTIONS that customers can rely on throughout the life of their facility.

Some of the many Programs and Services the OHD Group offers include:

- Emergency Repair Services 24 hours a day, 365 days a year
- Customized Priority Service Contracts
- Preventive Maintenance Programs
- Fire Door Drop Testing
- Door Safety and Site Surveys
- Key System and Access Control Consultations
- End-user Training Programs

Specialists at each OHD Group location are trained to provide each customer with a combination of products, programs and services to meet their specific facility's total door and hardware needs.

The Original.



Door Group (OHD)
y • St. Louis • Wichita

Residential Preventive Maintenance Program

Recognizing that garage doors are the largest and heaviest moving object in most homes, and that door systems must be properly adjusted and maintained in order to function correctly, the OHD Group has developed a residential garage door Preventive Maintenance Program to provide for the safe and proper operation of residential garage doors and openers.

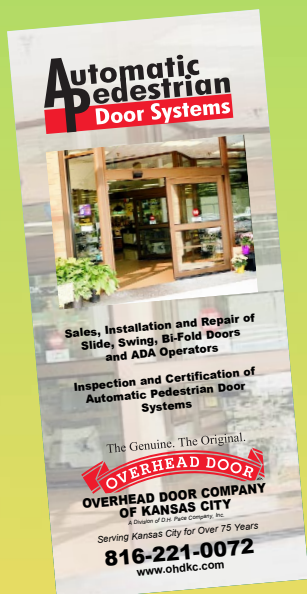


Commercial Preventive Maintenance Program

OHD Group's Commercial Preventive Maintenance (PM) Program is designed to offer customized PM service for any size or type commercial or industrial facility's sectional or rolling doors and operators, fire doors, commercial entry doors, dock levelers and related dock equipment. Customer benefits include reduced repair costs, controlled downtime and extended equipment life for each facility under the program.

Fire Door Drop Testing Program

National Fire Protection Association (NFPA) standards require building owners to have their rolling and sliding fire doors inspected and tested annually, and to maintain written documentation of such inspections. The OHD Group's Fire Door Drop Test Program helps building managers and owners stay in compliance with building fire codes and maintain the proper operation and full closure of all facility fire doors.



Automatic Pedestrian Door Systems Inspections

The American Association of Automatic Door Manufacturers (AAADM) recommends that annual inspections, conducted by an AAADM certified inspector, be performed on every Automatic Pedestrian Door System. The OHD Group maintains experienced AAADM Certified Inspectors on staff to provide maintenance, repair and annual inspections on all types and brands of Automatic Pedestrian Doors in accordance with both ANSI A156.10 and AAADM standards.





DH PACE

ARCHITECTURAL DOORS & HARDWARE

D.H. Pace Architectural Doors & Hardware Group (ADH)

The D.H. Pace Company's Architectural Doors and Hardware Group offers a wide range of commercial entry door (CED) and related products and services to the new construction market. ADH Group offices are strategically located throughout the midwest and provide services on a nationwide basis.

The ADH Group works with general contractors, architects, end users and related construction professionals in a concerted effort to consistently and professionally deliver the highest quality project possible. Each project supplied by the ADH Group strives to provide best-in-class products and services that are on time, within budget and exceed customer expectations.



Kansas City, Missouri

218 E. 11th Avenue
North Kansas City, MO 64116
816-480-2600

Springfield, Missouri

310 S. Union • Suite E
Springfield, MO 65802
417-831-5585

Lincoln, Nebraska

5800 North 58th St. Suite 2
Lincoln, NE 68507
402-467-4300

Wichita, Kansas

1711 S. Hoover Road
Wichita, KS 67209
316-944-7223

Hastings, Nebraska

747 N. Burlington • Suite #206
Hastings, NE 68901
402-463-3334

Hutchinson, Kansas

335 N. Washington • Suite #130
Hutchinson, KS 67501
620-665-9945

Collinsville, Illinois

1701 Golfview Ave.
Collinsville, IL 62234
618-346-6670



Visit our website @ www.dhpace.com



The ADH Group employs industry professionals certified as Architectural Hardware Consultants (**AHC**) and Certified Door Consultants (**CDC**) by the Door & Hardware Institute (**DHI**). These individuals provide **Specification Writing Services** and work with customers to assure that the proper products are selected to meet the specific needs of each opening and application.

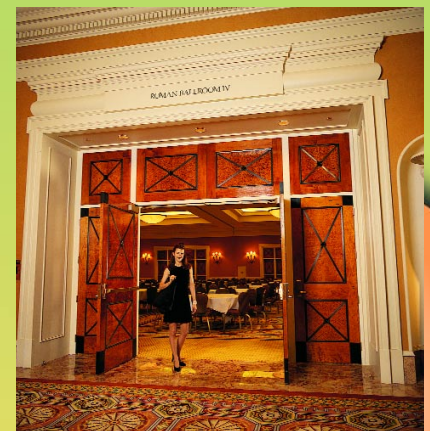
In addition, ADH Group employees are constantly trained on the latest products and industry technology, and participate in numerous industry associations such as the Construction Specifications Institute (**CSI**), the Security Industry Association (**SIA**) and the Associated Locksmiths of America (**ALOA**) in an effort to continually provide industry leading products and services to each customer and project.

In support of both existing customers and current projects, the ADH Group maintains large **hollow metal fabrication facilities** certified by Underwriters Laboratories (**UL**) to build fire-rated assemblies, along with a broad array of **finish hardware, locksmith** and **replacement parts** inventories. This allows the ADH Group to provide single source TOTAL OPENING SOLUTIONS to the diverse customer base and markets it serves.



The D.H. Pace Architectural Doors & Hardware Group (ADH) is considered a leader in the contract hardware industry which includes the sale, installation and service of hollow metal doors and frames, wood doors, finish hardware and related specialty products. Support services include specification writing, key system management and electronic security applications.

- Hollow Metal Doors/Frames
- Wood Doors
- Pressure Resistant Doors
- Locksmith Services
- Restroom Partitions & Accessories
- Roof Vents, Access Panels and Hatches
- Overhead Door Products and Services
- Access Control Systems
- Key Management Systems
- Aluminum Storefront Openings
- Automatic Openings
- Blast Doors
- Security Systems
- Bullet Resistant Doors
- FRP Doors and Frames
- Electronic Security Hardware



All products sold by the ADH Group are also offered by the OHD Group (pgs. 6-7) for existing facilities.



D.H. Pace Construction Services Group (PCS)

The D.H. Pace Construction Services Group offers a complete line of Construction Specifications Institute (CSI) Division 6, 8, 10 and 11 products under a single contract for commercial new construction projects. Installation of these products can also be provided under an installation services contract. The PCS Group operates on a regional basis with recent projects in Virginia, Washington D.C., Tennessee, Georgia, Florida, Kansas, Pennsylvania, Missouri and Illinois. Project types include hotels, convention centers, detention facilities, arenas, educational campuses, manufacturing facilities, hospitals, office buildings and wastewater treatment plants.

Recent projects of the PCS Group include:

- **The Sanctuary at Kiawah Island**
Kiawah Island, SC
- **The Argosy Casino Expansion**
Riverside, MO
- **Washington Convention Center**
Washington, D.C.
- **Federal Express World Headquarters**
Memphis, TN
- **Giant Center Arena**
Hershey, PA
- **Kilde Hall-Iowa State University**
Ames, IA
- **Leavenworth Justice Center**
Leavenworth, KS
- **Federal Reserve Bank**
Atlanta, GA
- **AOL - OnLine Data Center**
Manassas, VA
- **Platte County Detention Center**
Platte City, MO
- **Municipal Auditorium**
Kansas City, MO



Kansas City Office

218 E. 11th Avenue
P.O. Box 12641
North Kansas City, MO 64116
816-480-2600

Atlanta Office

2600 Century Parkway
Suite #100
Atlanta, GA 30345
404-327-5106

O'Brien Commercial Interiors

218 E. 11th Avenue
North Kansas City, MO 64116
816-920-5550

DH PACE DOOR SERVICES

MEYER & LUNDAHL ARCHITECTURAL OPENINGS

616 West 24th Street • Tempe, AZ 85282

480-968-3667

www.dhpace.com • AZ ROC: #183892, K-60

DH PACE SYSTEMS INTEGRATION

MEYER & LUNDAHL SYSTEMS INTEGRATION

616 West 24th Street • Tempe, AZ 85282

480-557-7223

www.dhpace.com/psi • AZ ROC: #184002, K-67

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

In 1948 George Meyer established the Meyer and Ludwig Manufacturing Company in Arizona to provide fine millwork and casework to the southwestern market. He was joined by William (Bud) Lundahl in 1957, and the organization became the Meyer and Lundahl Manufacturing Company (M&L), expanding to become the leading supplier and installer of architectural millwork in the state of Arizona.

Meyer and Lundahl Architectural Openings (M&L Openings) was established in 1983 as the contract hardware division of M&L to handle the company's growing commercial entry door business. With the significant increase in the use of electronic security products on commercial entry doors, 1998 saw the formation of the Meyer and Lundahl Systems Integration (M&L Integration) division which offers a complete line of life safety and security solutions.

M&L Openings and M&L Integration, which joined the D.H. Pace organization in March of 2003, operate under the trade names D.H. Pace Door Services (PDS) and D.H. Pace Systems Integration (PSI), respectively. D.H. Pace is proud to continue the strong history of customer service and professionalism these two divisions have established, while expanding their product and service offerings further through the support of our ADH Group and OHD Group divisions.



D.H. Pace Door Services (PDS) and D.H. Pace Systems Integration (PSI) provide sales, installation, repair and service of all types of commercial, institutional and industrial door related products for both new construction and retrofit (aftermarket) applications. General product categories include:

• COMMERCIAL DOORS & FRAMES

Hollow Metal, Aluminum, Wood, Plastic Laminate, Automatic Door Systems, Power Operators, UL Approved Fabrication Shop

• FINISH HARDWARE

Locksets, Cylinders, Closers, Exit Devices, Hinges, Weatherstripping, Electrified Hardware, Flatgoods, Signage.

• OVERHEAD DOORS & DOCK EQUIPMENT

Rolling Steel Doors, Gates, Grilles, Shutters, Electric Operators, Dock and Pit Levelers, Bumpers, Seals, Impact Doors, Sliding Doors.

• RESTROOM & DIVISION 10 SPECIALTY PRODUCTS

Partitions, Accessories, Lockers, ADA Products, Flagpoles, Fire Extinguishers, Dark Room Doors.

• ACCESS CONTROL SYSTEMS

Alarm Lock, DIMP, Hirsch, Locknetics, Receptors, Securiton, Absec, HID, Salfok, RSI, Identix

• CCTV SYSTEMS

QSI, Lanex, Panasonic

• FIRE SYSTEMS

Radionics, Silent Knight

• INTERCOM / EMERGENCY PHONES

Aiphone, Stentophon, Talk-A-Phone, Code Blue, Selected Engineering, Vandal-Proof Products

• PARKING CONTROL/TURNSTILES

Delta, Door King, Hysecurity, Traf Data

PDS and PSI operations include a full selection of support services, including:

• INSTALLATION & FIELD REWORK

• BUILDING CODE CONSULTING

• MAINTENANCE CONTRACTS

• SPECIFICATION WRITING

• 24/7 EMERGENCY SERVICES

• SHOP DRAWINGS

All commercial products sold by the ADH Group (pgs 10-11) and the OHD Group (pgs 6-7) are also offered by the D.H. Pace Door Services (PDS) and D.H. Pace Systems Integration (PSI)

E.E.N. Advertising and Marketing

EEN Advertising and Marketing is a full service agency, which handles the organization's diverse marketing needs. From design to production and placement of advertising to interactive multimedia sales tools, EEN Advertising works with all operating entities to achieve their most efficient use of media dollars and best return on investment.

Agency responsibilities include the design and management of the organization's distinctive yellow page marketing program, the coordination of manufacturers' co-op advertising programs, the design and production of traditional print sales and marketing pieces, and the development and maintenance of electronic media, such as internet websites and multimedia CDs.

EEN Advertising also plays a key role in the operation and expansion of PACE.NET, an organization-wide intranet resource tool that enhances communication and the sharing of knowledge among the employees of the organization.



D.H. Pace University

D.H. Pace University (DHPU) is the organization's learning system that incorporates state of the art facilities, multiple media resources and a broad range of programs to deliver ongoing educational opportunities to employees and other stakeholders in the company.

DHPU learning programs include weekly product and systems training sessions in divisional Classroom Facilities, regularly scheduled installation and service training in divisional Hands-On Training Facilities, off-site training programs offered by manufacturers and industry associations, On-Line courses over the internet, and educational seminars held for customers, architects, building code officials and related industry professionals.

In addition, DHPU offers ongoing training, industry information, product libraries and related resources through the company's PACE.NET intranet site which employees can access at any time for project research or to further their professional education.



**E.E. Newcomer
Enterprises, Inc.**
and its Family of Companies

- CORPORATE VISION -

“Continue to broaden the range of products and services we offer to the market place.

Provide products and services to our customers with the highest possible level of quality, ethics and integrity.

Produce a solid level of profits that will enable us to maintain a financially strong organization.

Provide a corporate caring family environment for our employees that creates job security, job satisfaction and opportunities for growing responsibilities.

Meet our community responsibilities, especially to those less fortunate than we are, with an active participation on the part of both our family of companies and our employees.”

**E.E. Newcomer
Enterprises, Inc.**
and its Family of Companies

- CORPORATE VALUES -

WE BELIEVE in providing a safe and secure environment with challenging opportunities for every employee in the organization.

WE BELIEVE in providing an environment that encourages openness, self-discipline and personal growth for every employee in the organization.

WE BELIEVE in respecting the value every employee contributes to all our corporate objectives every day.

WE BELIEVE that meeting our customers’ needs by providing timely and superior service, the best product and the utmost respect for each customer must be our number one objective every hour of every day.

WE BELIEVE each of us throughout the organization must “care about each other and respect each other” for our company to live each day by the beliefs set out above.

WE BELIEVE our company can achieve its profit objectives and operate day-by-day with a very high standard of ethical and moral values, and that these will be in harmony, one with the other, day-by-day, week-by-week, month-by-month, and year-by-year.

