

E.E. Newcomer Enterprises, Inc.

2004 Corporate Report

The Genuine. The Original.



DH PACE DOOR SERVICES
PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

DH PACE SYSTEMS INTEGRATION
PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

DH PACE CONSTRUCTION SERVICES





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.

Our Sales in 2004 exceeded \$100,000,000 for the first time in Company history. As we celebrate this milestone achievement it is important that we also recommit ourselves to those basic characteristics of our Organization that have driven this growth. These include:

Building Values - We are a service Organization. The foundation of our success is our ability to establish and maintain strong long-term customer relationships. This can only be accomplished through a high standard for ethics based on integrity, trust, and honesty. These standards must be applied in all of our dealings with each other as employees and with our vendor partners, as well as each of our customers. Our Corporate Vision/Values Statement, Corporate Ethics program and the work of the E.E. Newcomer Enterprises Charitable Foundation represents our commitment to these values that define who we are as an Organization and what we stand for.

Developing People - Motivated and competent employees are the lifeblood of any Organization. Hiring, training, and retaining the right people to staff our business as it grows is our single biggest leadership challenge. D.H. Pace University, the Management Development program, and the expansion of our professional recruiting staff are all part of our ongoing commitment to winning this battle for talent in the years to come.

Producing Profits - Profits are a critical element in every business that succeeds over the long term. They provide financial strength to the Organization, fund the investments necessary for sustained growth, and are a measure of the value our customers place on the products and services we offer. We are committed to profitable growth and in re-investing these profits back into the business so that we may continue to grow and prosper.

These characteristics have been the key to our past success and will continue to guide our Organization as we grow into the future.

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.

Rex E. Newcomer
President & CEO
E.E. Newcomer Enterprises, Inc.

Ed E. Newcomer
Chairman of the Board
E.E. Newcomer Enterprises, Inc.



A History of the Organization

The organization traces its roots back to the 1920s with the invention of the upward-acting sectional garage door. Independent Overhead Door distributorships were established in St. Louis (1926), Kansas City (1927) and Atlanta (1935), which over the next half century became 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 re-energized the organization with a new vision for the future:

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

During the 1980s, this vision became reality through the continued hiring and training of exceptional employees, the addition of product lines, the opening of new showroom facilities to showcase residential products and services, and the expansion of commercial entry door products and services.

Beginning in 1995, in addition to the established Overhead Door distributorships, the organization established new construction commercial entry door (CED) satellite sales offices throughout the Midwest, and

began marketing CED products and services to the General Contractor market under the "D.H. Pace Architectural Doors and Hardware" and "D.H. Pace Construction Services" trade names.

As the organization continued to grow, it continued to invest in its future. In 1998, the EEN Advertising and Marketing Group was formed to manage the company's multi-million dollar annual investment in print, electronic and media programs, and to develop internet and intranet web sites. In addition, a significant and ongoing commitment to new information technologies was made with the investment in a new ERP computer system and supporting infrastructure that has grown to include multiple professional management tools.

Over recent years, the evolution of commercial entry door products has come to include the integration of access control, CCTV, video recording and monitoring functions with mechanical door hardware for TOTAL OPENING SOLUTIONS. To provide customers with a single source for their integrated security needs, in 2003 the organization established offices in both Phoenix and Atlanta under the "D.H. Pace Systems Integration" trade name and introduced the "D.H. Pace Door Services" trade name to reflect the ever-broadening range of commercial products and turn-key services the organization provides its growing commercial, institutional, and industrial customer base.



The Organization Today

The D.H. Pace Company includes more than 25 offices and showrooms, providing for the sale, installation, service and repair of doors and door-related products, including access control and integrated security systems. 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 D.H. Pace Company operating groups, and the markets they serve, include:

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Atlanta • Kansas City • St. Louis
Springfield • Wichita

DH PACE DOOR SERVICES

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

Atlanta • Denver • Kansas City • Phoenix
Springfield • Wichita

DH PACE SYSTEMS INTEGRATION

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

Atlanta • Kansas City • Phoenix

DH PACE CONSTRUCTION SERVICES

Atlanta • Kansas City

As it did in 1977, our organization remains committed to the vision of providing “safe, secure, and functional openings in all types of commercial and residential facilities, which consistently exceed customer expectations.” Today over 75 years of experience and 683 dedicated employees stand behind that commitment 24 hours a day, 7 days a week, 365 days a year.



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Overhead Door Group (OHD)

Atlanta • Kansas City • St. Louis • Springfield • 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 10 showroom facilities located in five major markets. In addition, three satellite offices operate under the trade names of "Overhead Door Company of Blue Springs", "Overhead Door Company of SW Illinois" and "Overhead Door Company of Greater Hall County".

Operations of the OHD Group specialize in sales, installation, service and repair of all types of residential, commercial, and industrial door-related products for both new construction and retrofit (after-market) 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.



Atlanta, GA

221 Armour Drive • Atlanta, GA 30324
404-872-3667
www.ohdatl.com



Kansas City, MO

611 E. 13th Ave. • N. Kansas City, MO 64116
816-221-0072
www.ohdkc.com



St. Louis, MO

3924 Shrewsbury • St. Louis, MO 63119
314-781-5200
www.ohdstl.com



Springfield, MO

707 N. Grant Ave. • Springfield, MO 65802
417-862-9339
www.ohdspringfield.com



Wichita, KS

1711 S. Hoover Rd. • Wichita, KS 67209
316-944-3667
www.ohdsck.com

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 regularly provide same-day service and respond to emergency calls 24 hours a day, 365 days per year.

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:

- Preventive Maintenance Programs
- Fire Door Drop Testing
- Automatic Pedestrian Door AAADM Certified Inspections
- Customized Priority Service Contracts
- 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 OHD Group offers comprehensive sales, installation, service, and repair on the following type products:

- | | |
|-----------------------------------|-------------------------------|
| • COMMERCIAL SECTIONAL DOORS | • HOLLOW METAL DOORS & FRAMES |
| • RESIDENTIAL GARAGE DOORS | • SOLID CORE WOOD DOORS |
| • ELECTRIC GARAGE DOOR OPENERS | • FINISH HARDWARE |
| • ROLLING SERVICE & FIRE DOORS | • ELECTRIFIED DOOR HARDWARE |
| • ROLLING COUNTER DOORS | • ELECTRONIC ACCESS CONTROL |
| • DOCK LEVELERS, SEALS & SHELTERS | • AUTOMATIC PEDESTRIAN DOORS |
| • HIGH SPEED TRAFFIC DOORS | • ADA AUTOMATIC OPERATORS |
| • SECURITY GRILLES | • LOCKSMITH SERVICES |
| • INDUSTRIAL DOORS | • ALUMINUM STOREFRONTS |



DH PACE DOOR SERVICES

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

In 1995 the commercial entry door (CED) operations of the Overhead Door Group were organized under a new trade name, "D.H. Pace Architectural Doors and Hardware" (ADH), to deliver CED products to general contractors on a delivered only basis. The ADH Group has grown to become a nationally recognized leader in the commercial entry door industry.

Over the last several years the ADH Group has expanded the products and services they provide to include installation, repair services and direct end-user sales. As a result, in 2003 this group adopted a new trade name, "D.H. Pace Door Services" (PDS), to better reflect the full range of products and services now offered.

The PDS Group works with general contractors, architects, end-users, and related construction professionals to consistently and professionally deliver projects on time, under budget, and that exceed customer expectations.

The PDS Group employs industry professionals certified by nationally recognized associations, including:

- Architectural Hardware Consultants (AHC) and Certified Door Consultants (CDC) certified by the Door & Hardware Institute (DHI);
- Certified Registered Locksmiths (CRL) certified by the Associated Locksmiths of America (ALOA); and,
- Construction Document Technologists (CDT) certified by the Construction Specifications Institute (CSI).

The PDS Group is actively involved in many additional industry associations, including the American Institute of Architects (AIA), the Security Industry Association (SIA), and the American Society for Industrial Security (ASIS). Employee training, certification, and industry involvement assures

Atlanta, Georgia

221 Armour Drive
Atlanta, GA 30324
404-327-5106

Phoenix, Arizona

616 W. 24th Street
Tempe, AZ 85282
480-968-3667
AZ ROC: #183892 K-60

Denver, Colorado

4940 Paris Street
Denver, CO 80239
303-783-3667

Springfield, Missouri

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

Kansas City, Missouri

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

Wichita, Kansas

1711 S. Hoover Road
Wichita, KS 67209
316-944-3667

www.dhpace.com/pds

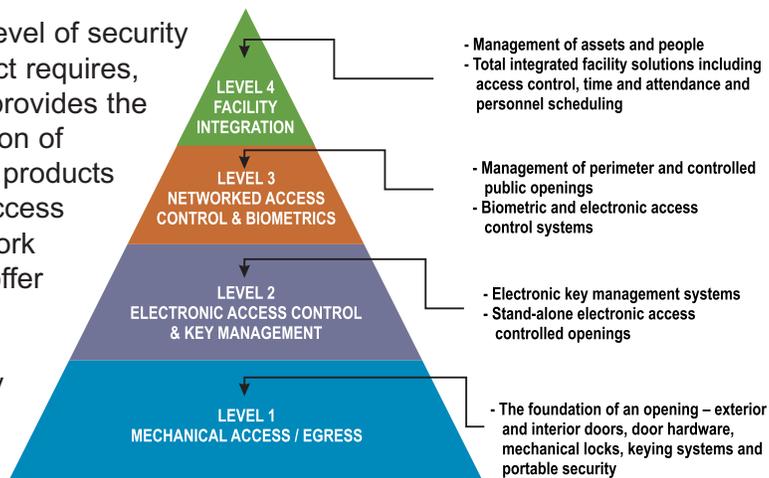
that the PDS Group has the broadest possible knowledge base to assist customers in the proper design, selection, installation, and maintenance of CED products to meet the specific needs of each opening and application.

The PDS Group also provides a complete range of locksmith support services, including lock installation, cylinder keying, master key system design, high security cylinders, restricted key systems, and the coordination of key record management.

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

In recent years, TOTAL OPENING SOLUTIONS have also come to include effective security systems for CED openings. Professional Life Safety and Security Solutions require the proper coordination of access control, CCTV, video monitoring, and intrusion alarm technologies with traditional CED products and services. The PDS Group, in conjunction with the newly formed D.H. Systems Integration (PSI) Group, provide customers with integrated solutions on a facility and enterprise basis that meet the most demanding criteria.

Whatever the level of security a facility or project requires, the PDS Group provides the proper combination of mechanical door products with electronic access control and network technologies to offer best-in-class Professional Life Safety & Security Solutions for our customers.



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

- HOLLOW METAL DOORS / FRAMES
- WOOD DOORS
- FINISH HARDWARE
- ELECTRIFIED DOOR HARDWARE
- OVERHEAD DOOR PRODUCTS & SERVICES
- ALUMINUM STOREFRONT OPENINGS
- RESTROOM PARTITIONS & ACCESSORIES
- ROOF VENTS, ACCESS PANELS & HATCHES
- ELECTRONIC ACCESS CONTROL
- CCTV & VIDEO MONITORING
- AUTOMATIC PEDESTRIAN DOORS
- ADA AUTOMATIC OPERATORS
- LOCKSMITH SERVICES
- BLAST & BULLET RESISTANT DOORS
- PRESSURE RESISTANT DOORS
- FRP DOORS & FRAMES

DH PACE SYSTEMS INTEGRATION

PROFESSIONAL LIFE SAFETY & SECURITY SOLUTIONS

The D.H. Pace Systems Integration Group (PSI) provides a wide range of integrated security systems, including access control, closed-circuit television (CCTV), video monitoring, and intrusion alarm systems to both the new construction and retrofit markets. Security products can be designed and installed as stand-alone systems or on an integrated platform. Support services include 24-hour emergency service, maintenance contracts, and monitoring programs.

The PSI Group works with general contractors, architects, and end-users to design, budget, furnish, and maintain effective security systems that enhance the safety and security of any facility. Security systems can also be networked over LAN/WAN communications to connect facilities in different physical locations to the same integrated security platform.

The PSI Group also offers maintenance and monitoring programs to support the successful operation of security systems after their installation and initialization is complete.

While commercial door openings are the principle means of moving into, around, and out of a facility, an effective security system must be properly coordinated with these door openings to provide Professional Life Safety & Security Solutions. As experts in security systems and the door industry, the PSI Group is uniquely qualified to assist customers in the integration of these two elements into a safe and secure security system.



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

- **ACCESS CONTROL SYSTEMS**
DMP, DSX, HID, Hirsh, Lenel, Locknetics, Securitron, RS2. Biometrics: Identix, Recognition Systems
- **INTRUSION ALARM SYSTEMS**
Ademco, DMP, DSC, BOSCH/Radionics
- **ELECTRIFIED DOOR HARDWARE**
Locknetics, Sargent, Schlage, Securitron, Von Duprin
- **ID BADGING**
Eltron, Fargo, Indala
- **CCTV / VIDEO MONITORING**
Lanex, Panasonic, Pelco, QSI, Katel, March, IP Video Solutions by IP Configure and Axis
- **EMERGENCY PHONES**
Code Blue, Selected Engineering, Talk-a-Phone, Vandal-Proof Products
- **INTERCOM SYSTEMS**
Aiphone, Stentophon, Talk-a-Phone
- **PARKING CONTROL /TURNSTILES**
Delta, Door King, Hysecurity, Traf Data

Atlanta, GA
221 Armour Drive
Atlanta, GA 30324
404-745-7223

Kansas City, MO
218 E. 11th Avenue
N. Kansas City, MO 64116
816-480-2601

Phoenix, AZ
616 W. 24th Street
Tempe, AZ 85282
480-557-7223
AZ ROC: #184002 K-67

www.dhpace.com/psi

DHPACE CONSTRUCTION SERVICES

The D.H. Pace Construction Services Group (PCS) offers a complete line of Construction Specifications Institute (CSI) Division 6, 8, 10, and 11 products under a single contract for commercial new construction and major after-market 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, South Carolina, Georgia, Florida, Kansas, Iowa, Pennsylvania, Missouri, Arizona, and Illinois. Project types include hotels, resorts, convention centers, detention facilities, arenas, educational campuses, manufacturing, hospitals, office buildings, and wastewater treatment plants.

The PCS Group can provide a broad range of products and services, including millwork, carpentry, overhead and commercial entry doors, integrated security systems, and Division 10 specialty products such as wash-room partitions and accessories, lockers, and mailboxes. The PCS Group also works with owners and end-users on the coordination of multi-year / multi-phase building upgrade and renovation projects.

PCS achieves professional project management through industry leading software, such as Primavira, Timberline, and related programs, to deliver projects that are on time, under budget, and that exceed customer expectations.

Recent projects of the PCS Group include:

- **The Sanctuary at Kiawah Island**
Kiawah Island, SC
- **Marriott Star Pass Resort**
Tucson, AZ
- **Washington Convention Center**
Washington, D.C.
- **Federal Express World Headquarters**
Memphis, TN
- **Giant Center Arena**
Hershey, PA
- **Nelson-Atkins Museum**
Kansas City, MO
- **Lee's Summit High School**
Lee's Summit, MO
- **Federal Reserve Bank**
Atlanta, GA
- **AOL - OnLine Data Center**
Manassas, VA
- **Platte County Detention Center**
Platte City, MO
- **Municipal Auditorium**
Kansas City, MO
- **Kilde Hall-Iowa State University**
Ames, IA

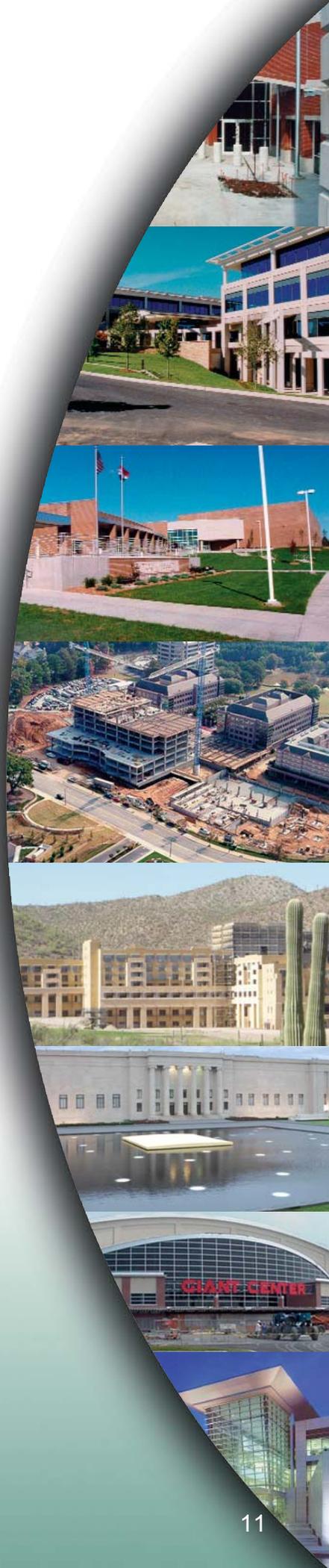
Kansas City, MO

218 E. 11th Avenue
N. Kansas City, MO 64116
816-480-2695

Atlanta, GA

221 Armour Drive
Atlanta, GA 30324
404-327-5106

www.dhpace.com



DH PACE

UNIVERSITY

D.H. Pace University (DHPU) was formed in the 1990s to organize the many different programs existing within the DH Pace Organization that facilitate the training and development of employees to their full potential as professionals in their specific area(s) of expertise. These programs cover many areas of training and development including:

- Product Training
- Professional Certifications
- Service Training
- Management Development
- Computer Training
- Process Improvement Programs – Six Sigma

DHPU learning programs are delivered in the classroom, on a self-study basis and using internet technologies. New programs are constantly being developed to keep pace with new products, building codes and the changing needs of the companies customers.

DHPU also works closely with many Industry Associations by actively participating in several national recognized Professional Certification programs that allow employees to develop their skills and be recognized as experts in their field. Examples of these programs include:

- CDT, Construction Document Technologist
- AHC, Architectural Hardware Consultant
- CDC, Certified Door Consultant
- CML, Certified Master Lockmith
- PSP, Physical Security Profesional
- IDEA, Accredited Door Dealer

DHPU offers several programs that focus on management development within the Organization. These programs focus on developing effective leadership skills in all participants. In addition to technical supervisory training, the program includes a significant emphasis on developing management skills that include building values and developing people, as well as producing results.

DH PACE LEADERSHIP

- BUILDING VALUES
- DEVELOPING PEOPLE
- PRODUCING RESULTS



D.H. Pace Six Sigma

Six Sigma is all about improving performance. It begins with the belief that there is always something that we can still learn, and that in doing so we can find new ways to make things better. What is Six Sigma?



- A philosophy of Operational Excellence and continuous improvement
- A set of tools for measuring performance accurately and factually
- A specific methodology for managing projects and organizing teams
- A path to the elimination of wasted time and effort within an Organization

These four basic elements combine to create a powerful program that, over time, can drive continuous improvement from a mere slogan to part of the culture of the Organization.

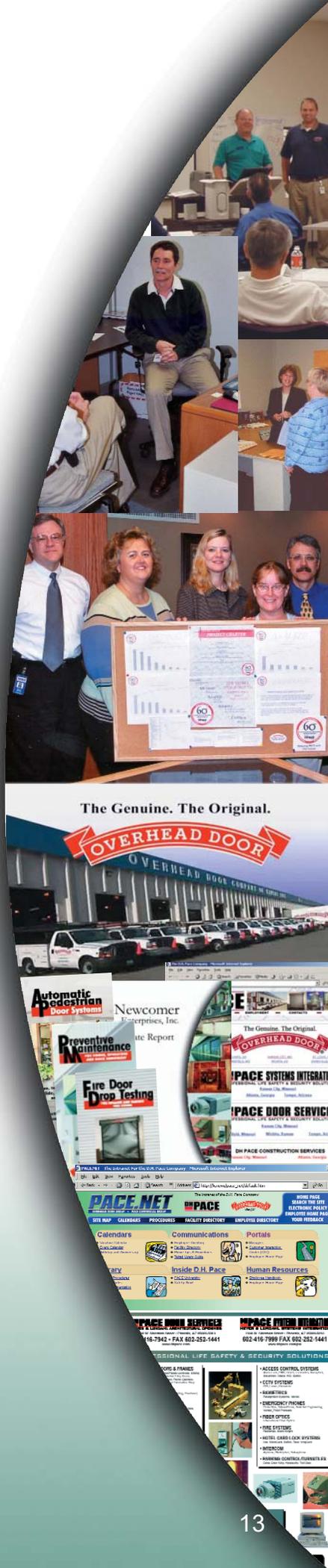
D.H. Pace currently has over 30 employees serving on (6) active projects designed to deliver on the promise of that Six Sigma philosophy. The organization is in the early stages of a multi-year commitment to build an effective process improvement culture that will result in better service to our customers and improving employee productivity.



EEN Advertising and Marketing is a full service agency, which handles the organization's diverse marketing needs. Beginning with design, 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, radio, television, and the development and maintenance of electronic media, such as internet websites and multi-media 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, training, and the sharing of knowledge among the employees of the organization.



E.E. Newcomer Enterprises Foundation

When Ed Newcomer joined the Company in 1977, he brought with him a strong commitment for our organization to meet its community responsibilities - especially to those less fortunate - through the active participation both on the part of our family of companies and our employees.

This commitment, as reflected in our Corporate Vision, Corporate Values and Corporate Ethics statements, is further demonstrated by the establishment and work of the E.E. Newcomer Enterprises Foundation (the Foundation).

From community involvement roots established in the 1980s, the Foundation was formally established as a separate not-for-profit corporation in 1995 for the purpose of providing grants to, and developing partnerships with, those community organizations that serve the less fortunate, the disadvantaged and individuals in crisis, and that create client independence as a part of their services.

The Foundation has provided grants for:

- Educational scholarships which enable inter-city youth to attend parochial schools
- Christian social service organizations
- Urban health care clinics that primarily provide services to the working poor who do not have insurance
- Community-based volunteer programs that assist low income neighborhoods.

The above grants represent only a portion of the charitable partnership programs the Foundation is involved in.

We believe good corporate citizenship includes a responsibility to give back to the community through the sharing of time, talent, and resources. E.E. Newcomer Enterprises will continue to invest a portion of its corporate profits back into our community through the work of the Foundation, and our employees are also encouraged to share their time and talents through volunteerism within their communities.

Foundation Mission Statement and Guiding Principles

The purpose of the Foundation Fund is to develop a partnership "which we view as a helping hand - not a hand out", that seeks to develop more self-sufficient individuals, families, and neighborhoods, by funding a select number of organizations committed to this vision. Guiding partnership principles include:

- Personal knowledge or relationship with our EENE family of companies.
- Programs that demonstrate significant measurable impact and create ongoing client independence.
- Organizations that are firmly committed to Christian values and share in the values, beliefs and vision of the Foundation's Board of Directors.
- Community involvement that serves the poor, disadvantaged, and/or individuals in crisis.

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.

- 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.

- CORPORATE ETHICS -



The D.H. Pace Company strives to instill in each of its employees a fundamental understanding and commitment to "Know What's Right", "Value What's Right", and "Do What's Right" based on the organization's long standing Vision, Values, and Ethics Statements.

