

E.E. Newcomer Enterprises, Inc.



The Genuine. The Original.



Architectural Doors
and Hardware



Construction
Services



2001
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.

Authors Dave Marcum, Steve Smith and Mahan Khalsa state in their book *Business Think*, "The world is more innovative than ever. Technology that once required mammoth-size hardware now fits in the palm of your hand. Diseases thought to be incurable are now on their way to being wiped out thanks to revolutionary biotech research. Imagination, ideas and discoveries continue to flood the planet in remarkable ways and unbelievable speed.

"With great hope and expectations, inventors and entrepreneurs all over the world breath life into ingenious ideas and pioneer new businesses every day. Companies are driven by the minute to break new ground with products and services that will give them a competitive edge.

"Although we have grown accustomed to it, we are witnessing one of the greatest innovation explosions in history. Globally, every 60 minutes, 101 new patents are applied for and 2,265 new businesses are started every day. By the end of each day, over 2,131 businesses will file for bankruptcy or will have ceased operations. The gigantic chasm between ideas and results must be closed by each company and individual. Companies don't get free rides. We all live and die by what we produce and how well we deliver our products and/or service to our customers."

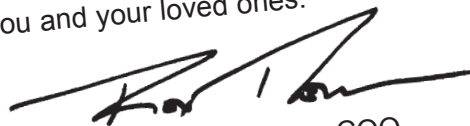
Change will be fundamental to those companies that survive and prosper in the 21st century. Over the past 24 years, there has been substantial change in the breadth of products and services offered by our family of companies and the way we deliver those products and services to our more than 150,000 customers.

Our organization is blessed with a great many employees who focus on being the best they can be, at what they do each day, as we strive to exceed customer expectations with every customer we serve. We are confident these talented and committed employees can compete with anyone in the 21st century. We 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.

**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

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
4400 Shawnee Mission Parkway
Suite #204
Shawnee Mission, KS 66205

Paul J. Fissel

Vice President

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

Robert C. Newcomer

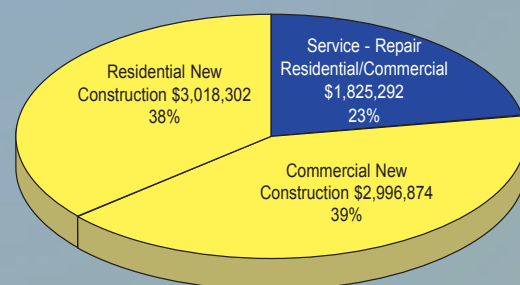
Attorney

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

Consolidated Sales for 2001 \$85,250,728

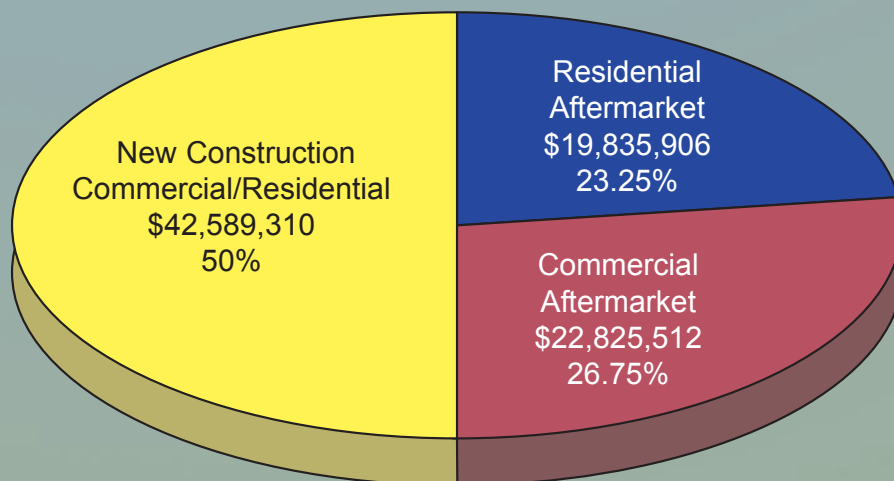
Growth and change
in our mix of
business over 24
years for
E.E. Newcomer
Enterprises, Inc.
and its subsidiaries.

Actual for Fiscal 1977



Total Sales \$7,840,468

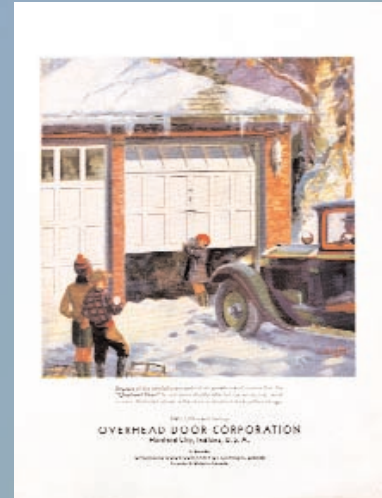
Actual for Fiscal 2001



Total Sales \$85,250,728

E.E. Newcomer Enterprises, Inc.
subsidiaries include:

- D.H. Pace Overhead Door Group
- D.H. Pace Architectural Doors & Hardware
- D.H. Pace Construction Services
- E.E.N. Advertising & Marketing



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, including: 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.

Today, the organization is comprised of over 20 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.

The D.H. Pace Company continues to invest in new technologies and ongoing employee training to enhance business performance. Best-in-class information systems have been put into place over the last several years, including internet websites for each operating entity and an extensive "PACE.NET"

intranet site as a means of effectively sharing information throughout the organization. Through D.H. Pace University the company continues to offer multiple hands-on and classroom training opportunities for employees, as well as for customers, architects, building code officials and related industry professionals.

In 1977 company sales revenues were \$7.8 million with a work force of 72 employees. During 2001, company-wide sales exceeded \$85 million, with over 586 employees working every day to make that 1977 vision statement a reality for every customer served.

As we move into the 21st century 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 70 years of experience and 586 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

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 seven showroom facilities located in three 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".



The Overhead Door Company of Atlanta

221 Armour Drive
Atlanta, GA 30324
1-404-872-3667

www.ohdatl.com

96,000 sq. ft.
Office/Shop/Warehouse

75
Service/Installation
Field Vehicles

The Overhead Door Company of Kansas City

611 E. 13th Avenue
North Kansas City, MO 64116
1-816-221-0072

www.ohdkc.com

70,000 sq. ft.
Office/Shop/Warehouse

64
Service/Installation
Field Vehicles

The Overhead Door Company of St. Louis

3924 Shrewsbury
St. Louis, MO 63119
1-314-781-5200

www.ohdstl.com

38,000 sq. ft.
Office/Shop/Warehouse

55
Service/Installation
Field Vehicles

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 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 opening out in the field. 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:

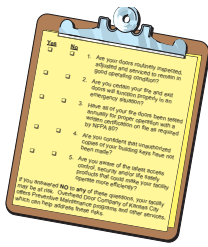
- | | | |
|--|---|--|
| • Rolling Steel Insulated and Fire Doors | • Dock Levelers, EODs, Pit Levelers, Truck Restraints | • FRP Doors & Fiberglass Frames |
| • Counter Shutters, steel and aluminum, fire rated | • Dock Seals, Shelters | • Commercial Gate Operators & Controlled Access Hardware |
| • Grills,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



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

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.



End User Training



Missouri Fire Marshal's Convention

Healthcare Facility Managers



Automatic Door Inspections



The OHD Group service team includes technicians authorized by the American

Association of Automatic Door Manufacturers (**AAADM**) to perform certified inspections on all types of swinging, sliding and bi-fold doors.

The Genuine. The Original.



Overhead Door Group (OHD)
Atlanta • Kansas City • St. Louis

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.

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.



Ingersoll-Rand Security Center

The OHD Group is proud to be designated as an IR Security Center, which provides the highest level of sales, installation, repair and service for IR's industry-leading brands such as Schlage locks, LCN door closers, Von Duprin exit devices, Locknetics access control products and Steelcraft doors and frames.

As an IR Security Center, the OHD Group is committed to in-stock inventories, installer and service technician training and certification, 24 hour a day / 365 day a year field availability, mechanical key system and access control capabilities, and the supply of innovative IR commercial entry door products. This commitment offers commercial, industrial and institutional customers TOTAL OPENING SOLUTIONS from a single source provider.





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

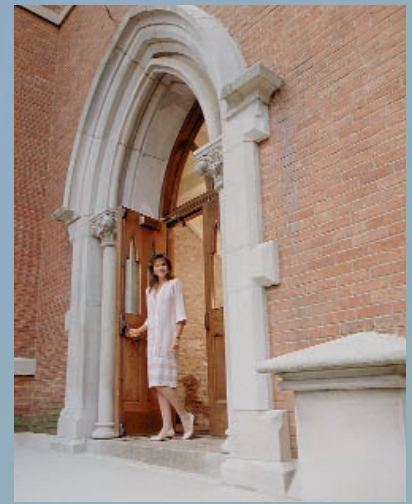
Hutchinson, Kansas

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.

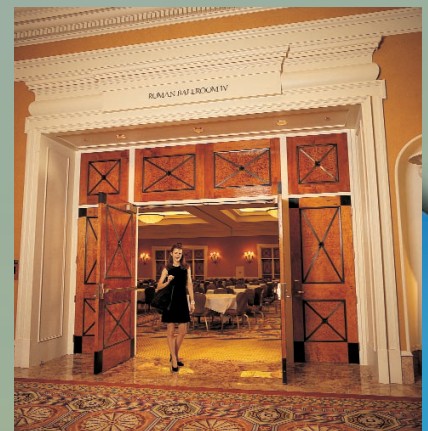
In addition, ADH Group employees are constantly trained on the latest products and industry technology, and participate in numerous industry associations such as the Construction Specifications Institute (**CSI**), the Security Industry Association (**SIA**) and the Associated Locksmiths of America (**ALOA**) 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.

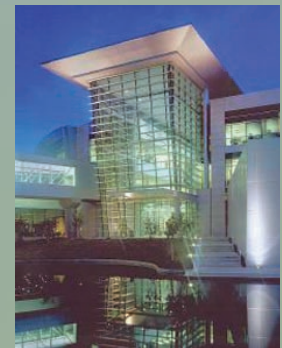


D.H. Pace Construction Services Group (PCS)

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:

- **Giant Center Arena**
Hershey, PA
- **Kilde Hall-Iowa State University**
Ames, IA
- **Leavenworth Justice Center**
Leavenworth, KS
- **Federal Reserve Bank**
Atlanta, GA
- **Washington Convention Center**
Washington, D.C.
- **AOL - OnLine Data Center**
Manassas, VA
- **Linn State Information Technology Building**
Linn State Technical Institute; Linn, MO
- **Platte County Detention Center**
Platte City, MO
- **Federal Express World Headquarters**
Memphis, TN
- **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



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.

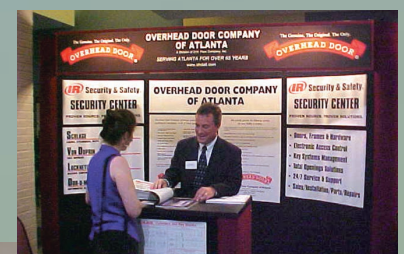


D.H. Pace University

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.





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SCHLAGE VON DUPRIN LCN STEELCRAFT

IVES GLYNN-JOHNSON Recognition Systems LOCKNETICS

FALCON MONARCH DOR-O-MATIC



Republic
doors • frames



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.