SEMS-RM DOCID # 100019590

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Ducommun

October 21, 2019

Via Electronic Mail (muratore.kim@epa.gov)
Ms. Kim Muratore, Case Developer (SFD-7-5)
U.S. EPA, Region 9
75 Hawthorne Street
San Francisco, CA 94105

Re: CERCLA 104(e) Supplemental Information Request
Orange County North Basin Study Area, Orange County, California
Ducommun Incorporated

Dear Ms. Muratore:

Please find below and attached, information responsive to the above referenced supplemental information request (the "Supplemental Information Request"), received by Ducommun Incorporated ("Ducommun") on October 1, 2019.

Please note that all supporting documents and attachments can be found in the attached zip file, and are numbered to correspond to the question referenced in the responses below.

1. **State the full name, address, telephone number, email address, and position(s) held by any individual answering any of these questions on behalf of Ducommun Incorporated and its former subsidiary American Electronics, Inc. (f/k/a, American Pacesetter, Inc.) (together, "the Company").**

   RESPONSE:

   Responses herein are to activities associated with "the Company" after acquisition of American Electronics, Inc. ("AEI") in July 1998. The term "AEI" shall refer to activities before that date not associated with "the Company". The full name, address, telephone number, email, phone number and positions of the individuals responding to these questions on behalf of Ducommun are as follows:

Rajiv Tata
Deputy General Counsel & Corporate Secretary
200 Sandpointe Avenue, Suite 700
Santa Ana, CA 92707
(657) 335-3675
rtata@ducommun.com

Denver Martin
Director, Enterprise EHS
1885 North Batavia Street
Orange, CA 92865
(714) 921-5394 office x4394
Dmartin2@ducommun.com

2. **As referenced in your November 1, 2018 response, please provide a complete, executed copy of the 1998 Stock Purchase Agreement between American Electronics, Inc. and Ducommun Technologies Inc. (n/k/a, Ducommun LaBarge Technologies, Inc.), including copies of all indemnification and other agreements pursuant to which the environmental liabilities of American Electronics, Inc. were transferred to or assumed by other parties. Include any and all appendices, attachments, and schedules that were part of the 1998 agreement(s).**

RESPONSE:

Please find attached all documents in Ducommun's possession relating to the above question.

a) June 8, 1998 Stock Purchase Agreement by and Among Ducommun Incorporated, Jay-El Products, Inc. and Certain Shareholders of American Electronics, Inc.

b) June 8, 1998 American Electronics, Inc. Settlement Statement

c) October 19, 1998 Agreement of Sale of Business between American Electronics, Inc. and D/A Pacific, Inc.

d) August 1, 2003 Agreement of Purchase and Sale and Joint Escrow Instructions between American Electronics, Inc. and WOHL Investment Company, Inc. for 1600 East Valencia Drive, Fullerton, California 92831

e) August 13, 2003 First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions between American Electronics, Inc. and WOHL Investment Company, Inc.

f) September 25, 2003 Second Amendment to Purchase and Sale and Joint Escrow Instructions between American Electronics, Inc. and WOHL Investment Company, Inc.

g) October 21, 2003 Assignment and Assumption of Lease by and between American Electronics, Inc. and WOHL Cypress LLC for 1600 East Valencia Drive, Fullerton, California 92831.

3. **State whether a liquidating trust was ever established to distribute American Electronics, Inc.'s assets. If so, state whether it currently exists and provide the following information:**
   a. **The name of the liquidating trust;**
   b. **The date that the trust was formed;**
   c. **The name of the trustee;**
   d. **Contact information for the trustee; and**
   e. **An approximate current value of the total assets held by a trust, as well as a list of distributions that have been made since it was formed.**

RESPONSE:

Upon a diligent search of our files and reasonable inquiry, we were unable to locate any information related to, and are unaware of, whether a liquidating trust was ever established to distribute American Electronics, Inc.'s assets.

We trust the above responses to the Information Request and supplemented by the attached supporting documentation adequately satisfies Ducommun's obligations. Please do not hesitate to contact the undersigned with any additional questions relating to this response.

Very truly yours,

Rajiv A. Tata
Deputy General Counsel

Enclosures

PURCHASE OF
AMERICAN ELECTRONICS, INC.
BY JAY-EL PRODUCTS, INC.

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STOCK PURCHASE AGREEMENT

BY AND AMONG

DUCOMMUN INCORPORATED,

JAY-EL PRODUCTS, INC.

AND

CERTAIN SHAREHOLDERS

OF

AMERICAN ELECTRONICS, INC.

AS OF

JUNE 8, 1998

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STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "Agreement") is made and entered into as of June 8, 1998 by and among Jay-El Products, Inc., a California corporation ("Buyer"), Ducommun Incorporated, a Delaware corporation ("Ducommun"), of which Buyer is a wholly owned subsidiary, Richard F. Holland ("Richard Holland"), Richard F. and Ann E. Holland, Trustees of the R. and A. Holland Trust dated August 12, 1991 (the "Family Trust"), Northern Trust Bank of California N.A. (the "Trustee"), Trustee for the American Electronics, Inc. Profit Sharing Plan (the "Plan") fbo Richard F. Holland (the "Holland Account"), Dominick J. Monaco ("Dominick Monaco") and the Trustee for the Plan fbo Dominick Monaco (the "Monaco Account") (Richard Holland and Dominick Monaco being sometimes collectively referred to as "Principals", and the Family Trust, the Holland Account, Dominick Monaco and the Monaco Account being sometimes collectively referred to as "Sellers").

RECITALS

WHEREAS, Sellers own an aggregate of 43,500 shares (the "Shares") of common stock, par value $10 per share (the "Common Stock"), of American Electronics, Inc., a California corporation (the "Company"), in the amounts set forth opposite their names on Exhibit A and constituting 84.5% of the issued and outstanding Common Stock; and

WHEREAS, the remaining 8,000 shares (the "Other Shares") of Common Stock are owned by the others (the "Other Sellers") designated on Exhibit A in the amount set forth opposite their names thereon; and

WHEREAS, subject to the terms and conditions hereof, Sellers desire to sell the Shares to Buyer and concurrently therewith to cause the Other Sellers to sell the Other Shares to Buyer; and

WHEREAS, subject to the terms and conditions hereof, Buyer desires to purchase the Shares and the Other Shares for the consideration specified herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the provisions set forth below, and subject to the terms and conditions set forth herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings indicated below:

"Accounts Receivable" shall have the meaning set forth in Section 3.9.

"Acquired Company" shall mean any of the Company and each of its Subsidiaries, individually, and *"Acquired Companies"* shall mean the Company and its Subsidiaries, collectively, provided, however, that for the purpose of Article III hereof and wherever the context so permits, in the context of any time or period prior to the date hereof, such terms shall also be deemed to include AEI Holding Company, Inc., a California corporation.

"AEI Financials" shall have the meaning set forth in Section 3.4(b).

"Affiliate" shall mean, in respect of any specified Person, any other Person, whether or not a separate legal entity, that, directly or indirectly, controls, is controlled by, or is under common control with, such specified Person, and such meaning shall include without limitation subsidiaries or divisions of such specified Person (the terms "controls," "controlled" or "control" meaning the possession, directly or indirectly, of the power to direct or cause the direction of management policies of a Person, whether through the ownership of securities, by contract or credit arrangement, as trustee or executor, or otherwise).

"Affiliated Parties" shall have the meaning set forth in Section 7.1.

"Agreement" shall have the meaning set forth in the Preamble.

"ALTA Survey" shall have the meaning set forth in Section 5.9.

"ALTA Title Insurance" shall have the meaning set forth in Section 5.9.

"Asset Purchase Agreement" shall have the meaning set forth in Section 5.1.

"Assumed Liabilities" shall have the meaning set forth in Section 2.5(a).

"Buyer" shall have the meaning set forth in the Preamble.

"Buyer Indemnitees" shall have the meaning set forth in Section 7.1.

"Buyer Losses" shall have the meaning set forth in Section 7.1.

"CERCLA" shall have the meaning set forth within the definition of "Environmental Protection Laws."

"Closing" shall have the meaning set forth in Section 2.3.

"Closing Date" shall have the meaning set forth in Section 2.3.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Common Stock" shall have the meaning set forth in the Recitals.

"Company" shall have the meaning set forth in the Recitals.

"Contracts" shall mean all of the contracts, purchase orders, backlog and agreements (whether written or oral) to which any Acquired Company is a party or is bound.

"Deferred Amount" shall have the meaning set forth in Section 2.6.

"Definitive Assumed Liabilities Schedule" shall have the meaning set forth in Section 2.5(b).

"Dominick Monaco" shall have the meaning set forth in the Preamble.

"Ducommun" shall have the meaning set forth in the Preamble.

"Employment Agreement" shall have the meaning set forth in Section 2.4(a)(ii).

"Employment-Related Agreements" shall mean (i) any employment, consulting, collective bargaining or similar agreement, whether written or oral, to which any Acquired Company is a party or by which it is bound, (ii) any plan, agreement or arrangement sponsored by or contributed to by such Acquired Company, including, without limitation, any life and health insurance, hospitalization, savings, bonus, deferred compensation, incentive compensation, stock purchase, stock option, holiday, vacation, severance pay, sick pay, sick leave, disability, educational assistance, tuition refund, service award, company car, scholarship, relocation, fringe benefit, severance contracts, supplemental, pension arrangements, and other policies, practices or commitments, whether written or unwritten, providing employee or executive compensation or benefits to employees of such Acquired Company, (iii) any employee benefit plan as defined in Section 3(3) of ERISA, and (iv) any arrangement or understanding for the payment of post-retirement benefits.

"Employee Benefit Plans" shall have the meaning set forth in Section 3.19.

"Environmental Protection Laws" shall mean all federal, state, local and foreign laws, statutes, regulations having the force and effect of law, permits, court decrees, judgments, injunctions and written orders concerning (i) public health and safety relating to toxic or hazardous

substances or (ii) pollution or protection of the environment or natural resources, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") (42 U.S.C. § 9601 *et seq.);* the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.);* the Resource Conservation and Recovery Act ("RCRA") (42 U.S.C. § 6901 *et seq);* the Clean Water Act (33 U.S.C. § 1251 *et seq.);* the Safe Drinking Water Act (14 U.S.C. § 1401 *et seq.);* the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.);* the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 *et seq.);* the Clean Air Act (42 U.S.C. § 7401 *et seq.*); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § § 11001-11005, 11021-11023, and 11041-11050); the Porter-Cologne Water Quality Act (California Water Code § § 13000-13999.19); the Hazardous Waste Control Law (California Health & Safety Code § § 25100-25250.25); the Safe Drinking Water and Toxic Enforcement Act (California Health & Safety Code § § 25249.5-25249.13); California Health & Safety Code § § 25280-25299.81 (regarding Underground Storage of Hazardous Substances) and § § 25500-25545 (regarding Hazardous Materials Inventories and Emergency Plans); the Hazardous Substance Account Act (California Health & Safety Code § § 25300-25393); and California Health & Safety Code § § 39000-44384 regarding Air Resources; in each case including the regulations promulgated thereunder.

"EPA" shall mean the United States Environmental Protection Agency, or any successor United States governmental agency.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"ERISA Affiliate" of an Acquired Company shall mean any other Person that, together with the Acquired Company as of the relevant measuring date under ERISA, was or is required to be treated as a single employer under Section 414 of the Code.

"Family Trust" shall have the meaning set forth in the Preamble.

"FAR" shall mean the Federal Acquisition Regulations, as supplemented or amended from time to time.

"Financials" shall have the meaning set forth in Section 3.4(a).

"Firm" shall have the meaning set forth in Section 2.5(b).

"GAAP" shall mean generally accepted accounting principles as in effect at the time in question.

"Holland Account" shall have the meaning set forth in the Preamble.

"Indemnified party" shall have the meaning set forth in Section 7.3.

"Indemnifying party" shall have the meaning set forth in Section 7.3.

"Initial Assumed Liabilities Schedule" shall have the meaning set forth in Section 2.5(a).

"Intangible Personal Property" shall have the meaning set forth in Section 3.17.

"Interim Balance Sheet" shall have the meaning set forth in Section 3.4(a).

"Inventory" shall have the meaning set forth in Section 3.14.

"IRS" shall mean the Internal Revenue Service.

"Lease" shall have the meaning set forth in Section 3.7.

"Licenses" shall have the meaning set forth in Section 3.17.

"Material Contracts" shall have the meaning set forth in Section 3.20.

"Monaco Account" shall have the meaning set forth in the Preamble.

"Noncompetition Agreements" shall have the meaning set forth in Section 2.4(a)(iii).

"Other Purchase Agreements" shall have the meaning set forth in Section 2.4(c)(i)(B).

"Other Seller" shall mean any of the Other Sellers individually.

"Other Sellers" shall have the meaning set forth in the Recitals.

"Other Shares" shall have the meaning set forth in the Recitals.

"Organizational Documents" means the Articles of Incorporation and the Bylaws of an Acquired Company and any amendment thereto.

"PCBs" shall have the meaning set forth in the definition of "Regulated Substance."

"Person" shall mean any entity or natural person or any corporation, partnership, joint venture or other entity, whether or not a legal entity.

"Plan" shall have the meaning set forth in the Preamble.

"Principals" shall have the meaning set forth in the Preamble.

"Progress Payments" shall have the meaning set forth in Section 3.13.

"Purchase Price" shall have the meaning set forth in Section 2.2.

"RCRA" shall have the meaning set forth within the definition of "Environmental Protection Laws."

"Real Property" shall have the meaning set forth in Section 3.7.

"Regulated Substance" shall mean any chemical or substance subject to or regulated under any Environmental Protection Law including, without limitation, any "pollutant or contaminant" or "hazardous substance" as those terms are defined in CERCLA, any "hazardous waste" as that term is defined in RCRA, and any other hazardous or toxic wastes, substances, or materials, petroleum (including crude oil and refined and unrefined fractions thereof), polychlorinated biphenyls ("PCBs"), infectious waste, special waste, pesticides, fungicides, solvents, herbicides, flammables, explosives, asbestos and asbestos-containing material, and radioactive materials, whether injurious by themselves or in combination with other materials.

"Related Parties" shall have the meaning set forth in Section 3.20(a).

"Retained Liabilities" shall have the meaning set forth in Section 2.5(e).

"Richard Holland" shall have the meaning set forth in the Preamble.

"Roll Seal" shall mean RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.), a California corporation.

"Seller" shall mean any of the Sellers individually.

"Seller Representatives" shall have the meaning set forth in Section 7.9.

"Sellers" shall have the meaning set forth in the Preamble.

"Sellers' Closing Documents" shall have the meaning set forth in Section 3.2(a).

"Shares" shall have the meaning set forth in the Recitals.

"Subsidiaries" shall mean any corporation or other Person of which the Company directly or indirectly holds securities or other interests having the power to elect a majority of such corporation's or other Person's board of directors or similar governing body, or otherwise having the power to direct the business and policies of such corporation or other Person.

"Tax" or "Taxes" shall mean any and all taxes imposed or required to be collected by any federal, state or local taxing authority in the United States, or by any foreign taxing authority under any statute or regulation, including, without limitation, all income, gross receipts, sales, use, personal property, use and occupancy, business occupation, mercantile, ad valorem, transfer, license, withholding, payroll, employment, excise, real estate, environmental, capital stock, franchise, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalties and other additions thereto.

"Transactions" shall mean, in respect of any party, all transactions contemplated by this Agreement that involve, relate to or affect such party.

"Trustee" shall have the meaning set forth in the Preamble.

"William Holland" shall have the meaning set forth in Section 2.4(a)(ii).

ARTICLE II

PURCHASE AND SALE OF SHARES

Section 2.1 **Sale of Shares**. Subject to the provisions of this Agreement, Sellers agree to sell and Buyer agrees to purchase, at the Closing, all of the Shares, and concurrently therewith Sellers agree to cause the Other Sellers to sell to Buyer the Other Shares, which Buyer agrees to purchase. With respect to such sale, Richard Holland and Dominick Monaco, as participants in the Plan, hereby direct the Trustee to (i) sell the Shares in the Holland Account and the Monaco Account, respectively, (ii) enter into this Agreement and (iii) make or assume any representations, warranties, agreements or obligations required of the Trustee as a Seller hereunder.

Section 2.2. **Purchase Price.**

(a) The aggregate purchase price (the "Purchase Price") payable by Buyer for the Shares and the Other Shares will be comprised of:

(i) $8,650,000 less the amount of Assumed Liabilities set forth on the Initial Assumed Liabilities Schedule, prepared in accordance with Section 2.5(a), which net amount is payable at Closing and subject to adjustment pursuant to Section 2.5;

(ii) $1,575,000 payable as provided in Section 2.6;

(iii) the amount of cash on hand of the Company as at the close of business on the Closing Date, payable as provided in Sections 2.2(b) and 2.7; and

(iv) the amounts (excluding interest) from sale of assets of Roll Seal, payable pursuant to Section 5.1(a).

(b) The portion of the Purchase Price payable in cash at Closing pursuant to Section 2.2(a)(i) and (iii) shall be estimated and allocated among Sellers and the Other Sellers for purchase of their Common Stock as set forth on Exhibit A, which shall be completed by the parties no later than two (2) days prior to Closing. Except as set forth in Section 5.2 and subject to Article VII, all payments or adjustments to be made under this Agreement after the Closing Date shall be made to or by the Sellers, and not the Other Sellers, in accordance with the percentage set forth opposite the name of each such Seller in Section 7.1.

Section 2.3 **Closing.** The purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of Sellers' counsel at 601 South Figueroa Street, 40th Floor, Los Angeles, California, at 10:00 a.m. (local time) on June 9, 1998, or at such other time and place as the parties may agree. However, for tax, financial accounting and other purposes, the Closing will be deemed to have occurred as of June 8, 1998 (the "Closing Date").

Section 2.4 **Closing Obligations.**

(a) At the Closing Sellers will deliver to Buyer:

(i) certificates representing the Shares, duly endorsed (or accompanied by duly executed stock powers) for transfer to Buyer;

(ii) an employment agreement, executed by William E. Holland ("William Holland") in the form of Exhibit 2.4(a)(ii) (the "Employment Agreement");

(iii) noncompetition agreements in the form of Exhibits 2.4(a)(iii)(A), (B) and (C), executed by the respective Principals and William Holland as provided therein (collectively, the "Noncompetition Agreements");

(iv) a certificate executed by Principals representing and warranting to Buyer that (A) each of Sellers' representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date, and (B) all covenants required to be complied with by Sellers prior to the Closing Date have been complied with in all respects;

(v) an estoppel certificate, in form and substance satisfactory to Buyer, from Wilson's Art Studio, Inc., a tenant of a portion of the Real Property;

(vi) written confirmation, in form and substance satisfactory to Buyer, from Comerica Bank - California as to the pay off amount as of the Closing under all outstanding indebtedness of the Acquired Companies; and

(vii) Buyer's standard offer of employment letter, employment application and arbitration agreement, in the form of Exhibit 2.4(a)(vii), signed by all employees of the Acquired Companies.

(b) At the Closing Buyer will deliver to Sellers:

(i) the amounts set forth opposite their names on Exhibit A, by wire transfer to accounts specified by each such Seller;

(ii) a certificate executed by Buyer and Ducommun to the effect that (A) each of Buyer's and Ducommun's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date, and (B) all covenants required to be complied with by Buyer and Ducommun prior to the Closing Date have been complied with in all respects;

(iii) the Employment Agreement, executed by Buyer; and

(iv) the Noncompetition Agreements, executed by Buyer, and the amount payable at execution by Buyer by wire transfer to the account specified by William Holland.

(c) At the Closing, (i) the Other Sellers will deliver to Buyer (A) certificates representing the Other Shares, duly endorsed (or accompanied by duly executed stock powers) for transfer to Buyer, and (B) purchase agreements in the form of Exhibit 2.4(c) (the "Other Purchase Agreements"), executed by each such Other Seller and (ii) Buyer will deliver to the Other Sellers (A) the amounts set forth opposite their names on Exhibit A by bank cashiers' checks or wire transfer to accounts specified by each such Other Seller, and (B) the Other Purchase Agreements, executed by Buyer.

Section 2.5 Assumed Liabilities.

(a) No later than two (2) days prior to the Closing, the parties shall mutually cooperate to prepare a schedule (the "Initial Assumed Liabilities Schedule") of all liabilities (whether accrued, contingent or otherwise, and whether or not required to be reported or reserved against by GAAP on the balance sheet of the Company) of the Acquired Companies as of the Closing Date, including, but not limited to, notes payable, accounts payable, Taxes, accrued liabilities, long-term debt, pension and retirement obligations (to the extent unfunded), obligations under employment and consulting agreements, and liabilities for groundwater monitoring and other environmental matters (collectively, the "Assumed Liabilities"). The Initial Assumed Liabilities Schedule shall be intended to set forth the parties' best estimate as of the Closing Date of the amount of each of the Assumed Liabilities. With respect to any notes payable and long-term debt, the amount recorded shall be the

amount to pay off the debt as of the Closing, which amount may be greater than the amount of the notes payable and long-term debt carried on the balance sheet of the Company.

(b) No later than 30 days following the Closing Date Buyer shall furnish to Principals a schedule (the "Definitive Assumed Liabilities Schedule") setting forth the actual amount of the Assumed Liabilities as of the Closing Date. Unless Principals notify Buyer within 15 days of Principals' disagreement with the Definitive Assumed Liabilities Schedule, such Definitive Assumed Liabilities Schedule shall be conclusive and binding on Sellers and Buyer. If Principals so notify Buyer in writing of their collective disagreement with the Definitive Assumed Liabilities Schedule within such 15 day period (such notice shall include all Principals' disagreements and a detailed explanation therefor), then Principals and Buyer shall attempt to resolve their differences with respect thereto within 15 days after Buyer's receipt of Principals' written notice of disagreement. Any such difference not resolved within such 15 day period will be resolved by KPMG Peat Marwick LLP (the "Firm"). The Firm shall make a determination on the disputes so submitted as well as such modifications, if any, to the Definitive Assumed Liabilities Schedule as shall reflect such determination, and the same shall be conclusive and binding upon the parties. The fees and expenses of the Firm shall be shared equally by Buyer on the one hand and Sellers on the other hand.

(c) Not later than thirty (30) days after the engagement of the Firm (as evidenced by the date of its written acceptance by facsimile or otherwise to either or both parties), the parties shall submit simultaneous briefs to the Firm (with a copy to the other party) setting forth their respective positions regarding the issues in dispute, and not later than thirty (30) days after the submittal of such briefs the parties shall submit simultaneous reply briefs (with a copy to the other party). The Firm shall render its decision resolving the dispute within thirty (30) days after submittal of the reply briefs. If additional briefing, a hearing, or other information is required by the Firm, the Firm shall give notice thereof to the parties as soon as practicable before the expiration of such thirty (30) day period, and the parties shall promptly respond with a view to minimizing any delay in the decision date.

(d) Promptly upon the Definitive Assumed Liabilities Schedule having been resolved as provided in Section 2.5(b) and (c) above, if the amount of the Assumed Liabilities as set forth thereon is greater than the amount set forth on the Initial Assumed Liabilities Schedule, Sellers shall pay to Buyer the amount of the difference (or Buyer at its option may deduct such amount, in whole or in part, from the Deferred Amount), and if the amount of the Assumed Liabilities as set forth thereon is less than the amount set forth in the Initial Assumed Liabilities Schedule, Buyer shall pay Sellers the amount of the difference.

(e) Buyer and the Company after the Closing shall be responsible for discharging (i) the Assumed Liabilities up to the amount set forth on the Definitive Assumed Liabilities Schedule, (ii) any other liabilities and obligations of the Company existing on or arising after the Closing Date under Contracts disclosed on Schedule 3.20 or not required to be so disclosed by the terms of Section 3.20, and other than obligations or liabilities arising from or relating to any breach of contract, tort or violation of law prior to the Closing Date, and except for any liabilities and obligations that would

be subject to indemnification by the Sellers pursuant to Sections 7.1(a), (b), (c), (e), (f), (g), (h), (i), (j) or (k) and (iii) subject to Section 5.11, the Acquired Companies' obligations, consistent with past practice, for repair and rework of products sold arising in the ordinary course of business. Any other liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent or otherwise) of any Acquired Company, or any liabilities set forth on the Definitive Assumed Liabilities Schedule above the amount set forth thereon with respect to such liability are referred to herein as the "Retained Liabilities".

(f) The parties acknowledge that each of the Initial Assumed Liabilities Schedule and the Definitive Assumed Liabilities Schedule shall include a $50,000 accrual for groundwater monitoring and remediation of the Real Property.

Section 2.6 **Deferred Payment**. Subject to Article VII, the portion of the Purchase Price referred to at Section 2.2(a)(ii) (the "Deferred Amount"), together with interest at the rate of six percent (6%) per annum on the unpaid balance, will be paid to the Sellers on each anniversary of the Closing as follows:

1st anniversary	$500,000
2nd anniversary	$400,000
3rd anniversary	$375,000
4th anniversary	$300,000

Section 2.7 **Cash on Hand**. If the amount of cash on hand payable pursuant to Section 2.2(a)(iii) shall exceed the estimate made under Section 2.2(b), the excess shall be deducted from the Definitive Assumed Liabilities Schedule prepared under Section 2.5(c) for purposes of payment under Section 2.5(d), and similarly if cash on hand is less than the estimate then the shortfall shall be added to the Definitive Assumed Liabilities Schedule.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers hereby represent and warrant to Buyer and Ducommun that the following statements set forth in this Article III are true and correct. Except for the representations and warranties contained in Sections 3.2 and 3.3, which are made by each Seller severally as to himself or itself, each of the representations and warranties contained in this Article III is made jointly and severally by Sellers.

Section 3.1. **Organization and Good Standing**. Schedule 3.1 is a complete and accurate list, for each of the Company and all its Subsidiaries, of its name, jurisdiction of incorporation, other jurisdictions in which it is authorized to do business, and its capitalization (including the identity of each stockholder and the number of shares held by each). The Company and each of its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of their

respective jurisdictions of incorporation, with full corporate power and authority to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or such business is currently conducted. The Company and each of its Subsidiaries is qualified to do business and is in good standing in each other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the business or financial condition of the Company.

Section 3.2 **Authority of Seller; No Breach**.

(a) This Agreement constitutes the legal, valid, and binding obligation of Sellers, enforceable against Sellers in accordance with its terms. Upon the execution and delivery by Sellers of this Agreement and the other agreements required to be delivered by Sellers, or any of them, pursuant to Section 2.4 hereof (collectively, the "Sellers' Closing Documents"), the Sellers' Closing Documents will, to the extent any such Seller is a party thereto, constitute the legal, valid, and binding obligations of Sellers, enforceable against Sellers in accordance with their respective terms. Sellers have the absolute and unrestricted right, power, authority, and capacity to execute and deliver this Agreement and, to the extent any such Seller is a party thereto, the Sellers' Closing Documents, and to perform their obligations under this Agreement and, to the extent any such Seller is a party thereto, the Sellers' Closing Documents.

(b) Except as set forth in Schedule 3.2, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) violate any provision of the Articles of Incorporation or by-laws of any Acquired Company;

(ii) violate any laws of the United States, or any state or other jurisdiction applicable to Sellers or any Acquired Company or require Sellers or any Acquired Company to obtain any approval, consent or waiver of, or make any filing with, any person or entity (governmental or otherwise) that has not been obtained or made;

(iii) result in a violation or any breach of, constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the acceleration of any indebtedness under or performance required by, result in any right of termination of, increase any amounts payable under, decrease any amounts receivable under, change any other rights pursuant to, or conflict with, any material note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which any of Sellers or any Acquired Company is a party or by which he or his, or it or its, properties is bound; or

(iv) result in the creation or imposition of any lien, charge, encumbrance or restriction upon any of the Shares or any assets of any Acquired Company.

Section 3.3 **Capitalization.** The authorized equity securities of the Company consist of 500,000 shares of Common Stock, of which 51,500 shares are issued and outstanding. Sellers are and will be on the Closing Date the record and beneficial owners and holders of the Shares, free and clear of all encumbrances. Each shareholder of the Company owns the number of shares of Common Stock set forth opposite his name on Exhibit A. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares or the Other Shares. All of the outstanding equity securities of each Acquired Company have been duly authorized and validly issued and are fully paid and nonassessable. With the exception of the Common Stock, all of the outstanding equity securities or other securities of the Acquired Companies are owned of record and beneficially by one or more of the Acquired Companies, free and clear of all encumbrances. There are no Contracts relating to the issuance, sale, or transfer of any equity securities or other securities of any Acquired Company. None of the outstanding equity securities or other securities of any Acquired Company was issued in violation of the Securities Act of 1933 or any other legal requirement. No Acquired Company owns, nor has it any Contract to acquire, any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other business, other than another Acquired Company.

Section 3.4 **Financial Statements.**

(a) Sellers have delivered to Buyer: (i) consolidated balance sheets of the Acquired Companies as at December 31 in each of the years 1995, 1996 and 1997, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the fiscal years then ended, together with the report thereon of Ernst & Young LLP, independent certified public accountants, including in each case the notes thereto, and (ii) an unaudited consolidated balance sheet of the Acquired Companies as at May 3, 1998 (the "Interim Balance Sheet") and the related unaudited consolidated statements of operations for the four months then ended. Such financial statements and notes (the "Financials") fairly present the financial condition and the results of operations, changes in stockholders' equity and cash flows of the Acquired Companies as at the respective dates of and for the periods referred to in such financial statements, all in accordance with GAAP, subject, in the case of interim financial statements, to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be materially adverse) and the absence of notes.

(b) Sellers have delivered to Buyer unaudited balance sheets of the Company, excluding Roll Seal and any other Acquired Companies, as at December 31 in each of the years 1995, 1996 and 1997, and the related consolidated statements of operations for each of the fiscal years then ended. Such financial statements and the financial statements referred to at Section 3.4(a)(ii) (collectively, the "AEI Financials") fairly present the financial condition and the results of operations of the Company on a proforma stand alone basis excluding Roll Seal and any other Acquired Companies, as at the respective dates of and for the periods referred to in such financial statements. Except as disclosed on Schedule 3.4, the AEI Financials do not reflect or include, and the AEI Financials are not required in accordance with GAAP to reflect or include, any sales, account entries, expense

allocations, services or support provided, or other transactions between the Company, on the one hand, and Roll Seal or any other Acquired Companies, on the other hand.

(c) The financial statements referred to in this Section 3.4 reflect the consistent application of such accounting principles throughout the periods involved, and contain and reflect the establishment and inclusion in cost of goods sold of reserves for all liabilities and obligations of any nature, whether absolute, contingent or otherwise, except for reserves not required to be maintained under GAAP. The Financials and the AEI Financials do not contain any items of extraordinary or nonrecurring income or any other income not earned in the ordinary course of business. No financial statements of any other Person are required by GAAP to be included in the consolidated financial statements of the Acquired Companies.

Section 3.5 **Licenses and Permits**. Schedule 3.5 lists all permits, registrations, licenses, franchises, certifications and other approvals received or held by or issued to each Acquired Company from federal, state or local authorities. Each Acquired Company has made all filings with federal, state or local authorities and has received all permits, registrations, licenses, franchises, certifications and other approvals necessary to conduct and operate its business as currently conducted or operated by it and to permit each Acquired Company to own or use its assets in the manner in which such assets are currently owned or used, except where the failure to make such filing or receive such permit would not have a material adverse effect on the ability of the Company to conduct and operate such business or own or use such assets.

Section 3.6 **Books and Records.** The books of account and other financial records of each Acquired Company, all of which have been made available to Buyer, have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. The minute books of each Acquired Company contain records of all corporate action taken by the stockholders, the Board of Directors, and committees of the Board of Directors of the Acquired Companies, and no meeting of any such stockholders, Board of Directors, or committee has been held for which minutes have not been prepared and are not contained in such minute books. At the Closing, all of those books and records will be in the possession of the Company.

Section 3.7 **Title to Properties; Encumbrances.** Schedule 3.7 contains a complete and accurate list of all real property ("Real Property"), leaseholds, or other interests therein owned by each Acquired Company. Sellers have delivered or made available to Buyer copies of the deeds and other instruments (as recorded) by which such Acquired Company acquired such real property and interests, and copies of all title insurance policies, opinions, abstracts, and surveys in the possession of Sellers or any Acquired Company and relating to such property or interests. The Acquired Companies own (with good and marketable title in the case of Real Property, subject only to the matters permitted by the following sentence) all the properties and assets (whether real, personal, or mixed and whether tangible or intangible) that they purport to own, including all of the properties and assets reflected in the Financials (except for the assets of Roll Seal sold pursuant to the Asset Purchase Agreement, and items of Inventory sold since the date of the Interim Balance Sheet, in the

ordinary course of business) and all of the properties and assets purchased or otherwise acquired by each respective Acquired Company since the date of the Interim Balance Sheet (except for items of Inventory acquired and sold since the date of the Interim Balance Sheet in the ordinary course of business and consistent with past practice). Except as disclosed on Schedule 3.7, all properties and assets reflected in the Financials are free and clear of all encumbrances and are not, in the case of Real Property, subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except, with respect to all such properties and assets, (a) mortgages or security interests shown on the Financials as securing specified liabilities or obligations, with respect to which no default (or event that, with notice or lapse of time or both, would constitute a default) exists, (b) mortgages or security interests incurred in connection with the purchase of property or assets after the date of the Interim Balance Sheet (such mortgages and security interests being limited to the property or assets so acquired), with respect to which no default (or event that, with notice or lapse of time or both, would constitute a default) exists, (c) liens for current taxes not yet due, and (d) with respect to Real Property, (i) minor imperfections of title, if any, none of which is substantial in amount, materially detracts from the value or impairs the use of the property subject thereto, or impairs the operations of the Acquired Companies, and (ii) zoning laws and other land use restrictions that do not impair the present or anticipated use of the property subject thereto. All buildings, plants, and structures owned by each respective Acquired Company lie wholly within the boundaries of the real property owned by such Acquired Company and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person. Each lease (a "Lease") of real property to which any Acquired Company is a party is valid, binding, enforceable and in full force and effect. No default or breach has occurred under any Lease, and no event has occurred which, with the passage of time or giving of notice or both, would constitute a breach or default thereunder or would cause the acceleration of any obligation of any party thereto or the creation of a lien or encumbrance upon any asset of any Acquired Company.

Section 3.8 **Conditions and Sufficiency of Assets.** The buildings, plants, structures, and equipment of each Acquired Company are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, ordinary wear and tear excepted. The building, plants, structures, and equipment of each Acquired Company are sufficient for the continued conduct of such Acquired Company's businesses after the Closing in substantially the same manner as conducted prior to the Closing.

Section 3.9 **Accounts Receivable**. Net of the reserve for doubtful accounts of $4,000 appearing on the Interim Balance Sheet, (i) all accounts receivable of the Acquired Companies that are reflected on the Interim Balance Sheet or on the accounting records of the Acquired Companies as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business; (ii) unless paid prior to the Closing Date, the Accounts Receivable are or will be as of the Closing Date current and collectible; and (iii) each of the Accounts Receivable either has been or will be collected in full, without any set off, in the normal course of business without the necessity of commencing legal action. There is no contest, claim, or right of set-off, under any Contract with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts

Receivable. Schedule 3.9 contains a complete and accurate list of all Accounts Receivable as of the date of the Interim Balance Sheet, which list sets forth the aging of such Accounts Receivable.

Section 3.10 **Letters of Credit, Bonds, Etc.** (a) Except as disclosed in Schedule 3.10(a), no Acquired Company is the beneficiary of any letters of credit, performance or other bonds, or any other financial instruments guaranteeing the payment or performance of any third party under any Contract, and (b) except as disclosed in Schedule 3.10(b), no Acquired Company is required to provide any letter of credit, performance or other bond, or any other financial instrument for the purpose of guaranteeing such Acquired Company's payment or performance under any Contract.

Section 3.11 **No Undisclosed Liabilities.** Except as set forth in Schedule 3.11, the Acquired Companies have no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise), except for (i) liabilities or obligations reflected or reserved against in the Interim Balance Sheet, (ii) current liabilities incurred in the ordinary course of business since the date thereof or (iii) any other liabilities and obligations of the Company existing on the Closing Date under Contracts disclosed on Schedule 3.20 or not required to be disclosed thereon by the terms of Section 3.20, and other than obligations or liabilities arising from or relating to any breach of contract, tort or violation of law prior to the Closing Date. To the knowledge of Sellers, the Acquired Companies are not responsible for any liabilities or obligations of American Pacesetter.

Section 3.12 **Absence of Certain Changes.**

(a) Except as disclosed on Schedule 3.12, since December 31, 1997, there has not occurred:

(i) To Sellers' knowledge, any adverse change in the assets, liabilities (whether absolute, accrued, contingent or otherwise), condition (financial or otherwise), results of operations, business or prospects of any Acquired Company not reflected in the Financials and that has resulted in or may result in a loss to such Acquired Company of more than $20,000 in the aggregate;

(ii) Any guarantee by any Acquired Company of any obligation, or any mortgage, pledge or encumbrance on any of the properties or assets of such Acquired Company;

(iii) Any amendment or modification of any Material Contract, or any termination of any agreement that would have been a Material Contract were such agreement in existence on the date hereof;

(iv) Any transaction by any Acquired Company, whether or not covered by the foregoing, not in the ordinary course of business, including, without limitation, any purchase or sale of any assets;

(v) Any alteration in the manner of keeping the books, accounts or records of any Acquired Company, or in the accounting principles, policies or procedures therein reflected;

(vi) Any loss or threatened loss of a customer or customers;

(vii) Any damage or destruction to, or loss of, any assets or property owned, leased or used by any Acquired Company (whether or not covered by insurance); or

(viii) Any agreement to do any of the things described in the preceding subsections (i) - (vii) of this Section 3.12(a).

(b) In the event of a change in accounting principles, policies or procedures, Schedule 3.12 sets forth a complete and correct description of each such change in accounting principles, policies and procedures, including, but not limited to, the date of such change, the reason for such change, a description of such change and the effect of such change on the financial results of the Acquired Companies as reflected in the Financials.

Section 3.13 **Progress Payments**. Except as disclosed on Schedule 3.13, no Acquired Company has received any progress payments, milestone payments, advance payments, deposits or other similar payments from customers (collectively, "Progress Payments") with respect to the Contracts. All Progress Payment requests submitted by any Acquired Company have been in material compliance with the contractual terms and with applicable U.S. Government laws and regulations, including but not limited to, the FAR and related cost accounting standards.

Section 3.14 **Inventory**. The gross inventory of the Acquired Companies ("Inventory") (i) except for up to $300,000 (which $300,000 amount includes the inventory reserve of $125,000 as of the Closing) of such Inventory, does not contain excess, slow-moving, obsolete or defective Inventory, and is good and merchantable, of a quantity and quality salable in the ordinary course of business of the Seller, and (ii) is carried on the books and records of the Company at the lower of cost (on a first-in, first-out basis) or market. The Inventory carrying value in the Interim Balance Sheet does not contain any costs incurred or related to products shipped under Contracts that have been completed.

Section 3.15 **Backlog and Customers**.

(a) Schedule 3.15 sets forth a complete and correct listing of the amount of firm customer backlog by customer as of the Interim Balance Sheet date, and calendar year of scheduled delivery. As used in this Section, "firm customer backlog" means purchase orders or contracts from customers of the Acquired Companies with fixed prices and, except as disclosed on Schedule 3.15, fixed quantities and fixed delivery dates. No Acquired Company has received any notification from any customer that any of such firm customer backlog may be canceled or rescheduled.

(b) To Sellers' knowledge, none of Hughes, Graner (Phillips) or Space Systems Loral has notified the Company that such customer intends to materially modify its business relationship with the Company, including with regard to its future purchase of products.

Section 3.16 Environmental Matters.

Except as set forth on Schedule 3.16:

(a) Each Acquired Company has complied and is in compliance in all material respects with all applicable Environmental Protection Laws pertaining to any of its properties and assets (including the Real Property). No violation by any Acquired Company is being alleged of any applicable Environmental Protection Law relating to any of the properties and assets at which the business of any Acquired Company has ever been conducted (including the Real Property) or the use or ownership thereof.

(b) (i) None of the Acquired Companies nor any other Person (including any tenant or subtenant) has caused or taken any action that will result in, and no Acquired Company is subject to, any liability or obligation on the part of such Acquired Company or any of its Affiliates, relating to (x) the environmental conditions on, under, or about the Real Property or other properties or assets owned, leased, operated or used by any Acquired Company or any predecessor thereto at the present time or in the past including without limitation, the air, soil and groundwater conditions at such properties or (y) the past or present use, management, handling, transport, treatment, generation, storage, disposal or release of any Regulated Substance.

(ii) Each Acquired Company has disclosed and made available to the Buyer all information, including, without limitation, all studies, analyses and test results, in the possession, custody or control of any Acquired Company relating to (A) the environmental conditions on, under or about the Real Property or other properties or assets owned, leased, operated or used by any Acquired Company or any predecessor in interest thereto at the present time or in the past, and (B) any Regulated Substance used, managed, handled, transported, treated, generated, stored or released by any Acquired Company or any other Person on, under, about or from the Real Property, or otherwise in connection with the use or operation of any of the properties and assets of any Acquired Company.

Section 3.17 Intangible Personal Property.

(a) Schedule 3.17 sets forth (i) a complete and correct list of each patent, patent application, trademark, trademark application, copyright, copyright application, registered copyright (in any such case, whether registered or to be registered in the United States of America or elsewhere), (collectively with each copyright, copyright application, process, invention, trade secret, trade name, computer program and formula, the "Intangible Personal Property") owned by each Acquired Company, and (ii) a complete and correct list of all licenses or similar agreements or

arrangements ("Licenses") to which any Acquired Company is a party either as licensee or licensor for each such item of Intangible Personal Property.

(b) Except as set forth on Schedule 3.17:

(i) There have been no actions or other judicial or adversary proceedings involving any Acquired Company concerning any item of Intangible Personal Property and, to the knowledge of Sellers, no such action or proceeding is threatened and no claim or other demand has been made by any Person relating to any item of Intangible Personal Property;

(ii) The Acquired Companies have the right and authority to use each item of Intangible Personal Property in connection with the conduct of their businesses in the manner presently conducted and to convey such right and authority, and such use does not conflict with, infringe upon or violate any patent, copyright, trademark or registration of any other person or entity; and

(iii) There are no outstanding or, to the knowledge of Sellers, threatened disputes or disagreements with respect to any License.

(c) The conduct by the Acquired Companies of their businesses, and the manufacture and sale by the Acquired Companies of their products, does not conflict with, infringe upon or violate any patent, copyright, trademark or registration of any other person or entity.

Section 3.18 **Labor and Employment Agreements.** No Acquired Company is a party to or bound by any collective bargaining agreement and there are no labor unions or other organizations representing, purporting to represent or attempting to represent any employees of any Acquired Company. Since January 1, 1993, there has not occurred nor, to the knowledge of Sellers, have there been threatened any material strike, slowdown, picketing, work stoppage, concerted refusal to work overtime or other similar labor activity. There are no labor disputes currently subject to any grievance procedure, arbitration or litigation and there is no representation petition pending, or to the knowledge of Sellers, threatened. The Acquired Companies have complied with all provisions of applicable law pertaining to the employment of employees, including, without limitation, all such laws relating to labor relations, equal employment, fair employment practices, entitlements, prohibited discrimination or other similar employment practices or acts, except for any failure so to comply that, individually or together with all such other failures, has not and will not result in a liability or obligation on the part of the Buyer or the Acquired Companies, and has not had or resulted in, and will not have or result in, an adverse effect on the business, operations or prospects of the Acquired Companies.

Section 3.19 **Employee Benefit Plans; ERISA.** Except as set forth in Schedule 3.19, no Acquired Company maintains or contributes to (i) any employee pension benefit plan as defined in Section 3(2) of ERISA, (ii) any employee welfare benefit plan as defined in Section 3(1) of ERISA, (iii) any profit sharing, pension, deferred compensation, bonus, stock option, stock purchase,

severance or incentive plan or agreement, (iv) any plan or policy providing for "fringe benefits" to its employees, including but not limited to vacation, paid holidays, personal leave, employee discount, educational benefit or similar programs, or (v) any other Employment-RelatedAgreements, in any case under which employees or former employees of the Acquired Companies are eligible to participate or derive a benefit (collectively, "Employee Benefit Plans"). No Acquired Company has made contributions to, has been a member of a controlled group which has contributed to or has been under common control with an employer that contributed to any multiemployer plan as defined in Section 3(37) of ERISA. Each Acquired Company has provided Buyer with true and correct copies of all written Employee Benefit Plans.

Section 3.20 Contracts.

(a) Except for Contracts identified on other Schedules, Schedule 3.20 sets forth a complete and correct list of the following:

(i) All agreements (or groups of agreements with one or more related entities) between the Acquired Companies and any customer or supplier in excess of $25,000 and all agreements and blanket purchase orders extending beyond one year;

(ii) All agreements that create or continue any claim, lien, charge or encumbrance against, or right of any third party with respect to, any of the assets of the Acquired Companies;

(iii) All agreements by which any Acquired Company leases any capital equipment and all other leases involving any Acquired Company as lessee or lessor;

(iv) All agreements to which any Acquired Company is a party not in the ordinary course of business;

(v) All agreements to which any Acquired Company, on the one hand, and any of the Acquired Companies' Affiliates (all such Affiliates being collectively referred to herein as "Related Parties"), on the other hand, are parties or by which they are bound that relates to or is connected in any way with the Acquired Companies or their operations, business or prospects;

(vi) All contracts or commitments relating to commission arrangements with others;

(vii) All license agreements, whether as licensor or licensee;

(viii) All agreements between the Acquired Companies and their sales representatives, distributors and dealers;

(ix) All agreements between the Acquired Companies and their customers relating to volume rebates or price reductions;

(x) All other agreements to which any Acquired Company is a party or by which it is bound and that involve $25,000 or more or that extend for a period of one year or more; and

(xi) All other agreements to which any Acquired Company is a party or by which it is bound and that are or may be material to the assets, liabilities (whether absolute, accrued, contingent or otherwise), condition (financial or otherwise), results of operations, business or prospects of such Acquired Company.

As used in this Section 3.20, the word "agreement" includes both oral and written contracts, leases, understandings, arrangements and all other agreements. The term "Material Contracts" means the agreements of any Acquired Company required to be disclosed on Schedule 3.20, including agreements specifically identified in other Schedules.

(b) All of the Material Contracts are in full force and effect, are valid and binding and are enforceable in accordance with their terms in favor of the Acquired Company that is a party thereto except for bankruptcy and similar laws affecting the enforcement of creditors' rights generally. There are no liabilities of any Acquired Company that is a party to any Material Contract arising from any breach or default of any provision thereof, nor to the knowledge of Sellers is any other party in material breach or default of any provision thereof, and no event has occurred that, with the passage of time or the giving of notice or both, would constitute a breach or default by any Acquired Company that is a party thereto or, to the knowledge of Sellers, would constitute a material breach or default of any other party thereto.

(c) Each Acquired Company has fulfilled all material obligations required pursuant to each Material Contract to have been performed by such Acquired Company prior to the date hereof, and to the knowledge of Sellers each respective Acquired Company will be able to fulfill, when due, all of its obligations under the Material Contracts that remain to be performed after the date hereof.

(d) Each Acquired Company has maintained and continues to maintain good relations with its customers, agents and suppliers.

Section 3.21 **Absence of Certain Business Practices**. Neither the Acquired Companies nor any employee, agent or other person acting on their behalf, has, directly or indirectly, given or agreed to give any gift or similar benefit to any customer, supplier, competitor or governmental employee or official (domestic or foreign) (i) that would subject any Acquired Company to any damage or penalty in any civil, criminal or governmental litigation or proceeding, or (ii) that, if not given in the past, would have had an adverse effect on such Acquired Company's business or financial condition.

Section 3.22 **Transactions with Related Parties**. Except as set forth on Schedule 3.22, (i) there have been no transactions between any Acquired Company and any Related Party since December 31, 1994 and (ii) there are no agreements or understandings now in effect between any

Acquired Company and any Related Party. In addition, none of the transactions between Acquired Companies and Related Parties that have occurred since December 31, 1994 has provided to such Acquired Company assets, income, financing or business on a basis significantly more or less favorable than that available from unaffiliated persons. Schedule 3.22 also (i) states the amounts due from the Acquired Companies to any Related Party and the amounts due from any Related Party to the Acquired Companies, (ii) describes the transactions out of which such amounts due arose and (iii) describes any interest of any Related Party in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. After the Closing, there will be no obligations or other liabilities, including inter-company obligations, between the Acquired Companies, on the one hand, and any Related Party, on the other hand, other than pursuant to this Agreement.

Section 3.23 **Compliance with Laws**. The operation, conduct and ownership of the property or business of each Acquired Company is being, and at all times have been, conducted, in all material respects, in compliance with all federal, state, local and other (domestic and foreign) laws, rules, regulations and ordinances and all judgments and orders of any court, arbitrator or governmental authority applicable to it. Without limiting the foregoing, the operation, conduct and ownership of the property or business of each Acquired Company is being, and has at all times been, conducted in compliance with all laws, rules and regulations relating to United States government contracts and subcontracts, including but not limited to the FAR and related cost accounting standards. No Acquired Company has engaged in defective pricing with respect to United States government contracts or subcontracts.

Section 3.24 **Litigation**. Except as set forth on Schedule 3.24, there is no legal, administrative, arbitration or other proceeding, or any governmental investigation pending or, to the knowledge of Sellers, threatened against or otherwise affecting the Acquired Companies, or any of their assets, and to the knowledge of Sellers there is no fact that might reasonably be expected to form the basis for any such proceeding or investigation.

Section 3.25 **Taxes**. Except as set forth on Schedule 3.25:

(a) The Acquired Companies have timely filed all Tax returns and reports required to have been filed by them for all taxable periods ending on or prior to the date hereof, and have paid all Taxes due to any taxing authority with respect to all taxable periods ending on or prior to the date hereof, or otherwise attributable to all periods prior to the date hereof. The Tax returns and reports filed are true and correct in all material respects and reflect accurately all liability for Taxes for the periods covered thereby;

(b) No Acquired Company has received notice that the IRS or any other taxing authority has asserted against it any deficiency or claim for additional Taxes in connection therewith;

(c) All Tax deficiencies asserted or assessed against the Acquired Companies have been paid or finally settled and no issue has been raised by the IRS or any other taxing authority in any

examination which, by application of the same or similar principles, reasonably could be expected to result in a proposed deficiency for any other period not so examined. Further, no state of facts exists or has existed which would constitute grounds for the assessment of any liability for Taxes with respect to periods which have not been examined by the IRS or any other taxing authority;

(d) There is no pending or, to the knowledge of Sellers, threatened action, audit, proceeding, or investigation with respect to (i) the assessment or collection of Taxes or (ii) a claim for refund made by any Acquired Company with respect to Taxes previously paid;

(e) All amounts that are required to be collected or withheld by any Acquired Company, or with respect to Taxes of any Acquired Company, have been duly collected or withheld; all such amounts that are required to be remitted to any taxing authority have been duly remitted;

(f) No Acquired Company has waived any statute of limitations with respect to the assessment of any Tax; and

(g) There are no liens for Taxes due and payable upon any assets of any Acquired Company.

Section 3.26 **Insurance**. Schedule 3.26 sets forth a complete and correct list of all insurance policies and of all claims made by any Acquired Company on any liability or other insurance policies (or to the extent any Acquired Company is self insured that would have been made on such policies) during the past five years (other than workers' compensation claims). Schedule 3.26 is a complete and correct list of all insurance currently in place (or, to the extent any Acquired Company is self-insured, would have been in place and is reserved for or otherwise formally or informally provided for) and accurately sets forth the coverages, carriers and expiration dates thereof. Except as set forth on Schedule 3.26, no notice or other communication has been received by any Acquired Company from any insurance company within the five years preceding the date hereof canceling or materially amending or materially increasing the annual or other premiums payable under any of its insurance policies, and, to the knowledge of Sellers, no such cancellation, amendment or increase of premiums is threatened.

Section 3.27 **No Powers of Attorney or Suretyships**. Except as set forth on Schedule 3.27, (i) no Acquired Company has granted any general or special powers of attorney and (ii) no Acquired Company has any obligation or liability (whether actual, contingent or otherwise) as guarantor, surety, co-signer, endorser, co-maker, indemnitor, obligor on an asset or income maintenance agreement or otherwise in respect of the obligation of any person, corporation, partnership, joint venture, association, organization or other entity.

Section 3.28 **Brokerage Fees**. No Person is entitled to any brokerage or finder's fee or other commission from Sellers or any Acquired Company in respect of this Agreement or the Transactions, except for Wedbush Morgan Securities.

Section 3.29 **Product Warranty and Liability**. Each product designed, used, manufactured, sold or leased by each Acquired Company and all services performed by each Acquired Company have been in conformity in all material respects with all applicable contractual commitments and all express and implied warranties, and no Acquired Company has liability, and to Sellers' knowledge there is no basis for any present or future action, suit or proceeding giving rise to any liability, for replacement or repair thereof or other damages in connection therewith, subject only to returns of product for warranty in the ordinary course of business. No Acquired Company has any liability, and there is no basis for any present or future action, suit or proceeding giving rise to any liability, arising out of any injury to persons or property as a result of any products of the Acquired Companies designed, used, manufactured, sold or leased or any services relating to or in connection with such products. No Acquired Company has received any notice that an action, suit or proceeding has been, or in the future may be, made alleging that products of any Acquired Company or services relating to or in connection with such products are or were defective in any way.

Section 3.30 **Standards and Certifications**. The products designed, manufactured, sold and leased by each Acquired Company meet all standards established by relevant standard-setting organizations and have received all certifications from United States and foreign government agencies and all other relevant safety and standards testing and certifying organizations.

Section 3.31 **Consents and Approvals**. Except as set forth in Schedule 3.31, the execution and delivery of this Agreement by Sellers do not, and the performance of the Transactions contemplated by this Agreement by Sellers will not, require any filing with or notification to, or any consent, approval, authorization or permit from, any governmental or regulatory authority or any other Person.

Section 3.32 **Bank Accounts**. Schedule 3.32 is a true and complete list of all accounts maintained by any of the Acquired Companies with any bank, brokerage house or other financial institution. Such Schedule 3.32 lists for each such account the name and address of the financial institution, the nature of the account, the account number, the name of the account holder, the names of each person with authority to draw on such account or to have access to such account, and any passwords or other information necessary to provide access to such account or to change the persons authorized to draw on the account.

Section 3.33 **Loss Contracts**. As at the date hereof, to Sellers' knowledge, no Acquired Company has any Contracts on which such Acquired Company expects to lose money. As used in this Section, "lose money" means that the sales price for products under the purchase order or contract is less than the sum of such Acquired Company's cost of goods sold, including labor, materials and allocated overhead (burdened at 150%).

Section 3.34 **Disclosure**. The information provided by Sellers or the Acquired Companies in this Agreement, including, without limitation, the schedules hereto, does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or

therein or necessary to make the statements and facts contained herein or therein, in light of the circumstances under which they are made, not false or misleading. Copies of all documents heretofore or hereafter delivered or made available by Sellers or the Acquired Companies to Buyer or Ducommun pursuant hereto were or will be complete and accurate copies of such documents.

Buyer and Ducommun acknowledge and agree that the Transactions shall be without representation or warranty by Sellers, express or implied, except as specifically set forth in this Article III or in any certificates furnished by them pursuant to this Agreement at the Closing. Notwithstanding Article III, except in the case of fraud or intentional misrepresentation, prior to the Closing (i) neither Sellers nor any officer, director, employee or shareholder of the Company shall have any liability to Buyer or Ducommun, nor shall Buyer have any claim for damages, whether under this Agreement or otherwise, as a result of any misrepresentation or omission or breach of any warranty in this Article III and (ii) Buyer's sole recourse prior to Closing shall be to terminate this Agreement pursuant to Section 8.1.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer and Ducommun hereby represent and warrant to Sellers that:

Section 4.1 **Organization**. Each of Buyer and Ducommun is a corporation duly organized, validly existing and in good standing under the laws of the States of California and Delaware, respectively, with full corporate power and authority to own or lease its properties and to conduct its business in the manner and in the places where such properties are owned or leased or such business is currently conducted.

Section 4.2 **Authority of Buyer**. Each of Buyer and Ducommun has all necessary authority and power to enter into this Agreement and to carry out the Transactions. The execution, delivery and performance by each of Buyer and Ducommun of this Agreement and the consummation of the Transactions have been duly authorized by all necessary corporate action of Buyer and no other action on the part of Buyer or Ducommun is required in connection therewith. This Agreement constitutes the valid and binding obligation of each of Buyer and Ducommun, enforceable in accordance with its terms. The execution, delivery and performance by each of Buyer and Ducommun of this Agreement do not, and the performance by each of Buyer and Ducommun of the Transactions will not:

(i) violate any provision of the Articles of Incorporation of Buyer or the Certificate of Incorporation of Ducommun, or the by-laws of Buyer or Ducommun;

(ii) violate any laws of the United States, or any state or other jurisdiction applicable to Buyer or Ducommun or require Buyer or Ducommun to obtain any approval, consent or waiver of,

or make any filing with, any person or entity (governmental or otherwise) that has not been obtained or made; or

(iii) result in a violation or any breach of, constitute a default (or an event which with notice or lapse of time or both would become a default) under, result in the acceleration of any indebtedness under or performance required by, result in any right of termination of, increase any amounts payable under, decrease any amounts receivable under, change any other rights pursuant to, or conflict with, any material note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Buyer is a party or by which it or its properties is bound.

Section 4.3 **Ownership of Capital Stock of Buyer**. Ducommun owns beneficially and of record all of the issued and outstanding shares of Buyer.

Section 4.4 **Sufficient Funds**. Buyer has and will have funds sufficient to satisfy the sums due at Closing as set forth in this Agreement and to perform and discharge the Assumed Liabilities.

Section 4.5 **Brokerage Fees**. No Person is entitled to any brokerage or finder's fee or other commission from Buyer or Ducommun in respect of this Agreement or the Transactions.

Section 4.6 **Financial Statements**. The financial statements in the Annual Report on Form 10-K for the fiscal year ended December 31, 1997 and the Quarterly Report on Form 10-Q for the three months ended April 4, 1998 filed by Ducommun with the Securities and Exchange Commissionhave been prepared in accordance with GAAP and fairly present Ducommun's financial condition and results of operations as of the respective dates and for the periods referred to in such financial statements.

Section 4.7 **Investment Intent**. Buyer is acquiring the Shares and the Other Shares for its own account and not with a view to distribution within the meaning of the Securities Act of 1933, as amended.

Section 4.8 **Disclosure**. The information provided by Buyer and Ducommun in this Agreement does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or therein or necessary to make the statements and facts contained herein or therein, in light of the circumstances under which they are made, not false or misleading. Copies of all documents heretofore or hereafter delivered or made available by Buyer and Ducommun to Sellers pursuant hereto were or will be complete and accurate copies of such documents.

Sellers acknowledge and agree that the Transactions shall be without representation or warranty by Buyer and Ducommun, express or implied, except as specifically set forth in this Article IV or in any certificates furnished by them pursuant to this Agreement at the Closing.

Notwithstanding Article IV, except in the case of fraud or intentional misrepresentation, prior to the Closing (i) neither Buyer or Ducommun nor any officer, director, employee or shareholder of Buyer or Ducommun shall have any liability to Sellers, nor shall Sellers have any claim for damages, whether under this Agreement or otherwise, as a result of any misrepresentation or omission or breach of any warranty in this Article IV and (ii) Sellers' sole recourse prior to Closing shall be to terminate this Agreement pursuant to Section 8.1.

ARTICLE V

CERTAIN AGREEMENTS AND UNDERSTANDINGS

Section 5.1 **Roll Seal Valve, Inc.; Collection of Other Assets.**

(a) Following the Closing, Buyer will promptly pay to the Sellers an amount equal to each amount (if any) received in cash by the Company or Roll Seal subsequent to the Closing, net of any liabilities, expenses (including reasonable attorneys' and accountants' fees) and Taxes incurred by the Company, Roll Seal, Buyer or Ducommun in connection with such receipt and payment, from Griswold Industries pursuant to the Asset Purchase Agreement dated January 5, 1998 (the "Asset Purchase Agreement") among Griswold Industries, Roll Seal and the Company. Of each such amount, an amount equal to 6% per annum from the Closing shall be deemed interest and the balance shall be part of the Purchase Price under Section 2.2. Notwithstanding the foregoing, the amount payable to Sellers under this Section 5.1(a) shall in no event exceed $250,000 (excluding interest). In the event of the failure of Griswold to pay the amounts due Roll Seal or the Company under the Asset Purchase Agreement, Buyer shall cause Roll Seal or the Company to assign its rights to collect such sums to Sellers at Sellers' request.

(b) Subsequent to the Closing, Sellers agree that they will promptly transfer or deliver to Buyer from time to time, any assets, cash or other property that Sellers may discover or receive with respect to any contracts, commitments, sales orders, purchase orders or any other items of any Acquired Company.

Section 5.2 **Insurance Policies.** Prior to the Closing, with respect to the insurance policies set forth on Schedule 5.2 funding the retirement plans for Richard Holland, Dominick Monaco and William Holland as set forth in their employment agreements identified on Schedule 5.2, the Company will cancel each such insurance policy and, in consideration of the termination of their respective employment agreements, will pay to such individual the amount of the cash surrender value received by the Company from the insurance company, net of tax withholding. In no event will any portion of the net amount paid to these individuals be considered cash on hand at the Closing for purposes of Sections 2.2(a)(iii) and 2.7.

Section 5.3 **Transition Agreement; Employees.**

The ability of Buyer to relocate the business of the Company to Buyer's Carson, California facility within approximately three (3) months of the Closing, and to retain all of the key employees of the Company following the relocation of the business, were material conditions to Buyer's willingness to enter into this Agreement. From the date hereof and continuing after Closing, Buyer and Principals will work together to develop a plan for the relocation of the business and the retention of the employees, and Principals will use their best efforts to assist Buyer in the implementation of such plan to the extent Buyer may reasonably request. Principals shall otherwise reasonably cooperate in providing for an orderly, effective transition and relocation of the business of the Acquired Companies at Buyer's expense to Buyer's facility in Carson, California. Principals shall cause all employment and consulting agreements and any other related party agreements or transactions of any Acquired Company to be terminated on or before the Closing.

Section 5.4 **Conduct of Business.** From the date hereof to the Closing Date, except as expressly permitted or required by this Agreement or as otherwise consented to by the Buyer in writing, Principals will, and will cause the Other Sellers to:

(a) carry on the business of the Acquired Companies in, and only in, the ordinary course, in substantially the same manner as heretofore conducted, and use all reasonable efforts to preserve intact its present business organization, maintain its properties in good operating condition and repair, keep available the services of its present significant employees, and preserve its relationship with customers, suppliers and others having business dealings with it, to the end that the goodwill and going business of the Acquired Companies shall be in all material respects unimpaired following the Closing;

(b) not offer any payment discounts to customers or take any other actions to collect accounts receivable other than in the ordinary course of business consistent with prior practice;

(c) purchase raw materials, supplies and inventory, and build work in process inventory in the ordinary course of business consistent with prior action, and as necessary to timely deliver product to customers under firm customer backlog and with respect to orders anticipated from customers;

(d) not pay any salary, wages, vacation pay, sick pay, bonuses or other compensation except in the ordinary course of business consistent with prior practice;

(e) pay accounts payable and other obligations of the Acquired Companies when they become due and payable in the ordinary course of business consistent with prior practice;

(f) perform in all material respects all of its obligations under all Contracts and other agreements and instruments relating to or affecting the Acquired Companies, and comply in all material respects with all laws applicable to the Acquired Companies in their business or operations;

(g) not enter into or assume any material agreement, contract or instrument relating to any Acquired Company, or enter into or permit any material amendment, supplement, waiver or other modification in respect thereof;

(h) not grant (or commit to grant) any increase in the compensation (including incentive or bonus compensation) of any employee of any Acquired Company or institute, adopt or amend (or commit to institute, adopt or amend) any compensation or benefit plan, policy, program or arrangement or collective bargaining agreement applicable to any such employee; and

(i) not take any action or omit to take any action, which action or omission would result in a breach of any of the representations and warranties set forth in Sections 3.12 or 3.22.

Section 5.5 **No Solicitation.** So long as this Agreement remains in effect, Principals shall not, and shall cause the Acquired Companies and the Other Sellers not to, and none of their Affiliates nor any Person acting on its or their behalf shall (i) solicit or encourage any inquiries or proposals for, or enter into any discussions with respect to, the acquisition of any properties and assets held for use in connection with, necessary for the conduct of, or otherwise material to, the Acquired Companies or (ii) furnish or cause to be furnished any non-public information concerning the Acquired Companies to any Person (other than the Buyer and its agents and representatives), other than in the ordinary course of business or pursuant to applicable law and after prior written notice to the Buyer. Principals shall cause the Acquired Companies and the Other Sellers not to sell, transfer or otherwise dispose of, grant any option or proxy to any Person with respect to, create any lien upon, or transfer any interest in, any tangible asset of any Acquired Company, other than in the ordinary course of business and consistent with this Agreement.

Section 5.6 **Access and Information.** So long as this Agreement remains in effect, Principals will, and will cause the Acquired Companies to, and will and will cause each of their Affiliates and their respective accountants, counsel, consultants, employees and agents to, give Buyer and Buyer's accountants, counsel, consultants, employees and agents, full access during normal business hours to, and furnish them with all documents, records, work papers and information with respect to, all of such Person's properties, assets, books, contracts, commitments, reports and records relating to the Acquired Companies and their businesses and operations, as Buyer shall from time to time reasonably request. In addition, Principals will, and will cause the Acquired Companies to, permit Buyer and its accountants, counsel, consultants, employees and agents reasonable access to such personnel of the Acquired Companies during normal business hours as may be necessary or useful to the Buyer in its review of the properties, assets and business affairs of the Acquired Companies and the above-mentioned documents, records and information. Principals will, and will cause the Acquired Companies to, keep Buyer generally informed as to the affairs of the Acquired Companies.

Section 5.7 **Public Announcements.** Except as required by applicable law, Principals will not, and will cause the Acquired Companies not to, and shall not permit any Affiliate to, make

any public announcement in respect of this Agreement or the Transactions without the prior written consent of Buyer. Except as required by applicable law, neither Buyer nor Ducommun will make any public announcement in respect of this Agreement or the Transactions prior to the Closing Date without the prior written consent of Principals. Buyer and Ducommun agree to consult with Principals and cooperate prior to Closing in connection with the issuance of any press releases or trade releases and the making of such other public statements with respect to this Agreement and the Transactions as they may deem necessary or appropriate.

Section 5.8 **338(h)(10) Election.** No Code Section 338(h)(10) election shall be made in connection with the acquisition of the Shares or Other Shares.

Section 5.9 **Real Property**. In connection with the Real Property, Principals shall cooperate with Buyer, at Buyer's expense, prior to Closing to (a) obtain an ALTA Survey (the "ALTA Survey") of the Real Property acceptable to Buyer in its sole but reasonable discretion, and certified to Buyer, the Company and the title company by a surveyor registered in the State of California, and (b) cause a title company reasonably acceptable to Buyer to issue to Buyer an ALTA Extended Coverage Owner's Policy of Title Insurance ("ALTA Title Insurance"), with the endorsements reasonably requested by Buyer in order to establish fee title to the Real Property vested in the Company and subject only to title conditions acceptable to Buyer in its sole but reasonable discretion, such ALTA Survey and ALTA Title Insurance to be obtained by Buyer, with the cooperation of Principals, prior to Closing.

Section 5.10 **Company Cars**. Immediately following the Closing, each of the Principals and William Holland shall purchase from the Company for cash their respective company cars set forth on Schedule 5.10 at the purchase price set forth on such Schedule 5.10, which purchase price shall not be deemed cash on hand for the purpose of Section 2.2(a)(iii).

Section 5.11 **Warranty Repair**. Assuming the accuracy of the representations and warranties contained in Section 3.29, Buyer shall be responsible, consistent with Company's past practice, for repair and rework of products sold prior to Closing in the ordinary course of business, provided however that Buyer's responsibility therefor in the twelve months immediately following Closing shall not exceed $50,000, calculated as the actual cost of direct labor, burdened at 150% overhead, plus actual cost of materials, and Sellers shall be responsible for any excess above $50,000 during such twelve month period.

Section 5.12 **Further Actions.**

(a) Principals agree to use all reasonable good faith efforts to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated hereby by the Closing Date, including without limitation obtaining the certificates and other documents specifically referred to in Section 2.4(a).

(b) Principals will, as promptly as practicable, file or supply, or cause to be filed or supplied, all applications, notifications and information required to be filed or supplied by it pursuant to applicable law in connection with the transactions contemplated hereby.

(c) Principals, as promptly as practicable, will use all reasonable efforts to obtain, or cause to be obtained, all consents (including, without limitation, all governmental approvals and any consents required under any Contract and all consents listed on Schedule 3.31) necessary to be obtained in order to consummate the sale and transfer of the Shares.

(d) At all times prior to the Closing, Principals shall promptly notify Buyer in writing of any fact, condition, event or occurrence that will or may result in the failure of any of the conditions contained in Section 6.2 to be satisfied, promptly upon either of them becoming aware of same.

(e) After the Closing Date, Buyer (on the one hand) and the Principals (on the other hand) shall provide each other, and Buyer shall cause the Acquired Companies to provide the Principals, consistent with Section 7.4(c), with such cooperation and information relating to the Acquired Companies as either party reasonably may request in filing any Tax return, amended return or claim for refund and determining any liability for Taxes or right to refund for Taxes for periods through the Closing. Buyer shall have responsibility for filing any such Tax returns, including the federal and state returns for 1997.

ARTICLE VI

CLOSING CONDITIONS

Section 6.1 **Conditions to Obligation of Sellers**. The obligation of Sellers to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(a) The representations and warranties of Buyer and Ducommun set forth herein shall be true and correct in all respects at and as of the Closing Date;

(b) Buyer and Ducommun shall have performed and complied with all of their covenants hereunder through the Closing;

(c) No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (i) prevent consummation of any of the Transactions or (ii) cause any of the Transactions to be rescinded following consummation (and no such injunction, judgment, order, decree, ruling, or charge shall be in effect);

(d) Buyer shall have delivered to Sellers a certificate to the effect that each of the conditions specified above in Section 6.1(a)-(c) is satisfied in all respects;

(e) Buyer shall deliver to Sellers the portion of the Purchase Price payable at Closing;

(f) All other deliveries required of Buyer by Section 2.4(b) and (c) shall have been made; and

(g) All actions to be taken by Buyer in connection with consummation of the transactions contemplated hereby and all certificates, instruments, and other documents required to effect the transactions contemplated hereby, as provided in Sections 2.4(a), (b) or (c) or otherwise, will be satisfactory in form and substance to Sellers. Principals may waive any condition specified in Section 6.1 if they each execute a writing so stating at or prior to the Closing.

Section 6.2 **Conditions to Obligation of Buyer.** The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(a) The representations and warranties of Sellers set forth herein shall be true and correct in all respects at and as of the Closing Date;

(b) Sellers shall have performed and complied with all of their respective covenants hereunder through the Closing;

(c) Principals shall have procured all of the consents and approvals specified in Schedule 3.31;

(d) No action, suit, or proceeding shall be pending or threatened before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an unfavorable injunction, judgment, order, decree, ruling, or charge would (i) prevent consummation of any of the transactions contemplated by this Agreement, (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, or (iii) affect adversely the right of Buyer to own the Shares or to operate the businesses of the Acquired Companies;

(e) Principals shall each have delivered to Buyer a certificate to the effect that each of the conditions specified above in Section 6.2(a)-(d) is satisfied in all respects;

(f) All deliveries required of Sellers and Other Sellers by Section 2.4(a) and (c) shall have been made; and

(g) All actions to be taken by Sellers in connection with consummation of the transactions contemplated hereby and all certificates, instruments, and other documents required to

effect the transactions contemplated hereby, as provided in Sections 2.4(a), (b) or (c) or otherwise will be satisfactory in form and substance to Buyer. Buyer may waive any condition specified in this Section 6.2 if it executes a writing so stating at or prior to the Closing.

ARTICLE VII

INDEMNIFICATION

Section 7.1 **Indemnification by Sellers**. Sellers shall indemnify and hold harmless the Acquired Companies, Buyer and Ducommun and each of their Affiliates, directors, officers, employees, attorneys, agents, representatives, successors and assigns (collectively, the "Affiliated Parties") (the Acquired Companies, Buyer, Ducommun and the Affiliated Parties being sometimes collectively referred to as "Buyer Indemnitees") in respect of any and all claims, losses, damages, liabilities, penalties, interest, costs and expenses (including, without limitation, any attorneys', accountants' and consultants' fees and other expenses, including any such expenses incurred in connection with investigating, defending against or settling any such claims) reasonably incurred by the Acquired Companies, Buyer or Ducommun or their respective Affiliated Parties ("Buyer Losses"), in connection with, or resulting from, each and all of the following:

(a) Any breach (or any allegation by a third party that, if true, would constitute a breach) of any representation or warranty made by Sellers in this Agreement;

(b) Any misrepresentation contained in any written statement or certificate furnished by any Seller or any Acquired Company pursuant to this Agreement;

(c) Any breach of any covenant, agreement or obligation of Sellers contained in this Agreement;

(d) Any failure by Sellers to perform and discharge any of the Retained Liabilities;

(e) (i) Any violation by any Acquired Company of any Environmental Protection Laws (as amended or supplemented from time to time) prior to the Closing Date, (ii) any liabilities arising under Environmental Protection Laws (as amended or supplemented from time to time) as a result of the conduct of the business of the Acquired Companies prior to the Closing Date, (iii) any contamination of soil, groundwater or other environmental media by or with any Regulated Substance on, in or under the Real Property or any adjacent real property or as a result of the conduct of the business of the Acquired Companies' business prior to the Closing Date, (iv) any payment for, or contribution to, the cost and liabilities (including attorneys' and consultants' fees) for investigation, remediation or other corrective action (whether with respect to the Real Property or on a region-wide basis) undertaken by the Orange County Water District, any other governmental agency or any other Person, of any contamination of soil, groundwater or other environmental media as a result (in whole or in part) of the operation of the Acquired Companies' business or the contamination of the Real Property with any Regulated Substance, including without limitation

trichloroethylene and perchloroethylene, (v) any decline in value of the property of Yokohama Tire Co. in the area of the Real Property resulting from a migration of contamination from the Real Property or the operation of the business of the Company, and (vi) any matters described in Schedule 3.16, whether or not Sellers had knowledge of such matters;

(f) (i) Any Taxes of any Acquired Company or its Affiliates relating to periods through the Closing Date, and (ii) any liability of the Acquired Companies for Taxes of any other Person, as a transferee or successor, by contract or otherwise;

(g) Any injury to persons, or death, or property damage resulting from, or contributed to, by any products manufactured (constituting finished goods on or prior to the Closing Date), sold or leased by the Acquired Companies, or any services performed, or actions taken, by the Acquired Companies prior to the Closing Date;

(h) Any liability to any employee, former employee or beneficiary of any of them arising under any Employment-Related Agreements or the provisions of the Consolidated Omnibus Budget Reconsolidation Act of 1985, as amended, with respect to any qualifying event, as defined in Section 4980B of the Code, occurring through the Closing Date;

(i) Any violation of any laws, rules or regulations, including without limitation those relating to United States government contracts or subcontracts, the FAR and related cost accounting standards;

(j) The Asset Purchase Agreement; or

(k) Any claim by an employee of any of the Acquired Companies arising or resulting from any termination, layoff, demotion, change in compensation, or other change in the terms of employment of such employee prior to the Closing.

With respect to indemnification relating to breaches of the several representations and warranties of Sellers in Section 3.2 and 3.3, Buyer and Ducommun may only seek indemnification against the Seller breaching such representation or warranty. With respect to indemnification pursuant to Sections 7.1(e) or (f) or relating to breaches of the representations and warranties of Sellers in Sections 3.16 and 3.25, indemnification may be sought against Sellers jointly and severally. With respect to indemnification arising pursuant to provisions of this Section 7.1 or relating to breaches of representations and warranties not, in either case, specifically referred to in the two preceding sentences, indemnification may be sought against Sellers only severally in the following percentages:

Name	Percentage
Family Trust	18.391%
Dominick Monaco	29.885

Holland Account	44.828
Monaco Account	6.896
	100.000%

Notwithstanding the foregoing, Richard Holland shall be jointly and severally responsible for any claims for indemnification that may be brought against the Family Trust or the Holland Account for the full amount of such claim, and Dominick Monaco shall be jointly and severally responsible for any claims for indemnification that may be brought against the Monaco Account. Neither the Holland Account nor the Monaco Account shall be liable for any Buyer Losses in excess of the assets held by the Trustee allocated to such account, as the case may be, provided however that Richard Holland, in the case of the Holland Account, and Dominick Monaco, in the case of the Monaco Account, will be personally liable for the amount of such excess. Buyer and Ducommun covenant and agree with respect to any claim for indemnification hereunder, other than a claim relating to a breach of Sections 3.2 or 3.3, to assert such claims and proceed against each of the Sellers, subject to the foregoing limitations on the collectibility of such claim as against each of the several Sellers.

None of the rights to indemnification provided by this Section 7.1 shall be limited, mitigated or in any manner or to any extent ameliorated or diminished by virtue of Buyer or Ducommun having conducted, or having had the right to conduct, a due diligence investigation, nor by any information actually or purportedly received or made available to either of Buyer or Ducommun. Without limiting the foregoing, the parties acknowledge the existence of certain environmental conditions known to Buyer and Ducommun that may nonetheless give rise to indemnification rights pursuant to the terms of Section 7.1(e) hereof.

Section 7.2 **Indemnification by Buyer and Ducommun**. Buyer and Ducommun, jointly and severally, shall indemnify and hold harmless Sellers and each of their heirs, personal representatives and executors in respect of any and all claims, losses, damages, liabilities, declines in value, penalties, interest, costs and expenses (including, without limitation, any attorneys', accountants' and consultants' fees and other expenses, including any such expenses incurred in connection with investigating, defending against or settling any such claims) reasonably incurred by Sellers, in connection with, or resulting from, each and all of the following:

(a) Any breach (or any allegation by a third party that, if true, would constitute a breach) of any representation or warranty made by Buyer or Ducommun in this Agreement;

(b) Any misrepresentation contained in any written statement or certificate furnished by Buyer or Ducommun pursuant to this Agreement;

(c) Any breach of any covenant, agreement or obligation of Buyer or Ducommun contained in this Agreement; or

(d) Any failure by Buyer or the Company to perform and discharge any of the Assumed Liabilities or the Company's or Acquired Companies' obligations pursuant to Section 2.5(e)(ii) or (iii).

Section 7.3 **Claims for Indemnification**. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "indemnified party") shall promptly notify the party obligated to provide indemnification (the "indemnifying party") of the claim and, when known, the facts constituting the basis for such claim; *provided, however,* that the failure to so notify the indemnifying party shall not relieve the indemnifying party of its obligation hereunder to the extent such failure does not materially prejudiced the indemnifying party. In the event of any claim for indemnification hereunder resulting from or in connection with any claim or legal proceedings by a third party, the notice to the indemnifying party shall specify, if known, the amount or an estimate of the amount of the liability arising therefrom.

Section 7.4 **Defense of Claims**.

(a) In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any claim or legal proceeding by a person who is not a party to this Agreement, the indemnifying party at its sole cost and expense and with counsel reasonably satisfactory to the indemnified party may, upon written notice to the indemnified party, assume the defense of any such claim or legal proceeding if (a) the indemnifying party has not denied its obligation to indemnify the indemnified party, (b) the indemnifying party provides the indemnified party with evidence reasonably acceptable to the indemnified party that the indemnifying party will have the financial resources to defend against such third-party claim and fulfill its indemnification obligations hereunder, (c) the third-party claim involves only money damages and does not seek an injunction or other equitable relief, and (d) settlement or an adverse judgment of the third-party claim is not in the good faith judgment of the indemnified party, likely to establish a pattern or practice adverse to the continuing business interests of the indemnified party. The indemnified party shall be entitled to participate in (but not control) the defense of any such action, with its counsel and at its own expense; *provided, however,* that if there are one or more legal defenses available to the indemnified party that conflict with those available to the indemnifying party, or if the indemnifying party fails to take reasonable steps necessary to defend diligently the claim after receiving notice from the indemnified party that it believes the indemnifying party has failed to do so, the indemnified party may assume the defense of such claim; *provided, further,* that the indemnified party may not settle such claim without the prior written consent of the indemnifying party, which consent may not be unreasonably withheld. If the indemnified party assumes the defense of the claim, the indemnifying party shall reimburse the indemnified party on a monthly basis for the reasonable fees and expenses of counsel retained by the indemnified party and the indemnifying party shall be entitled to participate in (but not control) the defense of such claim, with its counsel and at its own expense. If the indemnifying party thereafter seeks to question the manner in which the indemnified party defended such third party claim or the amount or nature of any such settlement, the indemnifying party shall have the burden to prove by a preponderance of the evidence that the indemnified party did not defend or settle such third party claim in a reasonably prudent manner. The parties agree to

render, without compensation, to each other such assistance as they may reasonably require of each other in order to insure the proper and adequate defense of any action, suit or proceeding, whether or not subject to indemnification hereunder.

(b) Notwithstanding the foregoing, in connection with any claim giving rise to indemnity hereunder resulting from or arising out of any claim or legal proceeding under or pursuant to Section 7.1(e), Buyer at the sole cost and expense of Sellers and with counsel reasonably satisfactory to Sellers may, upon written notice to Sellers, assume the defense of any such claim or legal proceeding, and Sellers will reimburse Buyer on a monthly basis for the cost of such defense. Sellers shall be entitled to participate in (but not control) the defense of any such action, with their joint counsel and at their own expense. Buyer may not settle such claim without the prior written consent of Sellers, which consent may not be unreasonably withheld. If Sellers thereafter seek to question the manner in which Buyer defended claim or the amount or nature of any such settlement, Sellers shall have the burden to prove by a preponderance of the evidence that Buyer did not defend or settle such third party claim in a reasonably prudent manner. The parties agree to render, without compensation, to each other such assistance as they may reasonably require of each other in order to insure the proper and adequate defense of any action, suit or proceeding, whether or not subject to indemnification hereunder.

(c) Buyer after the Closing shall contest any federal, state or local assessments or proposed assessments of deficiencies relating to taxes of the Acquired Companies to the extent they may result in a claim for indemnification, in a manner consistent with its normal business practices, and shall not extend voluntarily the statute of limitations applicable to any tax returns of the Acquired Companies relating thereto unless such extension is sought for good cause and Buyer has first given written notice thereof to the Sellers. Buyer shall advise Sellers in writing of any tax assessment and of any audit or examination of the books and records of the Company undertaken by tax authorities for periods through the Closing Date that may result in such assessments. With respect to any claims involving Taxes, to the extent they may give rise to claims for indemnification Buyer shall use reasonable efforts to keep Sellers informed with regard to any action taken by Buyer with respect to such claims or any audits that are expected to result in such claims. Sellers shall have the right to participate in the formulation of any proposals with respect to audit adjustments or the evaluation of any settlement proposals with respect to tax assessments that are likely to give rise to claims for indemnification. No agreement on audit adjustments or settlement offers shall be accepted nor shall payment be made of any tax assessment giving rise to claims for indemnification without Sellers' prior written consent, which consent shall not be unreasonably withheld.

Section 7.5 **Interest**. Any amount of money owed by an indemnifying party to an indemnified party hereunder shall be paid with interest, at an annual rate equal to six percent (6%) from the date that the loss or damage was sustained or cash disbursement made by the indemnified party until such amount is paid by the indemnifying party. In the event Buyer exercises the right of set off pursuant to Section 7.6, Sellers shall be entitled to interest on the Deferred Amount up to the time of actual payment by the Buyer Indemnitee of the Buyer Loss, at which time interest shall cease

on that portion of the Deferred Amount as to which the right of set off is exercised, subject to Section 7.6(c).

Section 7.6 **Set Off.**

(a) Notwithstanding any other provision of this Agreement, Buyer shall be required to set off the amount of any Buyer Losses claimed by Buyer Indemnitees against the payments due on the Deferred Amount in the order of maturity as provided in this Section 7.6 before any Buyer Indemnitee can proceed directly against Sellers with respect thereto, unless and until the remaining amount of the Deferred Amount, net of any set-off, is $250,000 or less.

(b) In the event of the exercise of a right of set off hereunder, Buyer shall give written notice, at or prior to the time of the next installment payment of the Deferred Amount under Section 2.6, to Sellers of its intention to exercise such right. If Sellers shall object to such set off, and it is ultimately determined by agreement of the parties or by final, nonappealable judgment by a court of competent jurisdiction that all or any portion of the amount so set off under this Section 7.6 was incorrectly set off, then Buyer shall, within 10 days thereafter, pay to Sellers (i) such incorrectly set-off amount plus (ii) an amount equal to interest at the rate of 6% per annum on such incorrectly set-off amount from the date originally due to the date of payment hereunder (unless Buyer incorrectly set off such amount without a good faith belief that it had a defensible basis for so acting, in which event interest shall be at the rate of 9% per annum). Costs shall be recoverable as provided in Section 9.3.

Section 7.7 **Limitations on Indemnification.**

(a) Notwithstanding any other provision of this Agreement, the right of Buyer Indemnitees to indemnification for Buyer Losses under Section 7.1 shall be subject to the following provisions:

(i) No indemnification shall be payable pursuant to Sections 7.1(a) and (b) with regard to breaches of representations or warranties set forth in Sections 3.1 through 3.9, 3.12 through 3.15, 3.17, 3.20, 3.26, 3.27 and 3.31 through 3.34 unless the total of all claims for indemnification pursuant to such Sections shall exceed $150,000 in the aggregate, in which case the Buyer Indemnitees shall be entitled to indemnification for all claims thereunder relating back to the first dollar above $100,000 of such claims;

(ii) No indemnification shall be payable pursuant to Section 7.1 for amounts in excess of the aggregate amount of Purchase Price (excluding amounts not paid under Section 2.2(a)(iv));

(iii) No claim for indemnification shall be made pursuant to Sections 7.1(a) or 7.1(b) as they pertain to breaches of the representations or warranties set forth in Sections 3.4

through 3.9, 3.12 through 3.15, 3.27 and 3.31 through 3.33 hereof after the date that is fifteen months after the Closing Date;

(iv) No claim for indemnification shall be made pursuant to Sections 7.1(a) or (b) as they pertain to breaches of representations set forth in Sections 3.1, 3.2, 3.3 (except the second sentence thereof), 3.17, 3.20, 3.26 or 3.34 hereof after the third anniversary of the Closing Date;

(v) No claim for indemnification shall be made pursuant to Sections 7.1(a) or 7.1(b) as they pertain to breaches of representations or warranties set forth in Sections 3.10, 3.11 (although if a claim pertains to a breach of a representation or warranty set forth in Section 3.11 but also clearly pertains to a breach of a specific representation or warranty contained in another section not listed in this paragraph, or is made pursuant to Sections 7.1(e) or 7.1(f), then the time period relating to such other section shall govern in lieu of this paragraph), 3.18, 3.19, 3.21 through 3.24 and 3.28 through 3.30, or Sections 7.1(c), 7.1(d) (although if a claim is made pursuant to Section 7.1(d) but such claim also clearly pertains to a breach of a specific representation or warranty contained in a section not listed in this paragraph, or is made pursuant to Sections 7.1(e) or 7.1(f), then the time period relating to such section shall govern in lieu of this paragraph), 7.1(g), 7.1(h), 7.1(i), 7.1(j) or 7.1(k), after the fifth anniversary of the Closing Date;

(vi) No claim for indemnification shall be made pursuant to Section 7.1(f), or pursuant to Sections 7.1(a) or 7.1(b) as they pertain to breaches of the representations and warranties in Section 3.25, after 90 days after the relevant statute of limitations has expired; and

(vii) No claim for indemnification shall be made pursuant to Section 7.1(e), or Sections 7.1(a) or 7.1(b) as they pertain to breaches of the representations and warranties in Section 3.16 or the second sentence of Section 3.3, after the tenth anniversary of the Closing Date.

(b) Sellers shall not be liable for any Buyer Losses to the extent that the Company would have been covered by insurance maintained by it on the Closing Date, had such insurance remained in force after the Closing, unless Buyer maintains reasonably comparable coverage.

(c) Sellers shall not be liable for any Buyer Losses to the extent they are liabilities or obligations specifically enumerated in the Definitive Assumed Liabilities Schedule.

(d) Notwithstanding the provisions of this Section 7.7 to the effect that an indemnifying party's obligations under such Section shall expire at specified times set forth herein, such obligations shall continue (i) as to any matter as to which a claim is submitted in writing to the indemnifying party prior to such specified time and identified as a claim for indemnification pursuant to this Agreement and (ii) as to any matter that is based upon fraud by the indemnifying party, until such time as such claims and matters are resolved.

(e) Notwithstanding any other provision of this Agreement, the remedies provided for in this Article VII shall constitute the parties' sole and exclusive remedy for any post-Closing claims

made in connection with this Agreement resulting in monetary loss, cost or expense, except for actual fraud or fraudulent misrepresentation and except for equitable remedies.

Section 7.8 **Release.**

(a) In consideration of and subject to the terms of this Agreement, Principals on behalf of themselves and their Affiliates and all persons acting by, through, under or in consort with them, if any, effective as of the Closing release and discharge the Acquired Companies, Buyer and Ducommun and their respective Affiliates from any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Principals and their Affiliates now have or as may hereinafter arise against the Acquired Companies through Closing, whether matured or contingent, and whether known or unknown, but not including those and other claims and causes of action for accrued and unpaid compensation and benefits as set forth in the Definitive Assumed Liabilities Schedule or those arising as a result of a breach by Buyer or Ducommun of this Agreement or the Sellers' Closing Documents.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 7.8 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 7.8(a). Principals acknowledge that they understand and acknowledge the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, each Principal hereby agrees that he will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respect to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against such Principal (whether pursuant to this Agreement, applicable law or otherwise).

Section 7.9 **Seller Representatives.**

(a) Each of the Sellers hereby irrevocably designates and appoints Richard Holland and Dominick Monaco (the "Seller Representatives"), as its or his representative and attorney-in-fact for purposes of this Agreement and through whom all actions on behalf of Seller relating to this

Agreement, including those acts as are required, authorized or contemplated by this Article VII with respect to a claim or the settlement or defense thereof, or Article II with respect to the Purchase Price computation, shall be made or directed, and hereby acknowledges that the Seller Representatives shall be the only persons authorized to take any action so required on behalf of Sellers. Sellers shall be bound by any and all actions taken by the Seller Representatives on their behalf.

(b) Buyer shall be entitled to rely upon any communication or writings given or executed by the Seller Representatives. Following the Closing, all notices to be sent to Sellers pursuant to this Agreement shall be addressed to the Seller Representatives and any notice so sent shall be deemed notice to the Sellers hereunder.

(c) The Seller Representatives shall have full power in the Sellers' names and on their behalf to act according to the terms of this Agreement in the absolute discretion of the Seller Representatives; and in general to do all things and to perform all acts deemed necessary or advisable including, without limitation, executing and delivering all agreements, certificates, receipts, instructions and other instruments contemplated by or in connection with this Agreement and consenting to, paying, contesting, arbitrating, litigating or settling any claim or alleged claim asserted hereunder. This power of attorney and all authority hereby conferred is granted subject to the interest of the Sellers hereunder and in consideration of the mutual covenants and agreements made herein, and shall be irrevocable and shall not be terminated by any act of any Seller by operation of law, whether by death or other event.

(d) The Seller Representatives shall not be personally liable to the other Sellers for any action taken, suffered or omitted by them in good faith and reasonably believed by them to be authorized or within the rights or powers conferred upon them by this Section 7.9. In acting hereunder, the Seller Representatives may rely upon, and shall be protected in acting or refraining from acting upon, an opinion of counsel, certificate of auditors or other certificate, statement, instrument, opinion, report, notice, request, consent, order, award, or other paper or document reasonably believed by them to be genuine and to have been signed or presented by the proper party or parties. The Seller Representatives may consult with counsel and any advice of such counsel shall be full and complete authorization and protection in respect to any action taken or suffered or omitted by them in such capacity in good faith and in accordance with such opinion of counsel. The Seller Representatives shall not be responsible to the other Sellers for any misconduct or negligence on the part of any agent or attorney appointed with reasonable care by them.

(e) Upon death, incapacity, or resignation of either Seller Representative, the other Seller Representative shall act alone.

ARTICLE VIII

TERMINATION

Section 8.1 **Termination.** This Agreement may be terminated at any time prior to the Closing Date:

(a) by the written agreement of the Buyer on the one hand and Sellers on the other hand;

(b) by either Sellers on the one hand or Buyer on the other hand by written notice to the other party if the transactions contemplated hereby shall not have been consummated pursuant hereto by 5:00 p.m. Los Angeles time on June 30, 1998, unless such date shall be extended by the mutual written consent of Sellers on the one hand and Buyer on the other hand;

(c) by Buyer by written notice to Sellers if (i) the representations and warranties of Sellers shall not have been true and correct in all respects as of the date when made or (ii) if any of the conditions set forth in Section 6.2 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by 5:00 p.m. Los Angeles time on June 30, 1998, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Sellers by written notice to Buyer if (i) the representations and warranties of Buyer or Ducommun shall not have been true and correct in all respects as of the date when made or (ii) if any of the conditions set forth in Section 6.1 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by 5:00 p.m. Los Angeles time on June 30, 1998, unless such failure shall be due to the failure of Sellers or any of them to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by them prior to the Closing.

Section 8.2 **Effect of Termination.** In the event of the termination of this Agreement pursuant to the provisions of Section 8.1, this Agreement shall become void and have no effect, without any liability to any Person in respect hereof or of the transactions contemplated hereby on the part of any party hereto, or any of its directors, officers, employees, agents, consultants, representatives, advisers, stockholders or Affiliates except, subject to the last paragraph of Article III and the last paragraph of Article IV, for any liability resulting from such party's breach of this Agreement.

ARTICLE IX

MISCELLANEOUS

Section 9.1 **Fees and Expenses.** Sellers, on the one hand, and Buyer and Ducommun, on the other hand, will bear their own expenses in connection with the negotiation and the

consummation of the Transactions contemplated by this Agreement, including, without limitation, any broker's commission or finder's fee incurred by such party. Except to the extent listed as an Assumed Liability, neither the Acquired Companies nor Buyer nor Ducommun shall assume, directly or indirectly, any of Sellers' or the Acquired Companies' fees and expenses incurred in connection with the consummation of the transactions contemplated by this Agreement.

Section 9.2 **Notices**. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by facsimile transmission (with subsequent letter confirmation by mail) or three days after being mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties, their successors in interest or their assignees at the following addresses, or at such other addresses as the parties may designate by written notice in the manner aforesaid:

If to Buyer:	Jay-El Products, Inc. 23301 South Wilmington Avenue Carson, California 90745 Telecopy: (310) 518-0176 Attention: President
With concurrent copies to:	Ducommun Incorporated 111 West Ocean Blvd., Suite 900 Long Beach, California 90801 Telecopy: (562) 624-0789 Attention: Chief Financial Officer and Day Campbell & McGill 3070 Bristol, Suite 650 Costa Mesa, California 92626 Telecopy: (714) 429-2901 Attention: Leonard J. McGill, Esq.
If to Sellers, Principals or Shareholder Representatives:	To the address of each such Principal as set forth opposite his name on Exhibit A.
With a concurrent copy to:	Heller Ehrman White & McAuliffe 601 South Figueroa Street, 40th Floor Los Angeles, California 90017 Telecopy: (213) 614-1868 Attention: Neal H. Brockmeyer, Esq.

Section 9.3 **Attorneys' Fees and Costs**. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment. The prevailing party in any arbitration conducted pursuant to Section 9.13 shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such arbitration, including the charges and expenses of the arbitrator(s) and the American Arbitration Association. The prevailing party for purposes of Section 7.6(b) shall be the Sellers if the amount ultimately deemed incorrectly set off shall be at least 50% of the amount initially claimed by Sellers to be incorrectly set off; otherwise, the prevailing party shall be Buyer.

Section 9.4 **Assignability and Parties in Interest**. This Agreement shall not be assignable by any of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement.

Section 9.5 **Governing Law**. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflicts or choice of law, of the State of California.

Section 9.6 **Counterparts**. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Section 9.7 **Complete Agreement**. This Agreement, the Exhibits and Schedules and the documents delivered or to be delivered pursuant to this Agreement contain or will contain the entire agreement among the parties with respect to the Transactions and, with the exception of the letter agreement dated February 11, 1998 between Wedbush Morgan Securities and Ducommun solely as it relates to the protection of confidential information, shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

Section 9.8 **Modifications, Amendments and Waivers**. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by all of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

Section 9.9 **Knowledge.** When any fact is stated to be to the "knowledge of the Sellers," "to Sellers' knowledge" or similar usage, such reference shall mean that the Principals, William Holland and Paul C. Lee made reasonable investigation and inquiry with respect thereto to ascertain the correctness and validity thereof, and that one or more of the Principals, William Holland or Paul C. Lee know of the existence or nonexistence of such fact or reasonably should have known of the existence or nonexistence of such fact by virtue of their positions with the Company.

Section 9.10 **Limit on Interest**. Notwithstanding anything in this Agreement to the contrary, no party shall be obligated to pay interest at a rate higher than the maximum rate permitted by applicable law. In the event that an interest rate provided in this Agreement exceeds the maximum rate permitted by applicable law, such interest rate shall be deemed to be reduced to such maximum permissible rate.

Section 9.11 **Further Assurances**. Each party shall execute and deliver such further instruments and take such further actions as any other party may reasonably request in order to carry out the intent of this Agreement and to consummate the Transactions.

Section 9.12 **Contract Interpretation; Construction of Agreement**.

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Article, section, exhibit, schedule, preamble, recital and party references are to this Agreement unless otherwise stated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

(c) In this Agreement, unless the context requires otherwise, the singular includes the plural, the plural the singular, the masculine gender includes the neuter, masculine and feminine genders and vice versa.

(d) The parties acknowledge and agree that (i) the Trustee's capacity with respect to the Plan is that of a directed trustee, (ii) in such capacity, the Trustee is acting solely at the direction of Richard Holland and Dominick Monaco, as participants in the Plan, with respect to sale of the Shares and in entering into this Agreement and making or assuming any representations, warranties, agreements or obligations hereunder, and (iii) the Trustee shall not be subject to any individual liability whatsoever under or by reason of this Agreement.

Section 9.13 **Arbitration**.

(a) If there arises any controversy, dispute or claim as to the enforcement, performance, breach or interpretation of any of the provisions of this Agreement, the parties will attempt in good faith to resolve the matter through negotiation. If the matter is not resolved through negotiation within thirty (30) days of notice by one partly to the other of the nature of the controversy, dispute or claim, it shall be settled by arbitration conducted in Los Angeles, California in accordance with the then existing Commercial Arbitration Rules of the American Arbitration Association, and judgment upon any award rendered by the arbitrator may be entered by any federal or state court having jurisdiction thereof. The parties expressly provide that the provisions of Section 1283.05 of the California Code of Civil Procedure are incorporated into, and made a part of, this Section 9.13. The decision of the arbitrator shall be final and binding upon the parties. The arbitrator shall be authorized to award any relief, whether legal or equitable, to the party so entitled to such relief.

(b) In respect of any action, suit or other proceeding relating to the enforcement of the award rendered by the arbitrator pursuant to this Section 9.13, each party hereby irrevocably submits to the non-exclusive jurisdiction of any state or federal court located in the County of Los Angeles, State of California. EACH PARTY HEREBY WAIVES ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, TO ASSERT THAT IT IS NOT SUBJECT TO THE JURISDICTION OF THE AFORESAID COURTS, OR TO OBJECT TO VENUE TO THE EXTENT THAT ANY ACTION, SUIT OR OTHER PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 9.13.

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the date first above written.

JAY-EL PRODUCTS, INC.,
a California corporation

By:_____
Name: Robert A. Barlet
Title: President

DUCOMMUN INCORPORATED,
a Delaware corporation

By:_____
Name: James S. Heiser
Title: CFO

_____
RICHARD F. HOLLAND

RICHARD F. AND ANN E. HOLLAND,
Trustees of the R. and H. Holland Trust
dated August 12, 1991

By:_____
Richard F. Holland

By: Ann E. Holland
Ann E. Holland

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for the American Electronics, Inc. Profit Sharing Plan fbo Richard F. Holland

By: Katherine Russell

Name: KATHERINE RUSSELL
Title: SECOND VICE PRESIDENT

DOMINICK J. MONACO

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for the American Electronics, Inc. Profit Sharing Plan fbo Dominick J. Monaco

By: Katherine Russell

Name: KATHERINE RUSSELL
Title: SECOND VICE PRESIDENT

GUARANTY

In order to induce Richard F. Holland and Dominick J. Monaco ("Sellers") to enter into the foregoing Stock Purchase Agreement (the "Agreement"), the undersigned, Ducommun Incorporated ("Ducommun") hereby guarantees the timely performance by Jay-El Products, Inc. ("Buyer") of each of Buyer's monetary obligations under the Agreement; by so guarantying the obligations of Buyer, Ducommun hereby agrees that in the event of the failure of Buyer to timely perform any of its monetary obligations under the Agreement, Sellers may proceed directly and at once, without notice of default, against Ducommun to collect the full amount or any portion thereof due to Sellers under the Agreement, or otherwise demand the performance due Sellers without proceeding against Buyer or any other person. Notwithstanding the foregoing, any defense, claim, counterclaim or offset which is available to Buyer to reduce its obligations to Sellers shall equally be available to Ducommun and shall equally reduce the liability of Ducommun.

DUCOMMUN INCORPORATED,
a Delaware corporation

By: _____
Name: James S. Heiser
Title: CFO

Dated: June 8, 1998

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CONSENT OF SPOUSE

The undersigned has read the Stock Purchase Agreement dated June 8, 1998, among Ducommun Incorporated, Jay-El Products, Inc., a California corporation ("Buyer"), her spouse and other shareholders of American Electronics, Inc. ("AEI"), and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's sale of stock of AEI in his name to Buyer and instructions to the Northern Trust Bank of California N.A. (the "Trustee") to transfer, assign and deliver to Buyer all of the stock of AEI standing in the name of the Trustee for his benefit, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

Katherine P. Donald

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Exhibit A

Sellers	No. Shares	Payment at Closing	Percent of Deferred Amount	Percent of Roll Seal Payments
Richard F. and Ann E. Holland, as Trustees of the R. and A. Holland Trust dated August 12, 1991 PRVY-Controlled/Privacy [redacted]	8,000	$1,211,559.46	18.391%	18.391%
The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Richard F. Holland	19,500	$2,398,434.81	44.828%	44.828%
Dominick J. Monaco PRVY-Controlled/Privacy [redacted]	13,000	$1,731,370.33	29.885%	29.885%
The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Dominick J. Monaco	3,000	$368,989.97	6.896%	6.896%
Other Sellers				
William E. Holland	500	$79,601.78	—	—
George H. Caple	1,000	$159,203.55	—	—

The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO George H. Caple	2,000	$318,407.11	—	—
Paul C. Lee	1,000	$159,203.55	—	—
The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Paul C. Lee	1,000	$159,203.55	—	—
The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO J. Roy Harris	1,500	$238,805.33	—	—
The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Susan M. Method	500	$79,601.78	—	—
The Northern Trust Company, Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Jean M. Roades	500	$79,601.78	—	—

AMERICAN ELECTRONICS, INC.
INITIAL ASSUMED LIABILITIES SCHEDULE
(As of 6/8/98, Except Note Payable-Bank as of 6/9/98)

Accounts Payable Trade	75,986	
Accounts Payable 6/8/98	10,000	
Total Accounts Payable		85,986
Accrued Holiday Pay (Hourly Only)		8,465
Accrued Vacation Pay Through 6/8/98		133,785
Accrued Sick Pay Through 6/8/98		9,845
Accrued Payroll w/e 5/31/98 + 6/7/98	26,500	
Accrued Payroll 6/8/98 + FICA Only	10,800	
Total Payroll		37,300
Payroll Taxes w/e 6/7/98	56,272	
Payroll Taxes - Cash Surrender Value of Insurance	154,728	
Deferred Tax Liability	17,000	
Sales Taxes	2,000	
Total Taxes		230,000
Accounting (1997 Tax Return Preparation)	6,500	
Rent Deposit	17,105	
Deferred Income (Rent and Other)	14,480	
Credit Union	6,400	
Employee Recreation Association	270	
Royalty	100	
Accrued Profit Sharing Plan Trustee Fee	2,500	
Total Other		47,355
Note Payable - Bank 6/9/98		2,520,540
Accrued Environmental (Groundwater Monitoring & Remediation of AEI Property)		50,000
Total		3,123,276

SCHEDULE 3.1

ORGANIZATION AND GOOD STANDING

Company	Jurisdiction of Incorporation	Foreign Qualifications	Capitalization (List of Holders)
American Electronics, Inc.	California	NONE	See Exhibit A.
RSV Liquidation Corp.	California	NONE	All 95,000 outstanding shares of common stock have been issued and are held of record by the Company.

SCHEDULE 3.2

AUTHORITY OF SELLER; NO BREACH

The performance of this Agreement will cause an event of default under the Company's credit facility with Comerica Bank of California. This facility will be paid in full upon the closing.

SCHEDULE 3.5

LICENSE AND PERMITS

Agency	Description	Number
Southern California Air Quality Management District	Company I.D.	17786
Southern California Air Quality Management District	Degreaser Perchloroethylene	F1078 321859
Southern California Air Quality Management District	Baking Oven	F1078 001125
Southern California Air Quality Management District	Baking Oven	F1078 M44057
Southern California Air Quality Management District	Spray Booth Paint and Solvent	F1078 S07624
Southern California Air Quality Management District	Spray Booth	F7803 329043
County of Orange	Weights & Measures	#UK-00007.1
County of Orange	Health Care Agency Environmental	#1188
County of Orange	Fire Department Hazardous Materials	#1188
County of Orange	Hazardous Materials Program Office	#1188
City of Fullerton	Alarm User's Permit	#00385
City of Fullerton	Backflow Prevention H_2O	S.N. 62477
City of Fullerton	Business Registration	#100498
State of California	Air Pressure Tank #5825-62	M89724SF
State of California	Sellers Permit	#SREA-033052
U.S. Environmental Protection Agency	Generator	CAD 98139009

SCHEDULE 3.7

TITLE TO PROPERTIES; ENCUMBRANCES

The Company owns the property at the address of 1600 East Valencia Drive, Fullerton, California 92631. The property is more specifically described in the Preliminary Report prepared by Chicago Title Company as of May 1, 1998. This property is subject to a deed of trust in favor of Comerica Bank - California.

Comerica Bank - California has been granted a security interests in all of the other assets of the Company.

SCHEDULE 3.9

ACCOUNTS RECEIVABLE

See attached.

AMERICAN ELECTRONICS, INC.

PRINT RANGE: FROM CUSTOMER TO CUSTOMER

CUSTOMER CODE	CUSTOMER INFORMATION	INVOICE NUMBER	INVOICE DATE	P.O. NUMBER	AGING BREAKDOWN 1 TO 30	31 TO 45	46 TO 60	61 TO 90	OVER 90
A D4000	ADI/U.S.	41339	03/30/98	LFW998DB		13.00			
	PHONE NO. 516-921-6704	41341	03/31/98	850682	250.00				
		41342	03/31/98	850651	70.00				
		41382	04/06/98	LJD710DB	790.00				
		41410	04/15/98	853496	444.00				
		41411	04/15/98	LMH130DB	102.00				
		41502	04/29/98	LVL736DB	767.00				
		CM1885	03/14/97	ORIG INV 37891					1149.75
	TOTAL..... 3615.75				2453.00	13.00			1149.75
A D5403	ADT SECURITY SYSTEMS	41155	02/20/98	A0107				154.57	
	PHONE NO. 713-392-9335								
	TOTAL..... 154.57							154.57	
ACE5000	ACE INVESTMENT GROUP	41437	04/17/98	VERBAL RICH COD	1369.74				
	PHONE NO. 307-473-8940								
	TOTAL..... 1369.74				1369.74				
AME7000	AMERICAN SAFE	41316	03/23/98	VERBAL SEAN		288.00			
	PHONE NO. 408-947-7551								
	TOTAL..... 288.00					288.00			
ASE5000	ASESORIA SERVICIO Y SUMINISTRO	33755	06/16/95	FAX 06/12/95					-645.00
	PHONE NO. 551-61 -91	34036	07/12/95	FAX 06/12/95					143.06
		36343	06/13/96	272 - ALFONSO					325.00
	TOTAL..... -176.94								-176.94
ATL5002	ATLAS SAFE CO.	39377	05/05/97	VERBAL JIM REAVE					243.89
	PHONE NO. 209-538-1132	39378	05/05/97	VERBAL JIM REAVE					326.51
	TOTAL..... 570.40								570.40
BAN5352	BANK EQUIPMENT CONSULTING, INC	41467	04/24/98	REPAIR DAVE COD	155.74				
	PHONE NO. 412-452-9310								
	TOTAL..... 155.74				155.74				
BES4900	BEST BUY WINES & SPIRITS	41412	04/15/98	VERBAL SANDERS	350.69				
	PHONE NO. 805-484-4343								
	TOTAL..... 350.69				350.69				
BRO5027	BROWN SECURITY DESIGNS INC.	41465	04/24/98	5026	57.40				
	PHONE NO. 716-645-6480								
	TOTAL..... 57.40				57.40				
BUB5001	CURRENCY SERVICE INC.	41445	04/21/98	AUTOMATIC	57.52				
	PHONE NO. 912-351-9555								
	TOTAL..... 57.52				57.52				

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AMERICAN ELECTRONICS, INC.

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CUSTOMER CODE	CUSTOMER INFORMATION	INVOICE NUMBER	INVOICE DATE	P.O. NUMBER	AGING BREAKDOWN 1 TO 30	31 TO 45	46 TO 60	61 TO 90	OVER 90
CHA3035	CHAPMAN'S CHECK CASHING	41447	04/21/98	AUTOMATIC	57.36				
	PHONE NO. 254-754-6381	41472	04/27/98	AUTOMATIC	57.36				
	TOTAL..... 114.72				114.72				
COM3550	COMPUTALOG AIRELINE PRODUCTS	11362	04/17/98	P216972	10534.85				
	PHONE NO. 817-249-1391								
	TOTAL..... 10534.85				10534.85				
CRO3000	CROW ENTERPRISES	41440	04/20/98	1638	355.03				
	PHONE NO. 314-249-3537								
	CREDIT LIMIT: 5000.00								
	TOTAL..... 355.03				355.03				
D A5030	D/A MID SOUTH, INC.	41438	04/20/98	1078	203.79				
	PHONE NO. 713-895-0090								
	TOTAL..... 203.79				203.79				
DEL4555	DELTA AIRLINE/AIR CARGO	41036	02/03/98	VERBAL JEFF				-57.39	
	PHONE NO. 617-634-5802								
	TOTAL..... -57.39							-57.39	
DEL4560	DELTA AIR LINE/ AIR CARGO	41475	04/27/98	AUTOMATIC	57.23				
	PHONE NO. 206-433-4741								
	TOTAL..... 57.23				57.23				
DEL5000	DELTA AIR LINES/AIR CARGO DEPT	41426	04/16/98	AUTOMATIC	57.52				
	PHONE NO. 305-526-0205								
	TOTAL..... 57.52				57.52				
DIE3063	DIEBOLD, INC.	41401	04/10/98	VERBAL FELIX	29.43				
	PHONE NO. 330-538-3608								
	CREDIT LIMIT: 1000.00								
	TOTAL..... 29.43				29.43				
DIE3037	DIEBOLD INC.	41306	03/20/98	VERBAL ERNEST		132.25			
	PHONE NO. 210-242-6100								
	TOTAL..... 132.25					132.25			
E L4005	EL PUEBLO MARKET	41494	04/29/98	AUTOMATIC COD	60.43				
	PHONE NO. 805-758-6312								
	TOTAL..... 60.43				60.43				
F 03030	F & O SECURITY SYSTEMS	41463	04/27/98	VERBAL JOHN	94.25				
	PHONE NO. 212-736-6615								
	TOTAL..... 94.25				94.25				
FIN4971	FINANCIAL EQUIPMENT	41383	04/06/98	2576	142.40				

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	PHONE NO. 817-772-4450								
FIN4991	TOTAL..... 142.40				142.40				
FRI5000	FRISCO BAY INDUSTRIES	41323	03/26/98	706861/RALF		440.02			
	PHONE NO. 514-738-7300								
	TOTAL..... 440.02					440.02			
GRA4976	GRANER CORPORATION	11647	02/27/98	413774/08				36750.00	
	PHONE NO. 914-935-8023	11648	02/27/98	418774/08				28500.00	
		11651	03/04/98	415772/08			81950.00		
	TOTAL..... 147200.00						81950.00	65250.00	
GUA5020	GUARANTY SEC EQUIPMENT SERVICE	41227	03/09/98	1791 WAYNE			530.75		
	PHONE NO. 941-322-1905								
	TOTAL..... 530.75						530.75		
HAM4000	HAMILTON SYSTEMS, INC.	41394	04/09/98	0051212	155.25				
	PHONE NO. 513-874-3733								
	TOTAL..... 155.25				155.25				
HI 5001	HI-TEMP INSULATION	11661	03/17/98	22127		411.07			
	PHONE NO. 805-484-2774								
	TOTAL..... 411.07					411.07			
HON6608	HONEYWELL INC.	41040	02/03/98	591624426				164.50	
	PHONE NO. 215-922-7450								
	TOTAL..... 164.50							164.50	
HON5609	HONEYWELL INC.	41434	04/17/98	592408799	193.29				
	PHONE NO. 214-637-2111								
	TOTAL..... 193.29				193.29				
HUG5200	HUGHES AIRCRAFT COMPANY	11672	04/03/98	NNB8-738861	40784.00				
	PHONE NO. 310-662-5983	11673	04/10/98	NNB8-+756308	576.00				
		11674	04/10/98	NNB8-756305	3974.00				
		11697	04/30/98	NNB8-736369	11536.00				
	TOTAL..... 56870.00				56870.00				
INT4000	INTERFACE SYSTEMS INC.	41236	03/10/98	REPAIR EDDIE			590.82		
	PHONE NO. 314-947-1515	41389	04/07/98	8153	319.25				
		41488	04/28/98	8312	416.05				
		CM2016	04/29/98	ORIG INV# 41389	-319.25				
	TOTAL..... 1006.87				416.05		590.82		
JAC4930	JACK RABBIT, INC.	41479	04/27/98	AUTOMATIC	47.52				
	PHONE NO. 804-473-8181								
	TOTAL..... 47.52				47.52				

AMERICAN ELECTRONICS, INC.

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JAC4950	JACK'S MARKET	41481	04/27/98	VERBAL JACK COD	66.34				
	TOTAL..... 66.34				66.34				
JER5000	JERRYS LIQUOR	41204	03/05/98	LEASE AGREEMENT			-28.15		
	PHONE NO. 310-638-0033	41386	04/07/98	LEASE AGREEMENT	28.15				
	CREDIT LIMIT: 100.00								
	TOTAL..... 0.00				28.15		-28.15		
JOH5075	JOHNSONS LIQUOR	41387	04/07/98	LEASE AGREEMENT	25.44				
	PHONE NO. 213-232-2633								
	TOTAL..... 25.44				25.44				
KIM5000	KIMBILS	41493	04/29/98	AUTOMATIC COD	49.52				
	PHONE NO. 912-234-2100								
	TOTAL..... 49.52				49.52				
LEF5009	LEFEBURE CORP.	41265	03/18/98	P343083		113.30			
	PHONE NO. 319-369-5121	41321	03/25/98	344202		747.85			
	TOTAL..... 861.15					861.15			
LEF5035	LEFEBURE	41359	04/02/98	98161096	953.34				
	PHONE NO. 231-240-3236								
	TOTAL..... 953.34				953.34				
LOR5001	LORAL, INC. SPACE SYSTEMS	11667	03/30/98	S-622533KZD		4060.00			
	PHONE NO. 650-852-7772	11671	04/03/98	S-622533KZD	28618.00				
	TOTAL..... 32678.00				28618.00	4060.00			
M W5000	MWI INC	11620	02/12/98	2034				8669.11	
	PHONE NO. 214-330-4693	11639	02/24/98	2034				5730.61	
		11659	03/17/98	2034		5780.61			
	TOTAL..... 20230.33					5780.61		14449.72	
MAR4947	MARINE TERMINALS	41388	04/07/98	AUTOMATIC	295.48				
	PHONE NO. 415-267-1168	41413	04/16/98	AUTOMATIC	55.86				
	TOTAL..... 351.34				351.34				
MAR4949	MARINE TERMINALS	41469	04/24/98	VERBAL J. HILL	295.48				
	PHONE NO. 800-676-5252								
	CREDIT LIMIT: 500.00								
	TOTAL..... 295.48				295.48				
MAR4970	MARTCO	41439	04/20/98	MED00103697	154.18				
	PHONE NO. 502-635-1600	41491	04/29/98	MED-00103850	833.13				
	TOTAL..... 987.31				987.31				
MIC5000	MICROBIZ	41408	04/14/98	TY414 TOM	905.85				

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	PHONE NO. 415-777-1151								
	CREDIT LIMIT: 1000.00								
MIC5000	TOTAL..... 905.85				905.85				
MON5025	MONEY TREE	41419	04/16/98	AUTOMATIC 00000	47.23				
	PHONE NO. 509-926-2000								
	TOTAL..... 47.23				47.23				
MOS5011	MOSLER SAFE CO.	41322	03/25/98	INC780615		720.38			
	PHONE NO. 513-870-1535								
	CREDIT LIMIT: 200.00								
	TOTAL..... 720.38					720.38			
MOS5032	MOSLER SAFE CO.	40318	10/10/97	7762					-963.11
	PHONE NO. 800-667-5371	40428	10/28/97	8038					-1863.87
	CREDIT LIMIT: 500.00	41358	04/02/98	2978	1075.20				
		41393	04/08/98	3216	1075.20				
		CM2012	04/08/98	ORIG INV# 40428	-1435.00				
	TOTAL..... -2161.58				665.40				-2826.98
MOS5039	MOSLER SAFE	41465	04/24/98	41868 CHRIS	252.26				
	PHONE NO. 415-871-0280								
	TOTAL..... 252.26				252.26				
MOS5067	MOSLER DE PUERTO RICO	CM1889	03/18/97	ORIG INV 38569					-1158.40
	PHONE NO. -727-6590								
	TOTAL..... -1158.40								-1158.40
MOS5036	MOSLER INC.	41148	02/19/95	REPAIR				295.03	
	PHONE NO. 800-967-4002								
	TOTAL..... 295.03							295.03	
NAT7010	NATIONAL SECURITY & ALARM	41468	04/24/98	NSA-1894	88.79				
	PHONE NO. 817-776-4042								
	TOTAL..... 88.79				88.79				
NAT7040	NATIONAL SELF STG OF SOUTHGATE	41475	04/27/98	AUTOMATIC COD	52.52				
	TOTAL..... 52.52				52.52				
OZA5000	OZARK ALARM & SPECIALITY CO.	41501	04/29/98	VERBAL MARY	214.63				
	PHONE NO. 417-934-6490								
	TOTAL..... 214.63				214.63				
POG5000	POGODA MANAGEMENT CO.	41448	04/21/98	AUTOMATIC 00001	47.52				
	PHONE NO. 810-655-9676	41505	04/30/98	VERBAL PATTY	47.52				
	TOTAL..... 95.04				95.04				

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POS3030	POST BROWNNING	41507	04/30/98	VERBAL DAVE	84.00				
	PHONE NO. 513-771-1717								
	TOTAL..... 84.00				84.00				
PRI5025	PRIME DIRECTIONAL SYSTEMS	11656	03/17/98	50424		103.43			
		11687	04/27/98	50424	255.03				
	TOTAL..... 358.46				255.03	103.43			
PRI5050	PRIVATE MINI STORAGE	41344	03/31/98	AUTOMATIC 00031	47.36				
	PHONE NO. 713-484-6944	41455	04/22/98	AUTOMATIC 00020	35.79				
	TOTAL..... 133.15				133.15				
PRI5064	PRIVATE MINI STORAGE	41420	04/16/98	AUTOMATIC 00005	42.52				
	PHONE NO. 904-346-5403								
	TOTAL..... 42.52				42.52				
PRI5036	PRIVATE MINI STORAGE	41400	04/10/98	VERBAL FRANK	47.36				
	PHONE NO. 281-397-0605								
	TOTAL..... 47.36				47.36				
PSA4000	PSA SECURITY NETWORK	41357	04/02/98	50510/S69986	15297.78				
	PHONE NO. 303-252-5607	41459	04/29/98	50510/S69988	91792.56				
		41490	04/29/98	VERBAL STELLA	606.00				
	TOTAL..... 107696.34				107696.34				
PUB5010	PUBLIC STORAGE 54301	41392	04/08/98	VBL KANNA 54301	76.00				
	PHONE NO. 905-276-7699	41392A	04/08/98		41.50				
	TOTAL..... 117.50				117.50				
PUB5011	PUBLIC STORAGE 54101	41391	04/08/98	VBL PRIYA 54101	76.00				
	PHONE NO. 905-791-3077								
	TOTAL..... 76.00				76.00				
PUB5050	PUBLIC STORAGE - GLENDALE	30411R	06/15/94	RLETTER-00733					-1021.54
	PHONE NO. 818-244-8080	31388R	09/22/94	35427 REPAIR					-950.44
		32229	01/12/95	LETTER 20271					-1025.84
		41234	03/10/98	VBLCAROLYN 24608			41.18		
		41256	03/13/98	AUTOMATIC 35224			41.43		
		41277	03/17/98	AUTOMATIC 20630		42.96			
		41298	03/20/98	AUTOMATIC 24322		38.21			
		41302	03/20/98	AUTOMATIC 35128		36.52			
		41307	03/20/98	VBL JIM 26427		49.73			
		41328	03/27/98	VBL DAN 20195		41.00			
		41329	03/27/98	VBL JIM 26818		49.73			
		41334	03/30/98	FAX DEB 20482		1111.02			
		41335	03/30/98	FAX JIM 07006		1111.02			
		41343	03/31/98	REPAIR 24717	420.01				

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PUB500		41365	04/02/98	AUTOMATIC 25219	36.43				
		41366	04/02/98	AUTOMATIC 00103	38.54				
		41367	04/02/98	AUTOMATIC 35504	41.43				
		41375	04/02/98	AUTOMATIC 50802	43.77				
		41380	04/06/98	AUTOMATIC 26419	41.52				
		41397	04/10/98	AUTOMATIC 00414	44.32				
		41409	04/15/98	REPAIR DEBBIE	330.16				
		41414	04/16/98	AUTOMATIC 20404	38.90				
		41415	04/16/98	AUTOMATIC 01910	43.96				
		41416	04/16/98	AUTOMATIC 34101	43.96				
		41422	04/16/98	AUTOMATIC 23103	36.52				
		41423	04/16/98	AUTOMATIC 20480	43.77				
		41428	04/16/98	AUTOMATIC 20730	41.43				
		41429	04/16/98	AUTOMATIC 62626	38.90				
		41435	04/17/98	AUTOMATIC 22302	41.36				
		41436	04/17/98	AUTOMATIC 01802	90.86				
		41443	04/21/98	AUTOMATIC 20166	52.23				
		41444	04/21/98	VBL STAN 21713	91.12				
		41449	04/21/98	AUTOMATIC 00917	52.52				
		41450	04/22/98	AUTOMATIC 40301	43.96				
		41451	04/22/98	AUTOMATIC 24322	38.21				
		41452	04/22/98	AUTOMATIC 20166	41.23				
		41453	04/22/98	AUTOMATIC 22302	41.36				
		41454	04/22/98	AUTOMATIC 01802	85.83				
		41456	04/22/98	AUTOMATIC 35713	41.52				
		41457	04/22/98	AUTOMATIC 66363	38.90				
		41458	04/22/98	AUTOMATIC 35114	36.52				
		41459	04/22/98	AUTOMATIC 24429	41.36				
		41466	04/23/98	AUTOMATIC 20164	41.23				
		41471	04/27/98	AUTOMATIC 24113	36.52				
		41474	04/27/98	AUTOMATIC 25402	38.99				
		41476	04/27/98	AUTOMATIC 67575	43.77				
		41477	04/27/98	AUTOMATIC 24103	36.23				
		41478	04/27/98	AUTOMATIC 20615	43.96				
		41484	04/28/98	REPAIR 26819	317.64				
		41492	04/29/98	AUTOMATIC 24508	36.36				
		41495	04/29/98	AUTOMATIC 01701	36.36				
		41496	04/29/98	AUTOMATIC 25212	36.36				
		41498	04/29/98	AUTOMATIC 25222	36.52				
		41504	04/30/98	VBL MIKE 20413	41.52				
		41506	04/30/98	VBL CURTIS 55301	41.36				
		CM2013	04/15/98	ORIG INV# 41334	-1028.75				
	TOTAL..... 1344.72				1778.74	2481.19	82.61		-2997.82
PUB500	PUBLIC STORAGE - GLENDALE (NY)	41292	03/19/98	REPAIR 26522		248.38			
		41421	04/16/98	AUTOMATIC 20623	44.84				
		41482	04/27/98	AUTOMATIC 26522	45.05				

PAGE 5 (S) D E T A I L E D R E C E I V A B L E S A G I N G AS OF (04/30/98)
AMERICAN ELECTRONICS, INC.

PRINT RANGE: FROM CUSTOMER TO CUSTOMER

CUSTOMER CODE	CUSTOMER INFORMATION	INVOICE NUMBER	INVOICE DATE	P.O. NUMBER	AGING BREAKDOWN 1 TO 30	31 TO 45	46 TO 60	61 TO 90	OVER 90
PUB5060	TOTAL..... 336.27				89.89	248.38			
QUA4998	QUANTUM SOLUTIONS INC	11692	04/29/98	QSI970599	20655.69				
	TOTAL..... 20655.69				20655.69				
REDS025	REDDI RENTS	41497	04/29/98	AUTOMATIC	57.52				
	PHONE NO. 904-396-2741								
	CREDIT LIMIT: 100.00								
	TOTAL..... 57.52				57.52				
ROC5030	ROCKETDYNE DIVISION ACCTS. PAY	11613	02/04/98	PR98311841				2385.00	
	PHONE NO. 818-536-3951	11614	02/04/98	PR98311841				3972.00	
	TOTAL..... 6357.00							6357.00	
SAN2000	SANDIA NATIONAL LABORATORIES	11676	04/10/98	BB-7409	11674.00				
	TOTAL..... 11674.00				11674.00				
SAN2500	SAN DIEGO ALARM CO	41216	03/06/98	REPAIR			625.57		
	PHONE NO. 619-239-3473	41485	04/28/98	REPAIR BRAD	585.11				
	CREDIT LIMIT: 5000.00								
	TOTAL..... 1210.68				585.11		625.57		
SAN2525	SANDVIK SPECIAL METALS	11686	04/17/98	106886	1271.81				
	PHONE NO. 000-000-0000								
	TOTAL..... 1271.81				1271.81				
SAV3000	SAVE ON VIDEO	41461	04/23/98	89213 COD	358.46				
	PHONE NO. 818-382-3011								
	TOTAL..... 358.46				358.46				
SCH4900	SCHAEFFER MAGNETICS	11665	03/19/98	26685		985.00			
	PHONE NO. 818-341-5156								
	TOTAL..... 985.00					985.00			
SCH5000	SCHLUMBERGER WELL SERVICES	11683	04/17/98	3GP05392	3026.53				
	PHONE NO. 713-275-3700	11694	04/30/98	6Z001618	34780.93				
	CREDIT LIMIT: 100000.00	11696	04/30/98	6ZE00490	1789.61				
	TOTAL..... 39597.07				39597.07				
SEC3500	SECURE IMAGING LTD.	41170	02/26/98	00482				5400.00	
	PHONE NO. 072-784-6645								
	TOTAL..... 5400.00							5400.00	
SEC3351	THE SECURITY CENTER INC	41399	04/10/98	1307	208.22				
	PHONE NO. 214-349-0480								
	CREDIT LIMIT: 1000.00								
	TOTAL..... 208.22				208.22				

AMERICAN ELECTRONICS, INC.

PRINT RANGE: FROM CUSTOMER TO CUSTOMER

CUSTOMER CODE	CUSTOMER INFORMATION	INVOICE NUMBER	INVOICE DATE	P.O. NUMBER	AGING BREAKDOWN 1 TO 30	31 TO 45	46 TO 60	61 TO 90	OVER 90
SEC6460	SECURITY LINK FROM AMERITECH	41159	02/23/98	82899				71.50	
	PHONE NO. 502-459-1700								
	TOTAL..... 71.50							71.50	
SEC7900	SECURITY TECHNOLOGIES, INC.	41487	04/28/98	I1262	1601.15				
	PHONE NO. 713-636-8383								
	TOTAL..... 1601.15				1601.15				
SEL4950	SELF SERV MINI STORAGE	41503	04/30/98	VERBAL JIM HAYES	47.52				
	PHONE NO. 216-831-1390								
	TOTAL..... 47.52				47.52				
SMI5000	SMITH ALARM SYSTEMS	41267	03/16/98	7527		515.11			
	PHONE NO. 214-631-3300								
	TOTAL..... 515.11					515.11			
SPA5050	SPAR AEROSPACE LIMITED	11673	04/15/98	19086TD	5000.00				
	PHONE NO. 905-790-2800	11690	04/28/98	19086TD	15000.00				
	TOTAL..... 20000.00				20000.00				
SPE4950	SPEEDRING	11691	04/28/98	014328	45634.00				
	PHONE NO. 810-853-2340								
	TOTAL..... 45634.00				45634.00				
STA5555	STAR SERVICE	41432	04/16/98	AUTOMATIC	52.00				
	PHONE NO. 809-274-0495								
	TOTAL..... 52.00				52.00				
SUN4746	SUNBELT SELF STORAGE	41508	04/30/98	VERBAL MARY	47.36				
	PHONE NO. 817-625-8771								
	TOTAL..... 47.36				47.36				
SYN5000	SYNOVUS SERVICE CORPORATION	41464	04/24/98	REPAIR GUY	7.40				
	PHONE NO. 706-649-4080	41470	04/24/98	REPAIR GUY	6.87				
	TOTAL..... 14.27				14.27				
TRA4000	TRANS-PAC SALES	11638	02/23/98					2.95	
	PHONE NO. 310-327-0101	11664	03/18/98	5-6744		22355.00			
		11680	04/16/98	5-6744	26123.59				
		11684	04/17/98	7-3061	25454.49				
	TOTAL..... 74436.03				51578.08	22355.00		2.95	
TYS5002	TYSON SELF STORAGE	41480	04/27/98	AUTOMATIC	47.52				
	PHONE NO. 703-790-5343								
	TOTAL..... 47.52				47.52				
UNI5048	U.S. POSTAL SERVICE	41308	03/20/98	930091 DAVID		73.52			

AMERICAN ELECTRONICS, INC.

PRINT RANGE: FROM CUSTOMER TO CUSTOMER

CUSTOMER CODE	CUSTOMER INFORMATION	INVOICE NUMBER	INVOICE DATE	P.O. NUMBER	AGING BREAKDOWN 1 TO 30	31 TO 45	46 TO 60	61 TO 90	OVER 90
	PHONE NO. 914-697-7084								
UNI5046	TOTAL..... 73.52					73.52			
UNI5036	UNIVERSITY MARKET	41446	04/21/98	AUTOMATIC COD	54.52				
	PHONE NO. 216-535-4311	41500	04/29/93	AUTOMATIC COD	54.52				
	TOTAL..... 109.04				109.04				
UNI6000	UNIVERSAL MANAGEMENT CO.	41499	04/29/93	AUTOMATIC	45.52				
	PHONE NO. 404-801-1883								
	TOTAL..... 45.52				45.52				
UNI8700	UNITED AIRLINES	41241	03/11/98	FAX 3-10-98 DAN			1904.40		
	PHONE NO. 305-869-8514								
	TOTAL..... 1904.40						1904.40		
VAL5000	VALLEY BURGLAR & FIRE ALARM	41407	04/14/98	20599 MARCUS	239.40				
	PHONE NO. 209-436-2650								
	TOTAL..... 239.40				239.40				
VAL6035	VALUTA CORP	41384R	04/06/98	FAX GLORIA	1283.40				
	PHONE NO. 915-544-1152								
	CREDIT LIMIT: 200.00								
	TOTAL..... 1283.40				1283.40				
VIC4975	VICKERS INC.	11669	03/31/98	W68722	5.81				
	PHONE NO. 402-571-1000								
	CREDIT LIMIT: 200.00								
	TOTAL..... 5.81				5.81				
WEB5000	WEBSTER SAFE & LOCK	41406	04/14/98	325628 BILL	2670.00				
	PHONE NO. 901-332-2911								
	TOTAL..... 2670.00				2670.00				
WEL6000	WELLS FARGO ALARM SERVICE	41463	04/24/98	REPAIR JOE	8.46				
	PHONE NO. 610-337-3355	41486	04/28/98	4332194052	748.05				
		41509	04/30/98	6462	1703.35				
	TOTAL..... 2459.86				2459.86				
WES1934	WESTERN ATLAS INTERNATIONAL	11662	03/17/98	AM98-077037		850.30			
	PHONE NO. 713-972-5185	11662A	04/01/98		53.25				
		11663	03/17/98	AM98-077037		356.49			
		11675	04/10/98	AM98-077037	206.49				
	TOTAL..... 1966.23				259.74	1706.49			
ZZZ9999	U S GOVERNMENT	11653	03/10/98	F42610-96-D-0011			9342.00		
	PHONE NO. 800-525-6571	11668	03/31/98	F42610-96-D-0011	4671.00				
		11679	04/16/98	F42610-96-D-011	3976.00				

PAGE 1 (3) D E T A I L E D R E C E I V A B L E S A G I N G AS OF (04/30/98)
AMERICAN ELECTRONICS, INC.

PRINT RANGE: FROM CUSTOMER TO CUSTOMER

CUSTOMER CODE	CUSTOMER INFORMATION	INVOICE NUMBER	INVOICE DATE	P.O. NUMBER	AGING BREAKDOWN 1 TO 30	31 TO 45	46 TO 60	61 TO 90	OVER 90
2227999		11681	04/17/98	F42610-96-D-0011	105637.50				
		11685	04/17/98	F42610-96-D-0011	2544.00				
		11688	04/27/98	F0468498P0375	103.00				
		11689	04/28/98	F42610-96-D-0011	5926.07				
		11693	04/30/98	F42610-96-D-0011	4671.00				
		11695	04/30/98	F42610-96-D-011	18960.00				
		11698	04/30/98	F42610-96-D-011	2544.00				
		11699	04/30/98	F42610-96-D-011	94570.00				
	TOTAL..... 252944.57				243602.57		9342.00		
	***** FINAL TOTAL *****	885318.63	*****		661998.14	41574.60	94998.00	92087.38	-5439.99
	*** PERCENT OF TOTAL ***				74.79%	4.71%	10.73%	10.40%	-.61%

SCHEDULE 3.10

LETTERS OF CREDIT, BONDS, ETC.

(a) LC NY 1299/98 by International Bank of China issued to the Company on April 3, 1998, and expiring September 8, 1998.

(b) NONE

SCHEDULE 3.11

UNDISCLOSED LIABILITIES

NONE

SCHEDULE 3.12

ABSENCE OF CERTAIN CHANGES

On January 5, 1998, Roll Seal sold substantially all of its assets to Griswold Industries pursuant to an Asset Purchase Agreement among the Company, Roll Seal and Griswold Industries of even date therewith.

SCHEDULE 3.13

PROGRESS PAYMENTS

The Company has received milestone payments from SPAR Aerospace and TECSTAR in the respective amounts of $150,000 and $25,000.

SCHEDULE 3.15

BACKLOG AND CUSTOMERS

(a) See attached.

(b) Contract #F42610-96-D-011 issued by Hill Airforce Base is for a best estimated quantity of repairable units.

DATE PREPARED: MAY 4, 1998

A.E.I. MONTHLY BILLING SCHEDULE

MAY 1998

	MAY	JUNE	JULY
PRECISION POWER	$ 4,671.00	$118,273.00	$ 89,671.00
E.M.I.	406,739.00	343,035.00	245,851.00
OUTSIDE MACHINING	30,694.00	-0-	-0-
D/B POWER SUPPLY	-0-	-0-	20,064.00
D/B CAMERA	70,000.00	80,000.00	70,000.00
MICRO.CHECK	15,000.00	17,000.00	15,000.00
TOTAL.....	$527,104.00	$558,308.00	$440,586.00

	WEEK ENDING 5-08-98	WEEK ENDING 5-15-98	WEEK ENDING 5-22-98	WEEK ENDING 5-29-98
PRECISION POWER	$ -0-	$ -0-	$ -0-	$ 4,671.00
E.M.I.	90,655.00	43,284.00	126,820.00	145,980.00
OUTSIDE MACHINING	-0-	-0-	21,516.00	9,178.00
D/B POWER SUPPLY	-0-	-0-	-0-	-0-
D/B CAMERA	17,500.00	17,500.00	17,500.00	17,500.00
MICRO.CHECK	3,000.00	4,000.00	4,000.00	4,000.00
TOTAL.....	$111,155.00	$ 64,784.00	$169,836.00	$181,329.00

	SECOND QUARTER AS OF 5-04-98
PRECISION POWER	$ 361,872.57
E.M.I.	965,807.00
OUTSIDE MACHINING	30,694.00
D/B POWER SUPPLY	-0-
D/B CAMERA	297,017.00
MICRO.CHECK	39,275.00
TOTAL.....	$1,694.665.57

DIVISION: PRECISION POWER

S.O.# SEQ. INSP.	CUSTOMER PART NUMBER DESCRIPTION	QUANTITY UNIT PRICE DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
11951-01	DEFENSE SUPPLY	2							2
1	401300	2598.00							5196.00
G/P	BRUSH HOLDER	08/14/98							
11953-01	LAPEYRE BROS.	2							2
1	401300	2556.00							5112.00
D	BRUSH HOLDER ASSY	09/16/98							
12108-01	HILL AFB	1							1
1	1005601-1 RECD 12-6								
D	S/N 1038 ENGR EXHIBT TBD								
12135-01	HILL AFB	1							1
1	1005601-2 S/N0002006								
W/A	MG TYPE II REC 8-4-7 TBD								
12139-01	HILL AFB	1							1
1	1005601-2 LCF TYP II								
D	MG SN2002 REC 1-20-8 N/A								
12141-01	HILL AFB (PQDR442504	1							1
1	25-45610-66 S/N 300								
G/P	REC 3/16 O/S 3-23-95 TBD								
12143-01	HILL AFB	1							1
1	25-45610-66 S/N 189								
G/P	MG RECD 4-24-8 STUDY TBD								
15135-01	HILL AFB	1							1
9	CAP FUND ITEM 2005	50000.00							50000.00
G/P	CONT. ACQUIRED PROP. W/A								
15135-01	HILL AFB	4							4
7	EVAL LCF II 2004AA	2913.00							11652.00
G/P	FAULT ISL LCF TYP II W/A								
15135-01	HILL AFB	1							1
12	FAIL RPT C ITEM 2008	3976.00							3976.00
G/P	DATA FAILURE REPORT W/A								
15135-01	HILL AFB	4							4
5	FLT ISL LCF I 2003AA	2913.00							11652.00
G/P	FAULT ISOL LCF TYP I W/A								
		SUBTOTALS:							19 87588.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: PRECISION POWER

S.O.# SEQ. INSP.	CUSTOMER PART NUMBER DESCRIPTION	QUANTITY UNIT PRICE DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
15135-01	HILL AFB	70					10		60
1	FLT ISO LF # 2001AA	1896.00					18960.00		113760.00
G,P	EVALUATION LF MOD	70 WILL ADVISE							
15135-01	HILL AFB	10							10
3	FLT ISO WG VI 2002AA	1896.00							18960.00
G,P	FAULT ISOL WING VI	W/A							
15135-01	HILL AFB	8				1	1	1	5
10	G009 EXH A ITEM 2006	4671.00				4671.00	4671.00	4671.00	23355.00
G,P	EXHIBIT A DATA G009	W/A							
15135-01	HILL AFB	4					1		3
11	MAIN DATA B ITM 2007	2642.00					2642.00		7926.00
G,P	EHIBIT B MAIN DATA	W/A							
15135-01	HILL AFB	4					1		3
13	ODC RPT E ITEM 2009	7000.00					7000.00		21000.00
G,P	DATA ODC REPORTS	W/A							
15135-01	HILL AFB	4							4
6	REPAIR LCF I 2003AB	11250.00							45000.00
G,P	REPAIR LCF TYPE I	W/A							
15135-01	HILL AFB	4							4
8	REPAIR LCF II 2004AB	11250.00							45000.00
G,P	REPAIR LCF TYPE II	W/A							
15135-01	HILL AFB	60					10	10	40
2	REPAIR LF #2001AB	8500.00					85000.00	85000.00	340000.00
G,P	REPAIR LF	W/A							
15135-01	HILL AFB	10							10
4	REPAIR WG VI 2002AB	8500.00							85000.00
G,P	REPAIR WING VI	W/A							
	SUBTOTALS:					1	23	11	139
						4671.00	118273.00	89671.00	700001.00
	DIVISION TOTALS:					1	23	11	158
						4671.00	118273.00	89671.00	787589.00

END OF REPORT. 20 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ. INSP.	CUSTOMER PART NUMBER DESCRIPTION	QUANTITY UNIT PRICE DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
41344-04	DEFENSE SUPPLY	4					4		
1	3041	2506.00					10024.00		
G,P	HOUSING, ASSY	07/09/98							
41348-01	MATRA MARCONI	3							3
1	43-001-54	1670.00							5010.00
C,S	GEARHEAD ONLY	09/11/98							
41348-01	MATRA MARCONI	1							1
2	NRE	2233.00							2233.00
C,S	NON RECURRING ENG	09/11/98							
41957-01	PETER'S SPRAY PAINT	6					6		
3	33-038-01	10.00					60.00		
D	BRUSH	06/22/98							
41957-01	PETER'S SPRAY PAINT	12					12		
4	43-110-66	20.00					240.00		
D	BRUSH BLOCK	06/22/98							
41957-01	PETER'S SPRAY PAINT	12					12		
2	43-458-01	5.00					60.00		
D	SPRING	06/22/98							
41957-01	PETER'S SPRAY PAINT	20					20		
5	778-2-05	1.00					20.00		
D	SCREW	06/22/98							
41957-01	PETER'S SPRAY PAINT	30					30		
1	MS51959-1	1.00					30.00		
D	SCREW	06/22/98							
50744-44	HALLIBURTON	3			3				
1	18HA2A	3748.00			11244.00				
D	AC MOTOR	6/1/98 DOCK DATE							
50744-45	HALLIBURTON	5					5		
1	18HA2A	3366.00					16830.00		
D	AC MOTOR	07/13/98							
50767-05	WESTERN ATLAS	2			2				
3	33HA14-1	6500.00			13000.00				
D	AC MOTOR	06/04/98							
		SUBTOTALS:			5		89		4
					24244.00		27264.00		7243.00

D=DEST, C/S=SOURCE, G=GST, P=PKGR

DIVISION: E.M.I.

S.O.# / SEQ. / INSP.	CUSTOMER / PART NUMBER / DESCRIPTION	QUANTITY / UNIT PRICE / DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
50768-04	WESTERN ATLAS	10							
1	33HA15	3240.00			1	2	2	3	2
D	AC MOTOR	105/29 206/04			3240.00	6480.00	6480.00	9720.00	6480.00
52137-03	NAVAL INVENTORY	11							
1	12DK5	2771.00					11		
P,,,G	MOTOR TACHOMETER	6-15-98					30481.00		
52222-01	BEIJING SIANGYU	1							
1	17DGZ ON HOLD 7-15-7	83328.00							1
D	D.C. MOTOR/GEARHEAD	ON HOLD							83328.00
52223-01	FOKKER SPACE	3							
1	13DGX6-2	13600.00	3						
G	DC MOTOR	5/7/98 O/S	40800.00						
52223-01	FOKKER SPACE	1							
2	ADD'L DOC.	12376.00	1						
G	NRE	5/7/98 O/S	12376.00						
52223-01	FOKKER SPACE	1							
3	NRE	1793.00	1						
G	ADD'L NRE	5/7/98 O/S	1793.00						
52224-01	NISSHO IWAI	1							
1	13DG97	5540.00							1
D	LONG LEAD PURCHASE	W/A							5540.00
54208-30	HUGHES SPACE & COMM	9							
3	11KX8	560.00		9					
C/S	STATOR HOUSING ASSY	05/13/98		5040.00					
54208-30	HUGHES AIRCRAFT	60							
1	11KX8-1	576.00			60				
C/,/S	STATOR HOUSING	07/01/98			34560.00				
54208-30	HUGHES AIRCRAFT	85							
2	11KX8-1	576.00						85	
C/,/S	STATOR HOUSING	11/01/98						48960.00	
54222-07	HUGHES	25							
1	30-766-05	460.00					25		
C/S	MAGNET	06/19/98					11500.00		
		SUBTOTALS:	5	9	61	2	38	88	4
			54969.00	5040.00	37800.00	6480.00	48461.00	58680.00	95348.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# / SEQ. / INSP.	CUSTOMER / PART NUMBER / DESCRIPTION	QUANTITY / UNIT PRICE / DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
54231-01	MATRA MARCONI	1							
1	13DG94								1
D	RETEST	W/A							
54232-01	QUANTUM SOLUTIONS	9							
1	16WP1	3014.00					9		
D	ALTERNATOR	04/02/98					27126.00		
54233-01	HUGHES AIRCRAFT CO.	3							
1	11KX11	2974.00					3		
D	ACTUATOR	4-10-98					8922.00		
54233-01	HUGHES AIRCRAFT CO.	1							
2	NRE	11820.00					1		
C/S	NRE	4-10-98					11820.00		
54234-01	HUGHES AIRCRAFT	9							
1	11KX11	576.00					9		
D	MAGNET	4-10-98					5184.00		
54236-01	HUGHES	20							
1	30-656-05	883.00						20	
C/S	STR HSNG (11KX9-1)	08/07/98						17660.00	
54236-01	HUGHES	1							
2	NRE	1766.00						1	
C/S	NRE	08/07/98						1766.00	
55215-10	TRANS PAC CORP	20							
1	80X5	653.00		20					
D	RESOLVER	20 PCS 6-1-98		13060.00					
55866-12	DEFENSE PROCUREMENT	12							
1	88PX10	10261.00					12		
D	RESOLVER	16 WKS ARO L/C					123132.00		
55901-04	HUGHES AIRCRAFT	2							
1	50PX6	13550.00							2
C/S	RESOLVER	09/24/98							27100.00
55901-04	HUGHES AIRCRAFT	1							
2	MRR MEETING	3168.00						1	
C/S	MRR MEETING	09/24/98						3168.00	
		SUBTOTALS:		20			34	22	3
				13060.00			176184.00	22594.00	27100.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# / SEQ. / INSP.	CUSTOMER / PART NUMBER / DESCRIPTION	QUANTITY / UNIT PRICE / DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
55922-05	GENERAL DYNAMICS	4							
1	25QP5	2016.00						4	
D	RESOLVER	09/10/98						8064.00	
55966-02	SPAR AEROSPACE	1							
8	23PX2	16500.00				1			
C/S	23PX2	09/30/98				16500.00			
55966-02	SPAR AEROSPACE	1							
7	23PX2	16500.00				1			
C/S	23PX2	09/15/98				16500.00			
55966-02	SPAR AEROSPACE	1							
6	23PX2	16500.00				1			
C/S	23PX2	09/01/98				16500.00			
55966-02	SPAR AEROSPACE	1							
9	35PX3	16500.00			1				
C/S	35PX3	10/15/98			16500.00				
55966-02	SPAR AEROSPACE	1							
10	35PX3	16500.00			1				
C/S	35PX3	10/30/98			16500.00				
55966-02	SPAR AEROSPACE	1							
11	CLOSEOUT S/C	7500.00					1		
C/S	CLOSEOUT S/C	10/30/98					7500.00		
55966-02	SPAR AEROSPACE	1							
5	MIP#1	12000.00		1					
C/S	MIP#1	06/28/98		12000.00					
55966-02	SPAR AEROSPACE	1							
4	TRR#1	12000.00			1				
C/S	TRR#1	07/28/98			12000.00				
55966-02	SPAR	1							
12	UPDATE DRAWINGS	1575.00						1	
N/A	UPDATE DRAWINGS	W/A						1575.00	
55977-01	NORTHROP GRUMMAN	2							
1	36PX1	5612.00					2		
D	RESOLVER DUAL SPEED	06/27/98					11224.00		
		SUBTOTALS:		1	3	3	3	5	
				12000.00	45000.00	49500.00	18724.00	9639.00	

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ. INSP.	CUSTOMER PART NUMBER DESCRIPTION	QUANTITY UNIT PRICE DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
55977-01	NORTHROP GRUMMAN	1							
2	NRE	15200.00					1		
D		6-27-98					15200.00		
55978-01	NORTHROP GRUMMAN	2							
1	85PX4	7487.00					2		
D	RESOLVER, DUAL SPEED	06/27/98					14974.00		
55978-01	NORTHROP GRUMMAN	1							
2	NRE	26000.00					1		
D		6-27-98					26000.00		
55979-01	SPAR AEROSPACE	24							
2	51PX1	20000.00							24
C/I/S	AJAR	W/A							480000.00
55979-01	SPAR AEROSPACE	1							
1	51PX3	40000.00							1
C/I/S	JAR	11/23/98							40000.00
55979-01	SPAR AEROSPACE	1							
6	MILESTONE BILLING	110000.00							1
C/I/S	MILESTONE BILLING	W/A							110000.00
55979-01	SPAR AEROSPACE	1							
4	MILESTONE BILLINGS	90000.00				1			
C/I/S	MILESTONE BILLINGS	W/A				90000.00			
55979-01	SPAR AEROSPACE	1							
5	MILESTONE BILLINGS	50000.00						1	
C/I/S	MILESTONE BILLINGS	W/A						50000.00	
58521-13	SPACE SYSTEMS/LORAL	8							
1	23TG1	9214.00						8	
C/I/S	STEPPER MOTOR	238/1/98 239/1						73712.00	
58537-08	HUGHES AIRCRAFT CO	14	14						
1	15TA38	2549.00	35686.00						
C/S	STEPPER MOTOR	1 PC 5-1, 13 7/1							
58545-02	HUGHES AIRCRAFT CO	40		16	24				
3	8TA30	824.00		13184.00	19776.00				
C/S	ACTUATOR	20/WK							
		SUBTOTALS:	14 35686.00	16 13184.00	24 19776.00	1 90000.00	4 56174.00	9 123712.00	26 630000.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ. INSP.	CUSTOMER PART NUMBER DESCRIPTION	QUANTITY UNIT PRICE DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
58545-02	HUGHES AIRCRAFT CO	1							
5	6TA30 QUAL TESTING	16228.00					1		
C/S	QUAL TESTING	WILL ADVISE					16228.00		
58545-03	HUGHES SPACE & COMM	1							
1	8TA30	150000.00							1
C/S	LONG LEAD ITEMS	W/A							150000.00
60152-26	TRANS PAC SALES	25							
1	15JA8	1018.00						25	
D		25 PCS 9-30						25450.00	
60241-20	MWI	2							
1	18HA3	2888.00						2	
D	MOTOR	2 EA 7-27-8 DOCK						5776.00	
60262-01	SPEEDRING	2							
1	18JA6	2861.00							2
D	SYNCH MOTOR ON HOLD	WILL ADVISE							5722.00
		SUBTOTALS:							
	DIVISION TOTALS:		19	46	93	6	1	27	3
			90655.00	43284.00	126820.00	145980.00	16228.00	31226.00	155722.00
							169	151	40
							343035.00	245851.00	915413.00

END OF REPORT. 60 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: QUADRANT

S.O.# / SEQ. / INSP.	CUSTOMER / PART NUMBER / DESCRIPTION	QUANTITY / UNIT PRICE / DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
00020-01	ROCKETDYNE	5							5
1	RH000020-1	11534.00							57670.00
D	ROBOTIC OFFSET TOOL	ON HOLD							
02393-01	ROCKETDYNE	12			12				
1	R072393-11	1793.00			21516.00				
C,S,G	CHASSIS	3-27-98							
06644-01	BOEING/ROCKETDYNE	2				2			
1	R076644-1	445.00				890.00			
D	BRACKET NUT PLATE	03/27/98							
06644-01	BOEING/ROCKETDYNE	8				8			
2	R076644-1	303.00				2424.00			
D	BRACKET NUT PLATE	04/15/98							
06644-01	BOEING/ROCKETDYNE	4				4			
3	R076644-11	350.00				1400.00			
D	BRACKET NUT PLATE	03/23/98							
06644-01	BOEING/ROCKETDYNE	16				16			
4	R076644-11	279.00				4464.00			
D	BRACKET NUT PLATE	04/15/98							
		SUBTOTALS:			12	30			5
					21516.00	9178.00			57670.00
		DIVISION TOTALS:			12	30			5
					21516.00	9178.00			57670.00

END OF REPORT. 6 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: POWER SUPPLIES

S.O.# SEQ. INSP.	CUSTOMER PART NUMBER DESCRIPTION	QUANTITY UNIT PRICE DATE DUE	MAY 05-08-98	MAY 05-15-98	MAY 05-22-98	MAY 05-29-98	JUNE	JULY	FUTURE
91700-01	S.O.I.	6						6	
1	524958	464.00						2784.00	
D	TRANSFORMER	07/10/98							
93811-01	ROCKWELL INT'L	3						3	
1	29030-1	5760.00						17280.00	
D	POWER SUPPLY	07/20/98							
		SUBTOTALS:						9	
								20064.00	
		DIVISION TOTALS:						9	
								20064.00	

END OF REPORT. 2 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

BACKLOG TOTAL.....$ 7,185.42

AMERICAN ELECTRONICS, INC.

MASTER SHIPPING SCHEDULE

E.M.I. SHIPPING SCHEDULE – REPAIRS

ISSUE DATE May 1998

P.V.	CUSTOMER	MODEL NO.	SALES ORDER NO.	CUSTOMER P.O. NO.	CUSTOMER REQD DATE	UNIT PRICE	QUANTITIES ORIG	QUANTITIES BAL	DOLLAR BALANCE Serial No.	DELINQUENT QTY		May QTY		FUTURE QTY		DATE RECEIVED QTY		DATE EVALUATED QTY		ORIGINAL SHIP DATE QTY	
	Hughes	8TA30	42520-01	7316369	6-9-98	NC	1	1	087					1	NC		3-17-98	CR	4-2-98		12-97
	Phillips	11KX8	42457-01	NCR 02457			8	8	See RWO								4-24-97	CR	5-6-97		6: 1994 11: 5-96 3-96
	Phillips	S/HSG 11KX8	42530-01	NCR 02597			2	2	04699 04823								4-20-98	ER CR	4-24-98 4-24-98		3-97
	Phillips	magnet 11KX8	42532-01	Various			7	7	04403.. 03788. 04623. 03975. 04607.. 04181. 04343..								4-16-98 4-20-98	CR CR ER	4-24-98 4-24-98 4-24-98		Various
	Kollmorgen	109PX1	42527-01	1-K5491			1		01005								4-20-98	CR	4-24-98		1-97
	Kollmorgen	109PX1	42531-01	1-K5491			1		01004								4-21-98	CR	4-24-98		1-97
SS	Loral	23TG1	42456-01	KP612102N	W/A	NC	1	1	0036					1	NC		4-22-97	W/A	5-29-97		6-30-95
		23TG1	42477-01	S612554JER			1	1	0053								6-19-97	? CR	7-1-97		2-97
		30TA4	42481-01	K612070M	W/A	W/A	1 3	1	008					1	W/A		7-14-97	CR CR	2-2-98 11-17-97		4-96 10-96, 11-96
		30TA4	42485-01	K612070M	W/A	NC	12	3	SEE RWO					3	NC		7-30-97	W/A	8-12-97		3-96, 11-96 7-97
		23TA4	42492-01	PU2993KZD	W/A	600.00	4	4	1054, 1055 1058, 1059					4	2400.00		9-10-97	CR			2: 6-97 2: 7-97
		23TG1	42495-01	S612544JER	W/A	NC	2	2	0031 0032					2	NC		9-26-97	CR	2-98		9-94
		28TG2	42505-01	S622533	W/A	2982.71	1	1	011					1	2982.71		12-5-97	CR	2-20-98		7-88
		28TG1	42512-01	SS-995072P	W/A	NC	1	1	0003					1	NC		1-5-98	CR	1-14-98		4-88
SS	Loral	28TG2	42515-01	034107	W/A	1802.71	1	1	0012					1	1802.71		1-28-98	CR	2-20-98		7-88

COMPANY PRIVATE

BACKLOG TOTAL.....$

MASTER

AMERICAN ELECTRONICS, INC.

MASTER SHIPPING SCHEDULE

E.M.I. SHIPPING SCHEDULE - REPAIRS

ISSUE DATE May 1998

P.Y.	CUSTOMER	MODEL NO.	SALES ORDER NO.	CUSTOMER P.O. NO.	CUSTOMER REQD DATE	UNIT PRICE	QUANTITIES ORIG	QUANTITIES BAL	DOLLAR BALANCE Serial No.	DELINQUENT QTY	DELINQUENT	May QTY	May	FUTURE QTY	FUTURE	DATE RECEIVED QTY	DATE RECEIVED	DATE EVALUATED QTY	DATE EVALUATED	ORIGINAL SHIP DATE QTY	ORIGINAL SHIP DATE
	SPAR	51PX3	42504-01	20535	W/A	W/A	1	1	210					1	W/A		12-2-97				4-95
	Schlumberger	15HA6	42506-01	W/A	3-19-98	W/A	1	1	01042								12-8-97	CR	2-12-98		1-95
	TRANS PAC	80X5	42386-01	Letter			1	1	01274								3-28-96	CR	4-18-96		12-94
	Western ATLAS	33HA15	42533-01	AM98-077037			1	1	01010								4-22-98	CR	4-29-98		2-96
	WESTERN ATLAS	33HA15	42534-01	AM98-077037			1	1	01011								4-25-98	CR	4-30-98		7-96

DIVISION: PRECISION POWER

S.O.# SEQ INSP	CUSTOMER P.O. NUMBER PART NUMBER	ORDER/BACKORDER UNIT PRICE DATE DUE	SALES ORDER VALUE	SCHEDULING DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
11951-01	DEFENSE SUPPLY	2/ 2							2
1	SP0430-98-M-DB33	2598.00							
G,P	401300	08/14/98	5196.00						5196.00
11953-01	LAPEYRE BROS.	2/ 2							2
1	CESCXOX540	2556.00							
D	401300	09/16/98	5112.00						5112.00
12108-01	HILL AFB	1/ 1							1
1	F42600-87-C-2057 REF								
D	1005601-1 RECD 12-6 TBD		0.00						
12135-01	HILL AFB	1/ 1							1
1	ENGR EXHIBIT								
W,/,A	1005601-2 S/N0002006 TBD		0.00						
12139-01	HILL AFB	1/ 1							1
1	N/A ENGR STUDY UNIT								
D	1005601-2 LCF TYP II N/A		0.00						
12141-01	HILL AFB (PQDR442504	1/ 1							1
1	F42610-96-D-0011								
G,P	25-45610-66 S/N 300 TBD		0.00						
12143-01	HILL AFB	1/ 1							1
1	F42610-96-D-0011								
G,P	25-45610-66 S/N 189 TBD		0.00						
15135-01	HILL AFB	1/ 1							1
9	F4261096D0011 P00003	50000.00							
G,P	CAP FUND ITEM 2005 W/A								50000.00
	HILL AFB	4/ 4							4
7	F4261096D0011 P00003	2913.00							
G,P	EVAL LCF II 2004AA W/A								11652.00
	HILL AFB	2/ 1							1
12	F4261096D0011 P00003	3976.00							
G,P	FAIL RPT C ITEM 2008 W/A								3976.00
	HILL AFB	4/ 4							4
5	F4261096D0011 P00003	2913.00							
G,P	FLT ISL LCF I 2003AA W/A								11652.00
	HILL AFB	80/ 70							70
1	F4261096D0011 P00003	1896.00							
G,P	FLT ISO LF # 2001AA 70 WILL ADVISE								132720.00
		SUBTOTALS:	$10,308.00						89
									220308.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: PRECISION POWER

S.O.# SEQ INSP	CUSTOMER P.O. NUMBER PART NUMBER	ORDER/BACKORDER UNIT PRICE DATE DUE	SALES ORDER VALUE	DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
				SCHEDULING					
15135-01	HILL AFB	10/ 10							10
3	F4261096D0011 P00003	1896.00							18960.00
G,P	FLT ISO WG VI 2002AA W/A								
	HILL AFB	12/ 8			1	1	1	1	4
10	F4261096D0011 P00003	4671.00			4671.00	4671.00	4671.00	4671.00	18684.00
G,P	G009 EXH A ITEM 2006 W/A								
	HILL AFB	4/ 4							4
11	F4261096D0011 P00003	2642.00							10568.00
G,P	MAIN DATA B ITM 2007 W/A								
	HILL AFB	4/ 4							4
13	F4261096D0011 P00003	7000.00							28000.00
G,P	ODC RPT E ITEM 2009 W/A								
	HILL AFB	4/ 4							4
6	F4261096D0011 P00003	11250.00							45000.00
G,P	REPAIR LCF I 2003AB W/A								
	HILL AFB	4/ 4							4
8	F4261096D0011 P00003	11250.00							45000.00
G,P	REPAIR LCF II 2004AB W/A								
	HILL AFB	80/ 60							60
2	F4261096D0011 P00003	8500.00							510000.00
G,P	REPAIR LF #2001AB W/A								
	HILL AFB	10/ 10							10
4	F4261096D0011 P00003	8500.00							85000.00
G,P	REPAIR WG VI 2002AB W/A		989896.00						
	SUBTOTALS:		$989,896.00		1	1	1	1	100
					4671.00	4671.00	4671.00	4671.00	761212.00
	DIVISION TOTALS:		$1,000,204.00		1	1	1	1	189
					4671.00	4671.00	4671.00	4671.00	981520.00

END OF REPORT. 20 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ INSP	CUSTOMER P.O. NUMBER PART NUMBER	ORDER/BACKORDER UNIT PRICE DATE DUE	SALES ORDER VALUE	SCHEDULING DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
41344-04	DEFENSE SUPPLY	4/ 4					4		
1	SP0475-98-M-3783	2506.00					10024.00		
G,P	3041	07/09/98	10024.00						
41348-01	MATRA MARCONI	3/ 3							3
1	31850751	1670.00							5010.00
C,S	43-001-54	09/11/98							
	MATRA MARCONI	1/ 1							1
2	31850751	2233.00							2233.00
C,S	NRE	09/11/98	7243.00						
41957-01	PETER'S SPRAY PAINT	6/ 6				6			
3	FAX 4/25	10.00				60.00			
D	33-038-01	06/22/98							
	PETER'S SPRAY PAINT	12/ 12				12			
4	FAX 4/25	20.00				240.00			
D	43-110-66	06/22/98							
	PETER'S SPRAY PAINT	12/ 12				12			
2	FAX 4/25	5.00				60.00			
D	43-458-01	06/22/98							
	PETER'S SPRAY PAINT	20/ 20				20			
5	FAX 4/25	1.00				20.00			
D	778-2-05	06/22/98							
	PETER'S SPRAY PAINT	30/ 30				30			
1	FAX 4/25	1.00				30.00			
D	MS51959-1	06/22/98	410.00						
50744-44	HALLIBURTON	3/ 3				3			
1	PC 68271	3748.00				11244.00			
D	18HA2A	6/1/98 DOCK DATE	11244.00						
50744-45	HALLIBURTON	5/ 5					5		
1	PC 91653	3366.00					16830.00		
D	18HA2A	07/13/98	16830.00						
50767-05	WESTERN ATLAS	2/ 2				2			
3	AM97041073	6500.00				13000.00			
D	33HA14-1	06/04/98	13000.00						
50768-04	WESTERN ATLAS	10/ 10			1	4		3	2
1	AM98-040399	3240.00			3240.00	12960.00		9720.00	6480.00
D	33HA15	105/29 206/04	32400.00						
52137-03	NAVAL INVENTORY	11/ 11				11			
1	N00104-98-P-LE38	2771.00				30481.00			
P,,,6	12DK5	6-15-98	30481.00						
		SUBTOTALS:	$121,632.00		1	100	9	3	6
					3240.00	68095.00	26854.00	9720.00	13723.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# / SEQ / INSP	CUSTOMER / P.O. NUMBER / PART NUMBER	ORDER/BACKORDER / UNIT PRICE / DATE DUE	SALES ORDER VALUE	SCHEDULING: DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
52222-01	BEIJING SIANGYU	1/ 1							1
1	97LRBMOB/336013US	83328.00							83328.00
D	17DG7 ON HOLD 7-15-7 ON HOLD		83328.00						
52223-01	FOKKER SPACE	3/ 3			3				
1	4500001551	13600.00			40800.00				
G	13DGX6-2	5/7/98 O/S							
	FOKKER SPACE	1/ 1			1				
2	4500001551	12376.00			12376.00				
G	ADD'L DOC.	5/7/98 O/S							
	FOKKER SPACE	1/ 1			1				
3	4500001551	1793.00			1793.00				
G	NRE	5/7/98 O/S	54969.00						
52224-01	NISSHO IWAI	1/ 1							1
1	FAX	5540.00							5540.00
D	13DG97	W/A	5540.00						
54208-30	HUGHES SPACE & COMM	9/ 9			9				
3	NNB8-764585	560.00			5040.00				
C/S	11KX8	05/13/98							
	HUGHES AIRCRAFT	60/ 60					60		
1	NNB8-760735	576.00					34560.00		
C/I/S	11KX8-1	07/01/98							
	HUGHES AIRCRAFT	85/ 85							85
2	NNB8-760735	576.00							48960.00
C/I/S	11KX8-1	11/01/98	88560.00						
54222-07	HUGHES	25/ 25				25			
1	NNB8-763549	460.00				11500.00			
C/S	30-766-05	06/19/98	11500.00						
54231-01	MATRA MARCONI	1/ 1		1					
1	W/A								
D	13DG94	W/A	0.00						
54232-01	QUANTUM SOLUTIONS	10/ 9		9					
1	QSI-970599	3014.00		27126.00					
D	16WP1	04/02/98	27126.00						
54233-01	HUGHES AIRCRAFT CO.	4/ 3		3					
1	NNB8-756308	2974.00		8922.00					
D	11KX11	4-10-98							
		SUBTOTALS:	$271,023.00	13	14	25	60		87
				36048.00	60009.00	11500.00	34560.00		137828.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ INSP	CUSTOMER P.O. NUMBER PART NUMBER	ORDER/BACKORDER UNIT PRICE DATE DUE	SALES ORDER VALUE	SCHEDULING DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
54233-01	HUGHES AIRCRAFT CO.	1/ 1		1					
2	NNB8-756308	11820.00		11820.00					
C/S	NRE	4-10-98	20742.00						
54234-01	HUGHES AIRCRAFT	10/ 9		9					
1	NNB8-756308	576.00		5184.00					
D	11KX11	4-10-98	5184.00						
54236-01	HUGHES	20/ 20						20	
1	NNB8-763549	883.00						17660.00	
C/S	30-656-05	08/07/98							
	HUGHES	1/ 1						1	
2	NNB8-763549	1766.00						1766.00	
C/S	NRE	08/07/98	19426.00						
55215-10	TRANS PAC CORP	100/ 20				20			
1	5-6744	653.00				13060.00			
D	8QX5	20 PCS 6-1-98	13060.00						
55866-12	DEFENSE PROCUREMENT	12/ 12							12
1	YC7E26C032-P00	10261.00							123132.00
D	88PX10	16 WKS ARO L/C	123132.00						
55901-04	HUGHES AIRCRAFT	2/ 2							2
1	B8-764072	13550.00							27100.00
C/S	50PX6	09/24/98							
	HUGHES AIRCRAFT	1/ 1							1
2	B8-764072	3168.00							3168.00
C/S	MRR MEETING	09/24/98	30268.00						
55922-05	GENERAL DYNAMICS	4/ 4							4
1	DD0037764	2016.00							8064.00
D	25QP5	09/10/98	8064.00						
55966-02	SPAR AEROSPACE	1/ 1							1
8	19086TD	16500.00							16500.00
C/S	23PX2	09/30/98							
	SPAR AEROSPACE	1/ 1							1
7	19086TD	16500.00							16500.00
C/S	23PX2	09/15/98							
	SPAR AEROSPACE	1/ 1							1
6	19086TD	16500.00							16500.00
C/S	23PX2	09/01/98							
		SUBTOTALS:	$219,876.00	10 17004.00		20 13060.00		21 19426.00	22 210964.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ INSP	CUSTOMER P.O. NUMBER PART NUMBER	ORDER/BACKORDER UNIT PRICE DATE DUE	SALES ORDER VALUE	SCHEDULING DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
55965-02	SPAR AEROSPACE	1/ 1							1
9	19086TD	16500.00							16500.00
C/S	35PX3	10/15/98							
	SPAR AEROSPACE	1/ 1							1
10	19086TD	16500.00							16500.00
C/S	35PX3	10/30/98							
	SPAR AEROSPACE	1/ 1							1
11	19086TD	7500.00							7500.00
C/S	CLOSEOUT S/C	10/30/98							
	SPAR AEROSPACE	1/ 1				1			
5	19086TD	12000.00				12000.00			
C/S	MIP#1	06/28/98							
	SPAR AEROSPACE	1/ 1					1		
4	19086TD	12000.00					12000.00		
C/S	TRR#1	07/28/98							
	SPAR	1/ 1							1
12	19086TD	1575.00							1575.00
N/A	UPDATE DRAWINGS	W/A	115575.00						
55977-01	NORTHROP GRUMMAN	2/ 2				2			
1	1438372	5612.00				11224.00			
D	36PX1	06/27/98							
	NORTHROP GRUMMAN	1/ 1				1			
2	1438372	15200.00				15200.00			
D	NRE	6-27-98	26424.00						
55978-01	NORTHROP GRUMMAN	2/ 2				2			
1	1438372	7487.00				14974.00			
D	85PX4	06/27/98							
	NORTHROP GRUMMAN	1/ 1				1			
2	1438372	26000.00				26000.00			
D	NRE	6-27-98	40974.00						
55979-01	SPAR AEROSPACE	24/ 24							24
2	19086TD AMND 1	20000.00							480000.00
C/S	51PX1	W/A							
	SPAR AEROSPACE	1/ 1							1
1	19086TD AMND 1	40000.00							40000.00
C/S	51PX3	11/23/98							
	SPAR AEROSPACE	1/ 1							1
4	19086TD AMND 1	90000.00							90000.00
C/S	MILESTONE BILLINGS	W/A							
	SPAR AEROSPACE	1/ 1							1
5	19086TD AMND 1	160000.00							160000.00
C/S	MILESTONE BILLINGS	W/A	770000.00						
		SUBTOTALS:	$952,973.00			7	1		31
						79398.00	12000.00		812075.00

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: E.M.I.

S.O.# SEQ / INSP	CUSTOMER P.O. NUMBER / PART NUMBER	ORDER/BACKORDER UNIT PRICE / DATE DUE	SALES ORDER VALUE	SCHEDULING DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
58521-13	SPACE SYSTEMS/LORAL	8/ 8							
1	S612544JER AMND SIX	9214.00						2	6
C/I/S	23TG1	2)8/1/98 2)9/1	73712.00					18428.00	55284.00
58537-08	HUGHES AIRCRAFT CO	45/ 14							
1	B8-738861	2549.00			1		13		
C/S	15TA38	1 PC 5-1, 13 7/1	35686.00		2549.00		33137.00		
58545-02	HUGHES AIRCRAFT CO	100/ 40							
3	NNB8-736369	824.00		40					
C/S	8TA30	20/WK		32960.00					
	HUGHES AIRCRAFT CO	1/ 1							
5	NNS8-747367	16228.00							1
C/S	8TA30 QUAL TESTING	WILL ADVISE	49188.00						16228.00
58545-03	HUGHES SPACE & COMM	1/ 1							
1	NNB8-763570	150000.00							1
C/S	8TA30	W/A	150000.00						150000.00
60152-26	TRANS PAC SALES	100/ 25							
1	7-8061	1018.00							25
D	15JA8	25 PCS 9-30	25450.00						25450.00
60241-20	NWI	10/ 2							
1	2034	2888.00					2		
D	18HA3	2 EA 7-27-8 DOCK	5776.00				5776.00		
60262-01	SPEEDRING	3/ 2							
1	013543	2861.00							2
D	18JA6	WILL ADVISE	5722.00						5722.00
		SUBTOTALS:	$345,534.00	40	1		15	2	35
				32960.00	2549.00		38913.00	18428.00	252684.00
		DIVISION TOTALS:	$1,911,038.00	63	16	152	85	26	181
				86012.00	65798.00	172053.00	112327.00	47574.00	1427274.00

END OF REPORT. 59 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

DIVISION: QUADRANT

S.O.# / SEQ / INSP	CUSTOMER / P.O. NUMBER / PART NUMBER	ORDER/BACKORDER / UNIT PRICE / DATE DUE	SALES ORDER VALUE	SCHEDULING: DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
00020-01	ROCKETDYNE	5/ 5							5
1	PR97308610	11534.00							57670.00
D	RH000020-1	ON HOLD	57670.00						
02393-01	ROCKETDYNE	12/ 12		12					
1	PR97311724	1793.00		21516.00					
C,S,G	R072393-11	3-27-98	21516.00						
06644-01	BOEING/ROCKETDYNE	2/ 2		2					
1	PR98312302	445.00		890.00					
D	R076644-1	03/27/98							
	BOEING/ROCKETDYNE	8/ 8		8					
2	PR98312302	303.00		2424.00					
D	R076644-1	04/15/98							
	BOEING/ROCKETDYNE	4/ 4		4					
3	PR98312302	350.00		1400.00					
D	R076644-11	03/23/98							
	BOEING/ROCKETDYNE	16/ 16		16					
4	PR98312302	279.00		4464.00					
D	R076644-11	04/15/98	9178.00						
		SUBTOTALS:	$88,364.00	42					5
				30694.00					57670.00
		DIVISION TOTALS:	$88,364.00	42					5
				30694.00					57670.00

END OF REPORT. 6 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GST, P=PKGR

DIVISION: POWER SUPPLIES

S.O.# SEQ INSP	CUSTOMER P.O. NUMBER PART NUMBER	ORDER/BACKORDER UNIT PRICE DATE DUE	SALES ORDER VALUE	SCHEDULING DELINQUENT	MAY	JUNE	JULY	AUGUST	FUTURE
91700-01	S.O.I.	6/ 6					6		
1	010626	464.00							
D	524958	07/10/98	2784.00				2784.00		
93811-01	ROCKWELL INT'L	3/ 3					3		
1	JN9034	5760.00							
D	29030-1	07/20/98	17280.00				17280.00		
		SUBTOTALS:	$20,064.00				9		
							20064.00		
		DIVISION TOTALS:	$20,064.00				9		
							20064.00		

END OF REPORT. 2 ITEMS IN THIS SCHEDULE.

D=DEST, C/S=SOURCE, G=GSI, P=PKGR

SCHEDULE 3.16

ENVIRONMENTAL MATTERS

In 1984, the Company and a number of other defendants were sued by 4,100 individual complainants alleging respiratory problems and cancer in connection with the waste disposal operations of the Stringfellow site. In 1989, these claims were settled for an aggregate settlement of $4.6 million by the defendants plus an additional $8 million paid by Stringfellow. The Company's assessment was $14,296 plus settlement of $20,737.

In 1982, California and the Environmental Protection Agency informed the Company that it had been identified as one of approximately 200 companies who generated hazardous substances which were disposed of at the Springfellow site. In 1994, the Company was assessed approximately $20,000 plus $35,737. In connection with such assessment, another defendant, Alcan, brought a complaint charging that the waste of the Company (and other low volume contributors) is no less hazardous than the waste of high volume contributors and therefore, the Company (and the other low volume contributors) should be responsible for a greater portion of the total assessment. It is expected that the District Court will rule on this claim sometime this year. In any event, a 1996 Indemnity Agreement will protect the Company from Alcan claims.

Yokohama Tire Co. has notified the Company that it may bring action against the Company for any decline in the value of the property of Yokahama Tire Co. in the area of the Company's headquarters in Fullerton resulting from a migration of contamination from such property or the operation of the Company's business.

See Schedule 3.24.

SCHEDULE 3.17

INTANGIBLE PERSONAL PROPERTY

See the attached list of patents and trademarks. The Company normally registers with the U.S. Copyright Office materials created for promotion and advertising of its camera lines.

The Company's patents for the Model 16 (patent has expired) and LC-11 (U.S. patent #4222650) cameras were developed by Norman Gunderson pursuant to an agreement with the Company whereby it agreed to pay royalties in perpetuity to Norman Gunderson, and his heirs, of $2.00/camera and $5.00/camera, respectively.

Section 3.17

PATENTS

LC-11 Automatic Camera		
United States 4222650	Expiration	9-15-98
Spanish 478396	"	3-11-99
Canadian 1111301	"	12-14-98
LC-11 Automatic Camera"Housing"		
United States 4315680	"	4-21-00
D/B-90 Side Load Surveillance Camera		
Spanish 8700330	"	2-10-07
Canadian 1292382	"	11-26-08
South Korea 33498	"	2-9-02
Chinese 87100636.7	"	2-9-07
Mexican 168963	"	2-16-07
German 3703921	"	2-10-07
D/B-90 Side Load Surveillance Camera "Housing"		
United States D303675	"	11-10-06
End of Film Detection Device		
United States 4721970	"	7-1-06
Opti-Viewer		
United States 4216589	"	11-20-98
Model 22 Film Advance Control Mechanism		
United States 4222648	"	7-31-99
Adjustable Automatic Surveillance Camera		
United States 4316655	"	3-18-00
Dual Lens Security Camera		
United States 4816849	"	2-3-07
Camera Mounting Bracket		
United States 4687170	"	8-18-06

Section 3.17

TRADEMARKS

MARK	UNITED STATES	CALIFORNIA
Opti-Viewer	1128561 Exp. 1-1-00	58323 Exp. 8-24-98
LC-11	1099368 Exp. 8-15-98	57307 Exp. 1-17-08
D/B	1117161 Exp. 5-1-99	57187 Exp. 12-14-07
AEI & Design	1169881 Exp. 9-22-01	57186 Exp. 12-14-07
Gate Check	1434518 Exp. 3-31-07	79842 Exp. 1-16-06
Entry Check	1426362 Exp. 1-27-07	79841 Exp. 1-16-06
Micro Check & Design	999583 Exp. 12-17-04	-
Micro Check	1413155 Exp. 10-14-06	-
Memory Mount	1458977 Exp. 9-29-07	83232 Exp. 10-29-06

SCHEDULE 3.19

EMPLOYEE BENEFIT PLANS; ERISA

The Company maintains a profit sharing plan for the benefit of its employees who have completed one of year of service. The Company's contributions to the plan are based upon its profits and determined each year by its Board of Directors.

The Company provides the following to its employees:

- 6 fixed holidays and 5 1/2 floating holidays;
- Long term disability insurance, providing 60% of the employee's monthly earnings;
- Medical and dental insurance, for which the Company pays approximately 90% of the cost;
- 6 days per year of sick leave, which accrues indefinitely and is payable upon retirement; and
- 1-3 weeks of paid vacation, depending upon the employee's length of service with the Company.

The Company has entered into an employment agreement with Richard F. Holland dated May 1, 1989, and as amended May 1, 1996.

The Company has entered into an employment agreement with William E. Holland dated December 12, 1996.

The Company has entered into an employment agreement with Dominick J. Monaco dated December 12, 1996.

SCHEDULE 3.20

CONTRACTS

(i) The Company has open purchase orders with Kaydon Corp. (PO 63049) and New Hampshire (PO 63263) for $56,680 and $33,960.

(ii) The Company has an credit agreement with Comerica Bank-California.

(iii) Standard Industrial Lease dated July 28, 1997 between Wilson's Art Studio, Inc., as lessee, and the Company, as lessor.

(iv) Asset Purchase Agreement dated as of January 5, 1998 between the Company, Roll Seal and Griswold Industries.

(v) See Schedule 3.22.

(vi) NONE

(vii) See Schedule 3.17.

(viii) The Company has distributor agreements with Hamilton Safe, Saint Germain (Brazil), COMSA (Mexico), MAK (Turkey), GoodTech Marketing (Philippines), IBL Kings Trading (Taiwan) and Global Interlink (Nigeria).

(ix) Amendment 5 to the contract with Loral (see Schedule 3.20(x)).

(x) The Company has outstanding master purchase contracts with each of the customers indicated on Schedule 3.15.

The Company has a Firm Fixed Price Contract with Loral.

The Company has entered into an employment agreement with Richard F. Holland dated May 1, 1989, and as amended May 1, 1996.

The Company has entered into an employment agreement with William E. Holland dated December 12, 1996.

The Company has entered into an employment agreement with Dominick J. Monaco dated December 12, 1996.

The Company has a verbal agreement by which it leases a portion of the backyard and loft area to Wilson's Art Studios for an additional $400 per month.

The Company entered into a letter agreement dated July 9, 1996 with National Technical Systems whereby it rents a certain 10,000 square foot parcel of the property on a month-to-month basis for $1,000 per month.

(xi) NONE

SCHEDULE 3.22

TRANSACTIONS WITH RELATED PARTIES

For the years 1995, 1996 and 1997, the Company paid interest to Roll Seal of $47,429, $27,104 and $8,291, respectively. For each of these years, Roll Seal paid accounting fees to the Company of $10,200.

In connection with the sale of the assets of Roll Seal to Griswold Industries, pursuant to a Separation and Stock Purchase Agreement dated January 5, 1998 between Roll Seal and M. Dale Huntington, Roll Seal repurchased 5,000 shares of its common stock from Mr. Huntington for $46,000 and paid Mr. Huntington four weeks of severance.

SCHEDULE 3.24

LITIGATION

In May of 1998, Austin et. al. v. J.B. Stringfellow, Jr., et al. was filed. The complaint names 13 plaintiffs -- although 500 claimants are expected to be added later -- and approximately 140 defendants, of which the Company is one of such named defendants. Notwithstanding, the Company has yet to be served in this matter, although it is expected that the Company will be ultimately served. A status conference has been initially set for November 9, 1998.

See Schedule 3.16.

SCHEDULE 3.25

TAXES

The Company has not yet filed its Federal income tax or California franchise tax return for 1997 or the short 1998 year ending on the Closing Date. The Company has filed extensions with respect to the returns for 1997.

The Company reached a final settlement in 1997 regarding certain adjustments to its state franchise tax liability for calendar years 1982 through 1985 proposed by the California Franchise Tax Board (the "CFTB"). As part of the settlement, the adjustments for calendar year 1982 were settled for $151,000 (including interest of $116,000) and the adjustments for calendar years 1983 through 1985 were reversed and withdrawn by the CFTB. The Company provided for the effect of the settlement in the consolidated statement of operations for the year ended December 31, 1996.

Any Taxes due to any taxing authority for any taxable period ending on or prior to the Closing Date, or otherwise attributable to any period through the Closing Date, that have not been paid and any amounts required to be collected or withheld by any Acquired Company on or prior to the Closing Date that have not been remitted to any taxing authority are not delinquent and are included in the Assumed Liabilities.

SCHEDULE 3.26

INSURANCE

Attached hereto is an outline of insurance coverage in place for the Company as of May 31, 1998.

The following table sets forth the claims under insurance policies made by the Company within the last five years:

Year	Type of Claim	Policy Type	Amount
1993	Environmental	General Business	$828,500
1994	NONE	-----	---
1995	Automobile	Automobile	$2,035
1996	NONE	-----	---
1997	Automobile	Automobile	$8,941

AMERICAN ELECTRONICS, INC.

OUTLINE OF INSURANCE

As of May 31, 1998

Package	Federal Insurance Company (Chubb)	35264325	7-1-97 / 98	**Property**			
					$4,160,000	Building	$37,513.00 Subject to Audit
					$5,200,000	Personal Property	
					$2,550,000	Business Income	
					$196,000	Loss of Rents	
					$150,000	EDP Equipment / Media	
					$300,000	Valuable Papers	
				Liability			
					$2,000,000	General Aggregate	
					$2,000,000	Products/Completed Operations Aggregate	
					$1,000,000	Per Occurrence	
					$1,000,000	Personal & Advertising Injury Limit	
					$1,000,000	Property Damage to Rented Premises	
					$10,000	Medical	
					$1,000,000	Employee Benefits Liability - Claims-Made Retroactive Date 7-1-88	
						Aircraft Products/Grounding Liability Excluded	
Automobile	Federal Insurance Company (Chubb)	BAP(98)73179267	7-1-97 / 98		$1,000,000	Combined Single Limit - Each Occurrence	$15,147.00
					$1,000,000	Uninsured / Underinsured Motorist	
					$5,000	Medical	
						Actual Cash Value	
					$500	Comprehensive	
					$1,000	Collision	
					$25,000	Hired Automobile - Maximum	
						$500 Comprehensive / Collision	
Umbrella/Excess Liability	Federal Insurance Company (Chubb)	(98)79678609	7-1-97 / 98		$4,000,000	Per Occurrence / Aggregate	$12,000.00
						Aircraft Products/Grounding Liability Excluded	
Crime	Federal Insurance Company (Chubb)	81084527E	7-1-97 / 00		$500,000	Employee Dishonesty	$11,701.00
						Depositors Forgery	
						Computer Theft & Funds Transfer Fraud	
					$15,000	Deductible	

Prepared by Marsh & McLennan, Inc.

05/19/98 / OUTLINE.WK4

Sch 3.26

AMERICAN ELECTRONICS, INC.

OUTLINE OF INSURANCE

As of May 31, 1998

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Aviation Products	Insurance Company of North America (CIGNA)	ANC986012	2-1-98/99	$10,000,000	Combined Single Limit Product Liability Including Completed Operations Any one grounding & in the Aggregate	$10,279.00
Fiduciary Liability	Executive Risk Indemnity (ERMA)	751-031164-96	8-15-96 / 98	$1,000,000	Each Loss / Aggregate Including Cost of Defense CLAIMS MADE	$2,800.00
Workers' Compensation & Employers Liability	Twin City Fire Insurance (Hartford)	57WEEM9188	1-1-98/99	Statutory $1,000,000	Workers' Compensation Employers Liability	$51,286.00 Subject to Audit

MAY 15 '98 09:17AM 714 833 9518 P.2

SCHEDULE 3.27

NO POWERS OF ATTORNEY OR SURETYSHIPS

The Company may have granted a power of attorney to Gary Maeder, Esq. In connection with the tax matter described in the second paragraph of Schedule 3.25.

SCHEDULE 3.31

CONSENTS AND APPROVALS

See Schedule 3.2.

SCHEDULE 3.32

BANK ACCOUNTS

Comerica Bank - California
13200 Crossroads Parkway
City of Industry, CA 91745

American Electronics Inc. - Checking No. 854-010305

W. E. Holland	Jean M. Roades
D. J. Monaco	Donna Wulff
Thomas Holland	R. F. Holland

American Electronics Inc. - Payroll No. 8541-010313 (Facsimile)

W.E. Holland	Thomas Holland
W. E. Holland	Jean M. Roades
D. J. Monaco	R.F. Holland

American Electronics Inc. - Savings No. 8547-868052

D. J. Monaco	Jean M. Roades
W. E. Holland	R. F. Holland

SCHEDULE 5.2

INSURANCE POLICIES

	Insurance Policy No.	Company	Insured
(a) Universal Life Policies	9397807	Transamerica	R. F. Holland
	1A 23155510	Pacific Mutual	W. E. Holland
	1A 22456220	Pacific Mutual	D. J. Monaco

(b) Employment Agreements		Date
	R. F. Holland	As amended May 1, 1996
	W. E. Holland	December 12, 1996
	D. J. Monaco	December 12, 1996

SCHEDULE 5.10

COMPANY CARS

Name	Description	Purchase Price Net Book Value (as of May 30, 1998)
D. J. Monaco	1996 Chrysler Concorde	$12,486
W. E. Holland	1996 Chevrolet Blazer	13,767
R. F. Holland	1996 Cadillac Seville	21,998
		$48,251

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), George H. Caple ("Participant") and Northern Trust Bank of California N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO George H. Caple ("Trustee").

RECITALS

A. Trustee owns of record 2,000 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company") on behalf of Participant.

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 9th, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Participant desires that Trustee sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Trustee hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Trustee, for a purchase price of $159.20 per share, or an aggregate of $318,407.11, represented by a bank cashiers' check made payable to Trustee or by wire transfer, receipt of which is hereby acknowledged by Trustee. With respect to such sale, Participant hereby directs Trustee to (i) sell the Shares, (ii) enter into this Agreement, and (iii) make or assume any representations, warranties, agreements or obligations required of Trustee hereunder.

(b) Trustee has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Participant

Participant represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Participant and Trustee, enforceable against them in accordance with its terms. Participant and Trustee have the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

(b) Trustee is the record owner and holder, and Participant is the beneficial owner, of the Shares, free and clear of all encumbrances. Trustee owns the number of shares of capital stock set forth in the recitals to this Agreement on behalf of Participant. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Participant's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Participant or any member of his or her immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Participant or any member of his or her immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Participant. Neither Participant nor any member of his or her immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Participant and Trustee that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Participant on behalf of himself or herself and all persons acting by, through, under or in consort with him or her, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes

of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Participant now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including any accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement referred to in the recitals above) and any claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Participant acknowledges that he or she understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Participant hereby agrees that he or she will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respect to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Participant (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

(c) The parties acknowledge and agree that (i) Trustee's capacity with respect to the AEI Profit Sharing Plan is that of a directed trustee, (ii) in such capacity, Trustee is acting solely at the direction of Participant with respect to sale of the Shares and entering into this Agreement and making or assuming any representations, warranties, agreements or obligations hereunder, and (iii) Trustee shall not be subject to any individual liability whatsoever under or by reason of this Agreement.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____
Its PRESIDENT

_____
GEORGE H. CAPLE

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO George H. Caple

By _____
Its KATHERINE RUSSELL
SECOND VICE PRESIDENT

CONSENT OF SPOUSE

The undersigned has read the Purchase Agreement dated June __, 1998, between Jay-El Products, Inc., a California corporation ("Buyer"), and her spouse, and, and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's obligation to transfer, assign and deliver to Buyer all of the shares of capital stock of American Electronics, Inc. standing in the name of her spouse, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

Mona L Caple

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06/05/98 10:08 AM

Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Purchase Agreement among Jay-El Products, Inc., the Trustee of the Plan and the undersigned participant.

Dated: June 8, 1998

GEORGE H. CAPLE

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06/08/98 12:21 PM

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), J. Roy Harris ("Participant") and Northern Trust Bank of California N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO J. Roy Harris ("Trustee").

RECITALS

A. Trustee owns of record 1,500 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company") on behalf of Participant.

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 8th, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Participant desires that Trustee sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Trustee hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Trustee, for a purchase price of $159.20 per share, or an aggregate of $238,805.33, represented by a bank cashiers' check made payable to Trustee or by wire transfer, receipt of which is hereby acknowledged by Trustee. With respect to such sale, Participant hereby directs Trustee to (i) sell the Shares, (ii) enter into this Agreement, and (iii) make or assume any representations, warranties, agreements or obligations required of Trustee hereunder.

(b) Trustee has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Participant

Participant represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Participant and Trustee, enforceable against them in accordance with its terms. Participant and Trustee have the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

(b) Trustee is the record owner and holder, and Participant is the beneficial owner, of the Shares, free and clear of all encumbrances. Trustee owns the number of shares of capital stock set forth in the recitals to this Agreement on behalf of Participant. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Participant's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Participant or any member of his or her immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Participant or any member of his or her immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Participant. Neither Participant nor any member of his or her immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Participant and Trustee that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Participant on behalf of himself or herself and all persons acting by, through, under or in consort with him or her, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes

of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Participant now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including any accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement referred to in the recitals above) and any claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Participant acknowledges that he or she understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Participant hereby agrees that he or she will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respect to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Participant (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

(c) The parties acknowledge and agree that (i) Trustee's capacity with respect to the AEI Profit Sharing Plan is that of a directed trustee, (ii) in such capacity, Trustee is acting solely at the direction of Participant with respect to sale of the Shares and entering into this Agreement and making or assuming any representations, warranties, agreements or obligations hereunder, and (iii) Trustee shall not be subject to any individual liability whatsoever under or by reason of this Agreement.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____
Its PRESIDENT

_____
J. ROY HARRIS

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO J. Roy Harris

By _____
Its KATHERINE RUSSELL
SECOND VICE PRESIDENT

CONSENT OF SPOUSE

The undersigned has read the Purchase Agreement dated June __, 1998, between Jay-El Products, Inc., a California corporation ("Buyer"), his or her spouse and Northern Trust Bank of California N.A., as Trustee, and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's instructions to the Trustee to transfer, assign and deliver to Buyer all of the shares of capital stock of American Electronics, Inc. standing in the name of the Trustee for his or her benefit, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

Norma B. [illegible]

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06/05/98 10:07 AM

Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Purchase Agreement among Jay-El Products, Inc., the Trustee of the Plan and the undersigned participant.

Dated: June 8, 1998

J. Roy Harris

J. ROY HARRIS

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06/08/98 12:21 PM

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), Paul C. Lee ("Participant") and Northern Trust Bank of California N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Paul C. Lee ("Trustee").

RECITALS

A. Trustee owns of record 1,000 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company") on behalf of Participant.

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 8th, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Participant desires that Trustee sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Trustee hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Trustee, for a purchase price of $159.20 per share, or an aggregate of $159,203.55, represented by a bank cashiers' check made payable to Trustee or by wire transfer, receipt of which is hereby acknowledged by Trustee. With respect to such sale, Participant hereby directs Trustee to (i) sell the Shares, (ii) enter into this Agreement, and (iii) make or assume any representations, warranties, agreements or obligations required of Trustee hereunder.

(b) Trustee has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Participant

Participant represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Participant and Trustee, enforceable against them in accordance with its terms. Participant and Trustee have the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

(b) Trustee is the record owner and holder, and Participant is the beneficial owner, of the Shares, free and clear of all encumbrances. Trustee owns the number of shares of capital stock set forth in the recitals to this Agreement on behalf of Participant. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Participant's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Participant or any member of his or her immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Participant or any member of his or her immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Participant. Neither Participant nor any member of his or her immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Participant and Trustee that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Participant on behalf of himself or herself and all persons acting by, through, under or in consort with him or her, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes

of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Participant now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including any accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement referred to in the recitals above) and any claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Participant acknowledges that he or she understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Participant hereby agrees that he or she will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respect to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Participant (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

(c) The parties acknowledge and agree that (i) Trustee's capacity with respect to the AEI Profit Sharing Plan is that of a directed trustee, (ii) in such capacity, Trustee is acting solely at the direction of Participant with respect to sale of the Shares and entering into this Agreement and making or assuming any representations, warranties, agreements or obligations hereunder, and (iii) Trustee shall not be subject to any individual liability whatsoever under or by reason of this Agreement.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____
Its PRESIDENT

_____
PAUL C. LEE

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Paul C. Lee

By _____
Its KATHERINE RUSSELL
SECOND VICE PRESIDENT

CONSENT OF SPOUSE

The undersigned has read the Purchase Agreement dated June 8, 1998, between Jay-El Products, Inc., a California corporation ("Buyer"), and her spouse, and, and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's obligation to transfer, assign and deliver to Buyer all of the shares of capital stock of American Electronics, Inc. standing in the name of her spouse, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

Clare D. Kees
~~7-8-98~~ ckl

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Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Purchase Agreement among Jay-El Products, Inc., the Trustee of the Plan and the undersigned participant.

Dated: June 8, 1998

PAUL C. LEE

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06/08/98 12:21 PM

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), Susan M. Method ("Participant") and Northern Trust Bank of California N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Susan M. Method ("Trustee").

RECITALS

A. Trustee owns of record 500 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company") on behalf of Participant.

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 9th, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Participant desires that Trustee sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Trustee hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Trustee, for a purchase price of $159.20 per share, or an aggregate of $79,601.78, represented by a bank cashiers' check made payable to Trustee or by wire transfer, receipt of which is hereby acknowledged by Trustee. With respect to such sale, Participant hereby directs Trustee to (i) sell the Shares, (ii) enter into this Agreement, and (iii) make or assume any representations, warranties, agreements or obligations required of Trustee hereunder.

(b) Trustee has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Participant

Participant represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Participant and Trustee, enforceable against them in accordance with its terms. Participant and Trustee have the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

(b) Trustee is the record owner and holder, and Participant is the beneficial owner, of the Shares, free and clear of all encumbrances. Trustee owns the number of shares of capital stock set forth in the recitals to this Agreement on behalf of Participant. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Participant's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Participant or any member of his or her immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Participant or any member of his or her immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Participant. Neither Participant nor any member of his or her immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Participant and Trustee that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Participant on behalf of himself or herself and all persons acting by, through, under or in consort with him or her, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes

of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Participant now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including any accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement referred to in the recitals above) and any claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Participant acknowledges that he or she understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Participant hereby agrees that he or she will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respect to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Participant (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

(c) The parties acknowledge and agree that (i) Trustee's capacity with respect to the AEI Profit Sharing Plan is that of a directed trustee, (ii) in such capacity, Trustee is acting solely at the direction of Participant with respect to sale of the Shares and entering into this Agreement and making or assuming any representations, warranties, agreements or obligations hereunder, and (iii) Trustee shall not be subject to any individual liability whatsoever under or by reason of this Agreement.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____
Its PRESIDENT

_____
SUSAN M. METHOD

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Susan M. Method

By _____
Its KATHERINE RUSSELL
SECOND VICE PRESIDENT

Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Purchase Agreement among Jay-El Products, Inc., the Trustee of the Plan and the undersigned participant.

Dated: June 8, 1998

Susan M. Method

SUSAN M. METHOD

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PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this ___ day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), Jean M. Roades ("Participant") and Northern Trust Bank of California N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Jean M. Roades ("Trustee").

RECITALS

A. Trustee owns of record 500 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company") on behalf of Participant.

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June ___, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Participant desires that Trustee sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Trustee hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Trustee, for a purchase price of $159.20 per share, or an aggregate of $79,601.78, represented by a bank cashiers' check made payable to Trustee or by wire transfer, receipt of which is hereby acknowledged by Trustee. With respect to such sale, Participant hereby directs Trustee to (i) sell the Shares, (ii) enter into this Agreement, and (iii) make or assume any representations, warranties, agreements or obligations required of Trustee hereunder.

(b) Trustee has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Participant

Participant represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Participant and Trustee, enforceable against them in accordance with its terms. Participant and Trustee have the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform their obligations under this Agreement.

(b) Trustee is the record owner and holder, and Participant is the beneficial owner, of the Shares, free and clear of all encumbrances. Trustee owns the number of shares of capital stock set forth in the recitals to this Agreement on behalf of Participant. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Participant's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Participant or any member of his or her immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Participant or any member of his or her immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Participant. Neither Participant nor any member of his or her immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Participant and Trustee that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Participant on behalf of himself or herself and all persons acting by, through, under or in consort with him or her, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes

of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Participant now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including any accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement referred to in the recitals above) and any claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Participant acknowledges that he or she understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Participant hereby agrees that he or she will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respect to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Participant (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

(c) The parties acknowledge and agree that (i) Trustee's capacity with respect to the AEI Profit Sharing Plan is that of a directed trustee, (ii) in such capacity, Trustee is acting solely at the direction of Participant with respect to sale of the Shares and entering into this Agreement and making or assuming any representations, warranties, agreements or obligations hereunder, and (iii) Trustee shall not be subject to any individual liability whatsoever under or by reason of this Agreement.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____
Its PRESIDENT

_____
JEAN M. ROADES

NORTHERN TRUST BANK OF CALIFORNIA N.A., Trustee for American Electronics, Inc. Profit Sharing Plan, FBO Jean M. Roades

By _____
Its KATHERINE RUSSELL
SECOND VICE PRESIDENT

Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Purchase Agreement among Jay-El Products, Inc., the Trustee of the Plan and the undersigned participant.

Dated: June 8, 1998

JEAN M. ROADES

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PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), and George H. Caple ("Shareholder").

RECITALS

A. Shareholder owns beneficially and of record 1,000 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company").

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 8th, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Shareholder desires to sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Shareholder hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Shareholder, for a purchase price of $159.20 per share, or an aggregate of $159,203.55, represented by a bank cashiers'check made payable to Shareholder or by wire transfer, receipt of which is hereby acknowledged by Shareholder.

(b) Shareholder has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Shareholder

Shareholder represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Shareholder, enforceable against Shareholder in accordance with its terms. Shareholder has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform his obligations under this Agreement.

(b) Shareholder is the record and beneficial owner and holder of the Shares, free and clear of all encumbrances. Shareholder owns directly (not including any shares owned through the Company's Profit Sharing Plan) the number of shares of capital stock set forth in the recitals to this Agreement. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Shareholder's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Shareholder or any member of his immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Shareholder or any member of his immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Shareholder. Neither Shareholder nor any member of his immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Shareholder that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Shareholder on behalf of himself and all persons acting by, through, under or in consort with him, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Shareholder now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement

referred to in the recital above) and those claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Shareholder acknowledges that he understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Shareholder hereby agrees that he will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respact to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Shareholder (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____

Its PRESIDENT

_____

GEORGE H. CAPLE

CONSENT OF SPOUSE

The undersigned has read the Purchase Agreement dated June __, 1998, between Jay-El Products, Inc., a California corporation ("Buyer"), his or her spouse and Northern Trust Bank of California N.A., as Trustee, and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's instructions to the Trustee to transfer, assign and deliver to Buyer all of the shares of capital stock of American Electronics, Inc. standing in the name of the Trustee for his or her benefit, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

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PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), and William E. Holland ("Shareholder").

RECITALS

A. Shareholder owns beneficially and of record 500 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company").

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 8, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Shareholder desires to sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Shareholder hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Shareholder, for a purchase price of $159.20 per share, or an aggregate of $79,601.78, represented by a bank cashiers'check made payable to Shareholder or by wire transfer, receipt of which is hereby acknowledged by Shareholder.

(b) Shareholder has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Shareholder

Shareholder represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Shareholder, enforceable against Shareholder in accordance with its terms. Shareholder has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform his obligations under this Agreement.

(b) Shareholder is the record and beneficial owner and holder of the Shares, free and clear of all encumbrances. Shareholder owns directly (not including any shares owned through the Company's Profit Sharing Plan) the number of shares of capital stock set forth in the recitals to this Agreement. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Shareholder's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Shareholder or any member of his immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Shareholder or any member of his immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Shareholder. Neither Shareholder nor any member of his immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Shareholder that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Shareholder on behalf of himself and all persons acting by, through, under or in consort with him, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Shareholder now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement

referred to in the recital above) and those claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Shareholder acknowledges that he understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Shareholder hereby agrees that he will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respact to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Shareholder (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____

Its PRESIDENT

_____

WILLIAM E. HOLLAND

CONSENT OF SPOUSE

The undersigned has read the Purchase Agreement dated June 8, 1998, between Jay-El Products, Inc., a California corporation ("Buyer"), and her spouse, and, and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's obligation to transfer, assign and deliver to Buyer all of the shares of capital stock of American Electronics, Inc. standing in the name of her spouse, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

Kathryn Bridenbaugh

(Kathryn Bridenbaugh)

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PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into as of this 9th day of June, 1998, by and between Jay-El Products, Inc., a California corporation ("Buyer"), and Paul C. Lee ("Shareholder").

RECITALS

A. Shareholder owns beneficially and of record 1,000 shares of capital stock (the "Shares") of American Electronics, Inc., a California corporation (the "Company").

B. The principal shareholders of the Company have entered into a Stock Purchase Agreement dated as of June 8th, 1998, with Ducommun Incorporated and Buyer whereby they have agreed to sell all the shares of the Company's capital stock owned by them to Buyer on the terms and conditions set forth therein.

C. Upon the consummation of the sale of the shares of capital stock of the Company pursuant to the Stock Purchase Agreement, which will take place concurrently herewith, Shareholder desires to sell the Shares to Buyer, and Buyer has agreed to purchase the Shares, all on the terms and conditions set forth in this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Sale and Purchase of Shares

(a) Shareholder hereby sells, assigns and transfers the Shares to Buyer, and Buyer purchases and accepts the Shares from Shareholder, for a purchase price of $159.20 per share, or an aggregate of $159,203.55, represented by a bank cashiers'check made payable to Shareholder or by wire transfer, receipt of which is hereby acknowledged by Shareholder.

(b) Shareholder has delivered to Buyer concurrently herewith certificate(s) representing the Shares, duly endorsed (or accompanied by duly executed stock powers) in appropriate form for transfer, receipt of which is hereby acknowledged by Buyer.

2. Representations and Warranties of Shareholder

Shareholder represents and warrants to Buyer as follows:

(a) This Agreement constitutes the legal, valid, and binding obligation of Shareholder, enforceable against Shareholder in accordance with its terms. Shareholder has the absolute and unrestricted right, power, authority and capacity to execute and deliver this Agreement and to perform his obligations under this Agreement.

(b) Shareholder is the record and beneficial owner and holder of the Shares, free and clear of all encumbrances. Shareholder owns directly (not including any shares owned through the Company's Profit Sharing Plan) the number of shares of capital stock set forth in the recitals to this Agreement. No legend or other reference to any purported encumbrance appears upon any certificate representing the Shares.

(c) Other than arising in the normal course by virtue of Shareholder's employment by the Company, there have been no transactions between any Acquired Company (as defined below) and Shareholder or any member of his immediate family since December 31, 1994 and there are no agreements or understandings now in effect between any Acquired Company and Shareholder or any member of his immediate family. Other than accrued and unpaid salary and benefits payable in the normal course, there are no amounts due from any Acquired Company to Shareholder. Neither Shareholder nor any member of his immediate family has had any interest in any supplier or customer of, or any other entity that has had business dealings with, any Acquired Company since December 31, 1994. For this purpose, "Acquired Company" shall mean the Company, RSV Liquidation Corp. (formerly The Roll Seal Valve Company, Inc.) and AEI Holding Co., Inc.

3. Representations and Warranties of Buyer. Buyer represents and warrants to Shareholder that it is a corporation duly organized, validly existing and in good standing under the laws of the State of California, that its execution and delivery of this Agreement have been duly authorized by all necessary corporate action, and that this Agreement is the legal, valid and binding obligation of Buyer enforceable against it in accordance with its terms.

4. Release

(a) In consideration of and subject to the terms of this Agreement, Shareholder on behalf of himself and all persons acting by, through, under or in consort with him, if any, release and discharge the Acquired Companies, Buyer and Ducommun Incorporated and their respective affiliates from any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions which Shareholder now has or as may hereinafter arise against the Acquired Companies through the date hereof, whether matured or contingent, and whether known or unknown, but not including accrued and unpaid compensation or benefits payable in the normal course (as set forth in the Definitive Assumed Liabilities Schedule prepared pursuant to the Stock Purchase Agreement

referred to in the recital above) and those claims or causes of action arising as a result of a breach by Buyer of this Agreement.

(b) Notwithstanding Section 1542 of the California Civil Code, which provides that:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the Agreement, which if known by him must have materially affected his settlement with the debtor.

this Section 4 releases any and all rights, causes of action, demands, damages, costs, loss of services, expenses and compensation whatsoever, claims, duties, obligations and actions to the full extent set forth in Section 4(a). Shareholder acknowledges that he understands and acknowledges the significance and consequences of such specific waiver of Section 1542.

(c) Notwithstanding anything contained in this Agreement, Shareholder hereby agrees that he will not make any claim for indemnification against the Company by reason of the fact that he was a director, officer, employee or agent of the Company, or was serving at the request of the Company as a partner, trustee, director, officer, employee or agent of another entity, whether such claim is for judgment, damages, penalties, fines, costs, amounts paid in settlement, losses, expenses or otherwise or whether such claim is made pursuant to any statute, charter document, bylaw, agreement or otherwise, with respact to any action, lawsuit, proceeding, complaint, claim or demand brought by Buyer or Ducommun against Shareholder (whether pursuant to this Agreement, applicable law or otherwise).

5. Acknowledgment. The parties to this Agreement each acknowledge that they have read this Agreement, they have had the opportunity to have this Agreement explained by counsel of their choice and they are aware of the contents and legal effect of this Agreement.

6. Interpretation and Construction

(a) The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Section, recital and party references are to this Agreement unless otherwise indicated.

(b) No party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions of this Agreement, and all language in all parts of this Agreement shall be construed in accordance with its fair meaning, and not strictly for or against any party.

7. Complete Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter of this Agreement, and shall supersede all previous oral and written and all contemporaneous oral negotiations, commitments and understandings.

8. Assignability and Binding Effect. This Agreement shall not be assignable by either of the parties. This Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted successors and assigns.

9. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10. Attorneys' Fees. Should any party institute any action or proceeding in any court to enforce any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party reasonable attorneys' fees and costs incurred in such action or proceeding, whether or not such action or proceeding is prosecuted to judgment.

11. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal law, and not the law pertaining to conflict or choice of law, of the State of California.

12. Modifications, Amendments and Waivers. This Agreement may be modified, amended or otherwise supplemented only by a writing signed by each of the parties. No waiver of any right or power hereunder shall be deemed effective unless and until a writing waiving such right or power is executed by the party waiving such right or power.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

JAY-EL PRODUCTS, INC.

By _____
Its PRESIDENT

_____
PAUL C. LEE

CONSENT OF SPOUSE

The undersigned has read the Purchase Agreement dated June 8, 1998, between Jay-El Products, Inc., a California corporation ("Buyer"), and her spouse, and, and is aware of, understands, consents and agrees to its terms and conditions, including her spouse's obligation to transfer, assign and deliver to Buyer all of the shares of capital stock of American Electronics, Inc. standing in the name of her spouse, including the community property or other interest of the undersigned therein, if any. The execution and delivery of this Consent, however, shall not be deemed to evidence or imply the existence of any such community property or other interest where none would otherwise exist.

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JAY-EL PRODUCTS, INC.
A SUBSIDIARY OF DUCOMMUN INCORPORATED

23301 SO. WILMINGTON AVENUE
P.O. BOX 6240 / CARSON, CA 90749-6240
TELEPHONE: (310) 513-7200
TWX: 910 346 7633 FAX: 310-513-7298

June 9, 1998

Mr. Bill Holland
PRVY-Controlled/Privacy
[redacted]

Dear Bill:

I am pleased on behalf of Jay-El Products, Inc. (the "Company") to confirm our offer of employment to you as a Vice President of the Company, and General Manager of AEI while the business is located in Fullerton. This offer of employment will be effective only if and when the Company completes the purchase of American Electronics, Inc. ("AEI") which is currently expected to be completed in early June 1998.

1. Term

The term of your employment shall be for one (1) year, commencing on the closing date of the purchase of AEI by the Company, but subject to termination by the Company during such one (1) year period for cause. As used herein, "cause" shall include, but not be limited to, acts of dishonesty, theft, misappropriation of corporate assets, repeated failure to following explicit instructions of the President of the Company, or other similar conduct by you. Following this one (1) year term, upon the mutual agreement of the President of the Company and you, your employment will continue as a regular employee on an "at will" basis as provided in paragraph 10 below.

2. Duties

You will perform all the usual duties that you performed at AEI as those duties may be modified during the integration of the AEI business with the Company. You will give your best efforts and skills to further the best interests of the Company.

3. Base Salary

Your base starting salary will be PRVY-Controlled/Privacy [redacted] per year, paid on a weekly basis. The Company will review your salary pursuant to our regular Company policy.

4. Incentive

You will be eligible to participate in the Executive Bonus Plan which will be discussed with you. Bonus awards are based on many performance factors and are not guaranteed. Bonus

eligibility for 1998 will be prorated based on the portion of the year after the closing that you work for the Company. Bonuses are typically paid in late February of the following year, and you must be employed by the Company at the time of payment to be eligible to receive a bonus award.

5. Stock Options

Subject to the approval of the Compensation Committee of the Board of Directors of Ducommun Incorporated, you will be awarded a grant of stock options.

6. Benefits

You will retain your original AEI hire date for seniority purposes and for eligibility in the Company's group benefit programs. The group insurance coverages that were provided to you at AEI will initially continue unchanged as an employee of Jay-El Products. These coverages will be modified at some later date at the discretion of management, generally as a result of an insurance carrier, rate and/or benefit plan change.

7. Inventions

You will assign all of your rights to any invention to the Company as follows: all inventions which you developed during your working time; all inventions which you developed using Company equipment, supplies, facilities, or trade secret information; and all inventions developed entirely on your own time if those inventions relate, at the time, to the Company's business or to actual or demonstrably anticipated research or development of the Company, or if those inventions resulted from any work performed by you for the Company. This does not apply to an invention of yours which is protected from being assigned to the Company under California Labor Code Section 2870.

8. Business Conduct

During your employment by the Company, you will not act in any manner contrary to the best interests of the Company, its parent, subsidiary, or affiliated companies, or its employees. During your employment by the Company you will not engage in, or have any financial or other interest in, or render any service in any capacity to any competitor, customer, or supplier of the Company. During your employment by the Company you will not solicit or encourage a customer of the Company to take its business elsewhere. During your employment by the Company and forever thereafter, you will, upon demand (or upon termination of your employment), immediately return all Company property and you will not solicit or encourage a Company employee to work elsewhere or disclose or use any trade secret or confidential information of the Company. You understand that the term "trade secret" or "confidential information" means all materials, chemicals, formulae, data, drawings and techniques used, tests

performed, machines operated and processes used by the Company, and includes without limitation, all other information concerning the Company, any parent, any subsidiary, any affiliate, any supplier, or any customer (including, but not limited to, information regarding the peculiarities, preferences and manner of doing business) that is not generally known to the public or to other persons. You also agree that the remedy of law for your breach of this paragraph is inadequate and that the Company, in addition to any other remedy, can seek appropriate injunctive relief from an appropriate Arizona court or arbitrator, at its election.

9. Company Policies

You will be subject to and will adhere to all of the Company's policies applicable to the Company's employees generally, including but not limited to, all policies relating to standards of conduct, conflicts of interest, and compliance with the Company's rules and obligations. You represent that you have no agreement with or obligations to anyone or anything that would in any way conflict with any of your obligations contained in this Agreement. Further, you will immediately notify the Company, in writing, of any other employment or work that you accept during your employment by the Company.

10. Termination of Agreement and Employment At Will

Subject to paragraph 1 above, your employment by the Company is at will. This means that your employment may be terminated at any time, with or without cause, and with or without notice by you or by the Company. Additionally, the Company can change the terms of employment, with or with cause, and with or without notice including, but not limited to, demotion, promotion, transfer, compensation, benefits, duties, and location of work. This at-will relationship can only be changed by an agreement in writing signed by the president of the Company and approved in writing as to form by the general counsel for Ducommun Incorporated. Any oral statement or conduct by a supervisor or manger of the Company will not alter your at-will employment status. Upon termination, all of the Company's and your obligations under this Agreement cease, other than your obligation to immediately return all Company property, your obligations under paragraph 7, and your obligations under paragraph 8 concerning solicitation of Company employees and trade secrets and confidential information (all of which will forever survive the termination, breach or expiration of this Agreement), and the Company's obligations to pay any unpaid, earned salary and any unpaid earned vacation pay, and to reimburse any unpaid, properly incurred business expenses.

11. Arbitration

Your employment by the Company is conditioned on and in consideration of your signing a separate Arbitration Agreement (a copy of which is attached to this letter) and returning it to me at the same time as this letter.

12. Applicable Law and Entire Agreement

This Agreement will be governed by the laws of the State of California applicable to employment contracts. This Agreement constitutes the entire agreement between the Company and you with respect to the subject matter hereof, and supersedes all prior oral and written agreements and all contemporaneous oral agreements.

If any of the paragraphs of this Agreement are or are held to be invalid under the laws of the State of California, this Agreement will be performed, construed, and, if necessary, enforced to the fullest extent possible to conform to the intentions of the parties as evidenced by this Agreement and by all of its paragraphs, including the invalid paragraph. Furthermore, the Company's failure to enforce any provision of this Agreement will not be construed as a waiver of that or any other provision and will not prevent the Company from later enforcing that or any other provision.

Your signature below will constitute your full acceptance of the terms and conditions set forth in this Agreement.

Sincerely,

JAY-EL PRODUCTS, INC.

By: _____
Robert A. Borlet
President

ACCEPTED AND AGREED:

_____
Bill Holland

Date: 6/8/98

Attachments

/ak:AEI-BHolland Offer Letter

ARBITRATION AGREEMENT

This Arbitration Agreement is entered into on June 9, 1998, between Jay-El Products, Inc. (the "Company") having an address at 23301 South Wilmington Avenue, Carson, CA 90745, and Bill Holland ("Employee") having an address as listed in the Company's records from time to time.

WHEREAS, the Company and Employee expect to gain the benefits of a speedy, economical and impartial dispute resolution procedure by entering this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements to arbitrate contained herein, and in consideration of Employee's employment or continued employment with the Company and Employee's eligibility for future increases in salary and benefits, the Company and Employee agree as follows:

1. Arbitration. The arbitration procedure contained in this Agreement shall be the exclusive remedy to resolve all claims, disputes and controversies of any kind or nature, that the Company may have against Employee, or that Employee may have against the Company or its officers, directors, employees or agents ("Claims"), including without limitation all claims, disputes and controversies arising out of Employee's employment or the termination of that employment. Specific examples of Claims covered by this Agreement include, but are not limited to, breach of contract (express or implied), breach of the covenant of good faith and fair dealing, wrongful termination in violation of public policy, retaliatory discharge, discrimination on the basis of race, sex, national origin, religion, age, disability, marital status and sexual orientation, sexual harassment, intentional and negligent infliction of emotional distress, fraud and deceit, negligent misrepresentation, libel, slander and invasion of privacy, assault, battery and false imprisonment, conversion, intentional interference with contract, interference with prospective economic advantage, malicious prosecution and abuse of process, breach of fiduciary duty, enforcement of rights to employee retirement and welfare benefits of every kind and description, and claims for payment of wages, commissions and bonuses.

2. Definition of Company. The term "Company" as used in this Agreement is defined to include the above-named Company, its parent, subsidiary and affiliated companies and entities, all benefit plans, benefit plans' sponsors, fiduciaries, administrators and affiliates, and all successors and assigns of any of them.

3. Disputes With Party to Counterpart Agreement. In addition to applying to Claims between the Company and Employee, this Agreement applies to all Claims between Employee and any other person if (a) the Company is sought to be held vicariously or indirectly liable on account of the other person's conduct, or (b) the other person has executed an agreement with the Company substantially identical in form to this Agreement and the dispute arises out of or relates to Employee's employment by the Company or termination of that employment.

4. Exclusion From Agreement. This Agreement shall not apply to any Claim (a) by Employee for workers' compensation or unemployment benefits, or (b) by the Company for injunctive and/or other equitable relief, including but not limited to, for unfair competition, or the use or unauthorized disclosure of trade secrets or confidential information. With respect to matters referred to in subparagraph (b) above, the Company may seek and obtain injunctive relief in court, and then proceed with arbitration under this Agreement.

5. Waiver of Trial. EACH PARTY WAIVES THE RIGHT TO A JURY TRIAL OR COURT TRIAL. THE SOLE AND EXCLUSIVE METHOD TO RESOLVE ANY CLAIM IS ARBITRATION AS PROVIDED IN THIS AGREEMENT. The parties each waive the right to commence an action in any court to resolve a Claim. Neither party shall initiate or prosecute any lawsuit in any way related to any Claim covered by this Agreement.

6. Notice to Arbitrate. If either party desires to initiate arbitration with respect to any Claim, the initiating party must give written notice to the other party of its intention to arbitrate within six (6) months after the initiating party initially knew or should have known of the facts that gave rise to such Claim. The written notice shall describe the factual basis of all Claims asserted and shall be sent by certified mail, return receipt requested, to the other party's address set forth in the first paragraph of this Agreement. If written notice of a party's intention to arbitrate is not given within the applicable time period set forth above, the party who failed to give notice shall be deemed to have waived the right to further contest any matter related to such Claim.

7. Arbitration Procedure. If written notice of a party's intention to arbitrate is properly given within the applicable time period set forth above, the arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). The arbitration shall take place in or near the city in which Employee is or was last employed by the Company. Any party may be represented by an attorney or other representative selected by the party in connection with the arbitration.

8. Discovery. The parties waive the provisions of California Code of Civil Procedure Section 1283.05. Each party shall have the right to take the deposition of one individual and any expert witness designated by another party. Each party also shall have the right to make requests for production of documents to any party. Additional discovery may be had only where the arbitrator(s) so orders, upon a showing of substantial need. All issues related to discovery will be resolved by the arbitrator(s). At least fourteen (14) days before the arbitration, the parties must exchange lists of witnesses, including any expert, and copies of all exhibits intended to be used at the arbitration.

9. Limitations on Arbitrators' Authority. The arbitrator(s) shall have no authority to: (a) adopt new Company policies or procedures, (b) modify existing

Company policies, procedures, wages or benefits, or (c) hear or decide any matter that was not processed in accordance with this Agreement. The arbitrator(s) shall have exclusive authority to resolve any Claim, including, but not limited to, a dispute relating to the interpretation, applicability, enforceability or formation of this Agreement. The arbitrator(s) shall have the authority to award any form of remedy or damages that would be available in a court.

10. Arbitrator Fees and Expenses. The Company shall pay reasonable and necessary fees of the American Arbitration Association and the arbitrator, unless Employee elects to pay one-half (1/2) of the fees. The parties will pay their own attorneys' fees and expenses associated with the arbitration.

11. Exclusive Remedy. To the extent permitted by law, Employee agrees not to initiate or prosecute against the Company, or its officers, directors, employees or agents, any lawsuit, administrative action or other legal proceeding (other than an administrative charge of discrimination) in any way related to any Claim.

12. Confidentiality. The arbitration will be conducted in private, and will not be open to the public or the media. The testimony and other evidence presented, and the results of the arbitration, unless otherwise agreed to by both parties, are confidential and may not be made public or reported to or by any news agency or legal publisher and Employee.

13. Award. The arbitrator(s) shall render a written decision and award (the "Award"), which shall set forth the facts and reasons that support the Award. The Award shall be final and binding on the Company and Employee.

14. Severability. If any of the paragraphs of this Agreement are held to be invalid or unenforceable, this Agreement shall be performed, construed and enforced to the fullest extent possible to conform to the intentions of the parties as evidenced by this Agreement.

15. Entire Agreement. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior oral and written agreements and all contemporaneous oral agreements.

16. Modifications. This Agreement may be modified or amended only by a writing signed by Employee and an officer of the Company which specifically references this Agreement. This Agreement may not be modified or amended by oral or implied agreements, understandings or arrangements. No employee or agent of the Company is authorized to make any agreement, understanding or arrangements to the contrary.

17. No Inducements. The Employee acknowledges that he or she is not relying on any promises or representations not set forth in this Agreement as in inducement to enter into this Agreement.

18. Voluntary Agreement. Employee acknowledges that he or she has entered into this Agreement freely and voluntarily, although understanding it is a condition of employment. Employee further acknowledges that he or she has not been threatened or coerced to enter into this Agreement, and that he or she has had the opportunity to consult with an attorney or other advisor before signing this Agreement, and has either done so or decided to decline the opportunity to do so.

19. No Guarantee of Employment. This Agreement is not, and shall not be construed to create, a contract of employment, express or implied.

NOTICE: BY SIGNING THIS AGREEMENT, YOU ARE AGREEING THAT ALL CLAIMS WILL BE DECIDED BY NEUTRAL ARBITRATION, AND YOU ARE GIVING UP YOUR RIGHT TO A JURY TRIAL OR A COURT TRIAL.

IN WITNESS WHEREOF, the Company and Employee have executed this Arbitration Agreement as of the date first above written.

JAY-EL PRODUCTS, INC.

By: K R Pearson

Name: K. R. Pearson

Title: Personnel Manager

EMPLOYEE

(Signature)

6/8/98

Date

BILL OF SALE

This BILL OF SALE is made and entered into this 8th day of June, 1998 by American Electronics, Inc., a California corporation ("Seller"), to Richard F. Holland ("Buyer").

RECITALS

A. Seller now desires to sell and transfer all of its right, title and interest in a 1996 Cadillac Seville, Vehicle ID # F01960617K8 (the "Automobile"), to Buyer as set forth below.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged:

1. Seller does hereby sell and transfer all of its right, title and interest in the Automobile to Buyer for a purchase price of $21,998.00, payment of which is hereby acknowledged by Seller.

2. Buyer acknowledges and agrees that the Automobile to be purchased and accepted by Seller in their present condition, "as is," without warranty, express or implied, and that no patent or latent physical condition or defect in any of such assets, whether or not now known or discovered shall affect the rights of either party.

3. Seller agrees that it will execute and deliver from time to time at the request of Buyer all such further instruments of transfer and assignment and further assurances as may be required in order to vest in and confirm to Buyer all of Seller's right, title and interest in and to and the right to use and enjoy the Automobile agreed to be and intended to be sold and transferred to Buyer hereby.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale on the day and year first above written.

AMERICAN ELECTRONICS, INC.

By _____
Its PRESIDENT CEO

By _____
Richard F. Holland

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BILL OF SALE

This BILL OF SALE is made and entered into this 8th day of June, 1998 by American Electronics, Inc., a California corporation ("Seller"), to Dominick J. Monaco ("Buyer").

RECITALS

A. Seller now desires to sell and transfer all of its right, title and interest in a 1996 Chrysler Concorde, Vehicle ID #F01960622K3 (the "Automobile"), to Buyer as set forth below.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged:

1. Seller does hereby sell and transfer all of its right, title and interest in the Automobile to Buyer for a purchase price of $12,486.00, payment of which is hereby acknowledged by Seller.

2. Buyer acknowledges and agrees that the Automobile to be purchased and accepted by Seller in their present condition, "as is," without warranty, express or implied, and that no patent or latent physical condition or defect in any of such assets, whether or not now known or discovered shall affect the rights of either party.

3. Seller agrees that it will execute and deliver from time to time at the request of Buyer all such further instruments of transfer and assignment and further assurances as may be required in order to vest in and confirm to Buyer all of Seller's right, title and interest in and to and the right to use and enjoy the Automobile agreed to be and intended to be sold and transferred to Buyer hereby.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale on the day and year first above written.

AMERICAN ELECTRONICS, INC.

By _____

Its PRESIDENT CEO

By _____

Dominick J. Monaco

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BILL OF SALE

This BILL OF SALE is made and entered into this 8 day of June, 1998 by American Electronics, Inc., a California corporation ("Seller"), to William E. Holland ("Buyer").

RECITALS

A. Seller now desires to sell and transfer all of its right, title and interest in a 1996 Chevrolet Blazer, Vehicle ID #173960617K (the "Automobile"), to Buyer as set forth below.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged:

1. Seller does hereby sell and transfer all of its right, title and interest in the Automobile to Buyer for a purchase price of $13,767.00, payment of which is hereby acknowledged by Seller.

2. Buyer acknowledges and agrees that the Automobile to be purchased and accepted by Seller in their present condition, "as is," without warranty, express or implied, and that no patent or latent physical condition or defect in any of such assets, whether or not now known or discovered shall affect the rights of either party.

3. Seller agrees that it will execute and deliver from time to time at the request of Buyer all such further instruments of transfer and assignment and further assurances as may be required in order to vest in and confirm to Buyer all of Seller's right, title and interest in and to and the right to use and enjoy the Automobile agreed to be and intended to be sold and transferred to Buyer hereby.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale on the day and year first above written.

AMERICAN ELECTRONICS, INC.

By _____

Its VP FINANCE

By _____

William E. Holland

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CERTIFICATE

The undersigned certify as follows:

1. This certificate is being delivered pursuant to Section 2.4(a)(iv) of that certain Stock Purchase Agreement dated as of June 8, 1998 (the "Agreement") between and among Jay-El Products, Inc., a California corporation, Ducommun Incorporated, a Delaware corporation, of which Buyer is a wholly-owned subsidiary, Richard F. Holland, Richard F. and Ann E. Holland, Trustees of the R. and A. Holland Trust dated August 12, 1991, Northern Trust Bank of California N.A. ("Trustee"), Trustee for the American Electronics, Inc. Profit Sharing Plan (the "Plan") fbo Richard F. Holland, Dominick J. Monaco and the Trustee for the Plan fbo Dominick Monaco.

2. Each of Seller's representations and warranties in the Agreement was accurate in all respects as of the date of the Agreement and is accurate in all respects as of the Closing Date (as defined in the Agreement) as if made on the Closing Date.

3. All covenants required to be complied with by Sellers prior to the Closing Date have been complied with in all respects.

IN WITNESS WHEREOF, the undersigned has signed this Certificate as of this 8 day of June, 1998.

Richard F. Holland

Dominick J. Monaco

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OFFICERS' CERTIFICATE

The undersigned, solely as CFO of Ducommun Incorporated, a Delaware corporation ("Ducommun"), and not in his individual capacity, in connection with that certain Stock Purchase Agreement entered into by and among Jay-El Products, Inc., a California corporation and Ducommun on the one hand, and Richard F. Holland; Richard F. and Ann E. Holland, trustees of the R. and A. Holland Trust dated August 12, 1991; Northern Trust Bank of California N.A. (the "Trustee"), trustee for the American Electronics, Inc. Profit Sharing Plan (the "Plan") fbo Richard F. Holland; Dominick J. Monaco; and the Trustee for the Plan fbo Dominick Monaco on the other, dated June 8, 1998 (the "Purchase Agreement"), does hereby certify that the following statements are true and correct as of June 8, 1998.

1. Each of Ducommun's representations and warranties in the Stock Purchase Agreement is true and correct as of the date of the Purchase Agreement and is accurate in all respects as of the Closing Date (as defined in the Purchase Agreement) as if made on the Closing Date, except as to the extent that any such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such date; and

2. All covenants required to be complied with by Ducommun prior to the Closing Date have been complied with in all respects prior to the Closing Date.

By _____

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OFFICERS' CERTIFICATE

The undersigned, solely as PRESIDENT of Jay-El Products, Inc., a California corporation ("Buyer"), and not in his individual capacity, in connection with that certain Stock Purchase Agreement entered into by and among Buyer and Ducommun Incorporated, a Delaware corporation, on the one hand, and Richard F. Holland; Richard F. and Ann E. Holland, trustees of the R. and A. Holland Trust dated August 12, 1991; Northern Trust Bank of California N.A. (the "Trustee"), trustee for the American Electronics, Inc. Profit Sharing Plan (the "Plan") fbo Richard F. Holland; Dominick J. Monaco; and the Trustee for the Plan fbo Dominick Monaco on the other, dated June 8, 1998 (the "Purchase Agreement"), does hereby certify that the following statements are true and correct as of June 8, 1998.

1. Each of Buyer's representations and warranties in the Stock Purchase Agreement is true and correct as of the date of the Purchase Agreement and is accurate in all respects as of the Closing Date (as defined in the Purchase Agreement) as if made on the Closing Date, except as to the extent that any such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct as of such date; and

2. All covenants required to be complied with by Buyer prior to the Closing Date have been complied with in all respects prior to the Closing Date.

RGB

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STATE OF CALIFORNIA

FRANCHISE TAX BOARD
PO Box 942857
Sacramento, CA 94257

In Reply Refer to: 357AS
Date : 05/27/9

CT CORPORATION SYSTEM
915 L Street, Suite 1440
Sacramento, CA 95814

Corporation Name : AMERICAN ELECTRONICS, INC.
Corporation Number : 0582222

X 1. The above named corporation is in good standing with this agency.

2. Information on record with this agency indicates the above corporation is not qualified to transact business in California.

3. The above corporation was incorporated or qualified on .

4. The above corporation has an unpaid liability of $ for income year ended .

5. Our records do not show that the above corporation filed franchise tax returns for the income years .

6. The above corporation was effective .

7. The above corporation's current address on record with this agency is:

8. We have no current information on the above corporation.

Comments:

Ami Whitacre
Representative

TELEPHONE ASSISTANCE

Our regular toll-free telephone service is available from 7:00 a.m. until 8:00 p.m. Monday through Friday from the first working day in January through April 15. The best times to call are between 7:00 and 10:00 in the morning and between 6:00 and 8:00 in the evening. Service is also available from 8:00 a.m. through 5:00 p.m. on the two Saturdays prior to April 15. After April 15, service is available Monday through Friday, between 8:00 a.m. and 5:00 p.m.

From within the United States, call	1-800-852-5711
From outside the United States, call (not toll free)	1-916-845-6500
For hearing impaired with TDD, call	1-800-822-6268

TB 4688-11 (REV 6-95)

State of California

SECRETARY OF STATE

CERTIFICATE OF STATUS
DOMESTIC CORPORATION

I, BILL JONES, Secretary of State of the State of California, hereby certify:

That on the 7th *day of* October, *19* 69,

AMERICAN ELECTRONICS, INC.

became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and

That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and

That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition, business activity or practices of this corporation.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

May 26, 1998.

Bill Jones

Secretary of State

SEC/STATE FORM CE-112 (REV. 9/95)

97 35478

df

STATE OF CALIFORNIA

FRANCHISE TAX BOARD
PO Box 942857
Sacramento, CA 94257

In Reply Refer to: 357AM
Date : 06/04/98

CT CORPORATION SYSTEM
915 L Street, Suite 1440
Sacramento, CA 95814

Corporation Name : RSV LIQUIDATION CORP.
Corporation Number : 1011431

X 1. The above named corporation is in good standing with this agency.

2. Information on record with this agency indicates the above corporation is not qualified to transact business in California.

3. The above corporation was incorporated or qualified on

4. The above corporation has an unpaid liability of $ .for income year ended

5. Our records do not show that the above corporation filed franchise tax returns for the income years .

6. The above corporation was effective

7. The above corporation's current address on record with this agency is:

8. We have no current information on the above corporation.

Comments:

Representative

TELEPHONE ASSISTANCE

Our regular toll-free telephone service is available from 7:00 a.m. until 8:00 p.m. Monday through Friday from the first working day in January through April 15. The best times to call are between 7:00 and 10:00 in the morning and between 6:00 and 8:00 in the evening. Service is also available from 8:00 a.m. through 5:00 p.m. on the two Saturdays prior to April 15. After April 15, service is available Monday through Friday, between 8:00 a.m. and 5:00 p.m.

From within the United States, call 1-800-852-5711
From outside the United States, call (not toll free) 1-916-845-6500
For hearing impaired with TDD, call 1-800-822-6268

TB 4688-11 (REV 6-95)

State of California

SECRETARY OF STATE

CERTIFICATE OF STATUS
DOMESTIC CORPORATION

I, BILL JONES, Secretary of State of the State of California, hereby certify:

That on the 4th *day of* December, *19* 80,

RSV LIQUIDATION CORP.

became incorporated under the laws of the State of California by filing its Articles of Incorporation in this office; and

That no record exists in this office of a certificate of dissolution of said corporation nor of a court order declaring dissolution thereof, nor of a merger or consolidation which terminated its existence; and

That said corporation's corporate powers, rights and privileges are not suspended on the records of this office; and

That according to the records of this office, the said corporation is authorized to exercise all its corporate powers, rights and privileges and is in good legal standing in the State of California; and

That no information is available in this office on the financial condition, business activity or practices of this corporation.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

June 4, 1998.

Secretary of State

SEC/STATE FORM CE-112 (REV. 9/95)

95 30089

pi

June 9, 1998

Jay-El Products, Inc.
23301 South Wilmington Avenue
Carson, CA 90745

Dear Sirs:

This letter is to certify that, on behalf of Northern Trust Bank of California N.A. (the "Trustee"), and upon receipt of a wire transfer in the amount of $3,643,044.33 by the Trustee, the Trustee will deliver to you the following stock certificates (copies of which are attached) evidencing the ownership of the following numbers of shares of common stock, par value $10 per share, of American Electronics, Inc.:

Cert Num	Shares
1	19,500
4	3,000
6	1,500
8	2,000
11	1,000
12	500
13	500

Each such certificate shall also be accompanied by a duly endorsed stock power in proper form for transfer.

Sincerely yours,

Katherine Russell

Katherine Russell

46741.01.LA (102D01!.DOC)
06/09/98 10:55 AM

COPY

THE NORTHERN TRUST COMPANY
801 SOUTH CANAL STREET
CHICAGO, IL 60675

PFS LIAISON GROUP

FAX NO (312) 630 -6594

Number of pages including cover page 16

TO Neil Brockmeyer FAX NO. 213-614-1868

COMPANY Heller Ehrman White & McAuliffe

PHONE NO

FROM RAY WONG PHONE NO. 312-630-6535

of THE NORTHERN TRUST COMPANY

DATE 6-8-98

COMMENTS Only 1 copy of "resolution" was faxed.
All 7 are the same.

EXTRACT FROM THE BY-LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

Any Second Vice President, any Vice President, any Senior Vice President, any Executive Vice President, any Vice Chairman of the Board, the Cashier, the President, or the Chairman of the Board, whether acting for the Company itself or acting for the Company in its fiduciary capacity or as agent, custodian or otherwise, is authorized and empowered to purchase, sell, trade or otherwise deal in drafts, acceptances, notes, stocks, bonds or other securities and interests therein, whether registered or unregistered, certificated or uncertificated, of every kind and description whatsoever, including United States Registered Bonds, or any other securities or similar instruments or property whatsoever, and to appoint one or more attorneys for such purposes.

Section 18 – Article VII

Further Authorizations By Executive Instructions

Notwithstanding anything to the contrary appearing in the above Sections 9 through 17, by Executive Instructions, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, the Chairman, the President or any Vice Chairman, may authorize and empower any officer or employee to exercise any of the powers or perform any of the functions specified therein, within such limits, if any, as may be set forth in such Executive Instructions.

STATEMENT OF AUTHORITIES GRANTED TO TRUST OFFICERS PURSUANT TO EXECUTIVE INSTRUCTION NO. X-170 Dated August 21, 1973

SUBJECT: EXTENSION OF AUTHORITIES GRANTED UNDER BANK'S BY-LAWS

Pursuant to Section 18 of Article VII of the By-laws of The Northern Trust Company, authority has been delegated by Executive Instruction No. X-170 of The Northern Trust Company, dated August 21, 1973, to any Trust Officer to purchase any drafts, acceptances, notes, stocks, bonds, or other securities or any personal property with funds held in a fiduciary capacity, and to sell, exchange, transfer or dispose of any of the same held by the Company in a fiduciary capacity, and to execute instruments necessary in the purchase, sale, mortgage, lease, assignment, transfer, management, or handling of property held or controlled by the Company in any fiduciary capacity.

I do hereby certify that I am an Assistant Secretary to The Northern Trust Company and as such the keeper of its records and seal; that I have compared the foregoing copy of Sections 12 and 18 of Article VII of the By-laws of The Northern Trust Company with Sections 12 and 18 of Article VII of the By-laws of the said Company now in force as they appear in the record books of said Company in my custody, and that the same are complete, true and exact copies of the authorities granted pursuant to said By-laws; and the foregoing statement of authorities granted to Trust Officers is a correct statement of authorities granted pursuant to Executive Instruction X–170 now in full force and effect as they appear in the record books of said Company in my custody.

I do hereby further certify that _____ is a duly elected, qualified and acting _____ of The Northern Trust Company.

In Witness Whereof I have hereunto set my hand and the seal of said The Northern Trust Company this date _____.

Jo Etta Lowery
Assistant Secretary

Mary Ann Peterson

1100a (R 8/98)

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____
(This space must be left blank)

If stock, complete this portion. 3000 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 4 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

We certify that the trust assigning is/are the currently acting trustee and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

The undersigned does (do) hereby irrevocably constitute and appoint _____
(This space must be left blank)
attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

BY: David A Seylas

AS TRUSTEE

In Presence of _____

BY: Raymond J. Wong
NORTHERN TRUST COMPANY
TRUST OFFICER

Jo Etta Lowery

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9620 (N1/87)

22-66095

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS INC

This Certifies that [illegible] is the registered holder of [illegible] Shares

AMERICAN ELECTRONICS INC

IN WITNESS WHEREOF [illegible]

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____
(This space must be left blank)

If stock, complete this portion. 500 shares of the Common stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 12 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

By: David A. Sylas
AS TRUSTEE

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY
BY: Raymond Young
TRUST OFFICER

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
(97)
Secretary

Jo Etta Lowery

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9520 (N1/87)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9. 24/96 BY: K H

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____
(This space must be left blank)

If stock, complete this portion. 2000 shares of the COMMON stock of AMERICAN ELECTRONICS, INC represented by Certificate No.(s) 8 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____
(This space must be left blank)
attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

By: David A Douglas
AS TRUSTEE

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY
BY: Raymond Y Wong
TRUST OFFICER

Joetta Lowery

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9620 (N1/87)

22-66050 201688

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

[redacted]

[redacted]

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 19,500 shares of the COMMON stock of AMERICAN ELECTRONICS represented by Certificate No.(s) 1 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

By: David A. Guylas
AS TRUSTEE

THE NORTHERN TRUST COMPANY
BY: Raymond G. Wing
TRUST OFFICER

Jo Ellen Lowery

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9820 (N1/87)

22-66044 20161 6

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER [redacted]

SHARES [redacted]

[redacted]

[redacted]

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___RESTRICTION ETC RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 500 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 13 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises. THE NORTHERN TRUST Company

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY

BY: Raymond Wing
TRUST OFFICER

Dated _____

In Presence of _____

BY: David A Douglas
AS TRUSTEE

SIGNATURE GUARANTEED
MEDALLION GUARANTEED

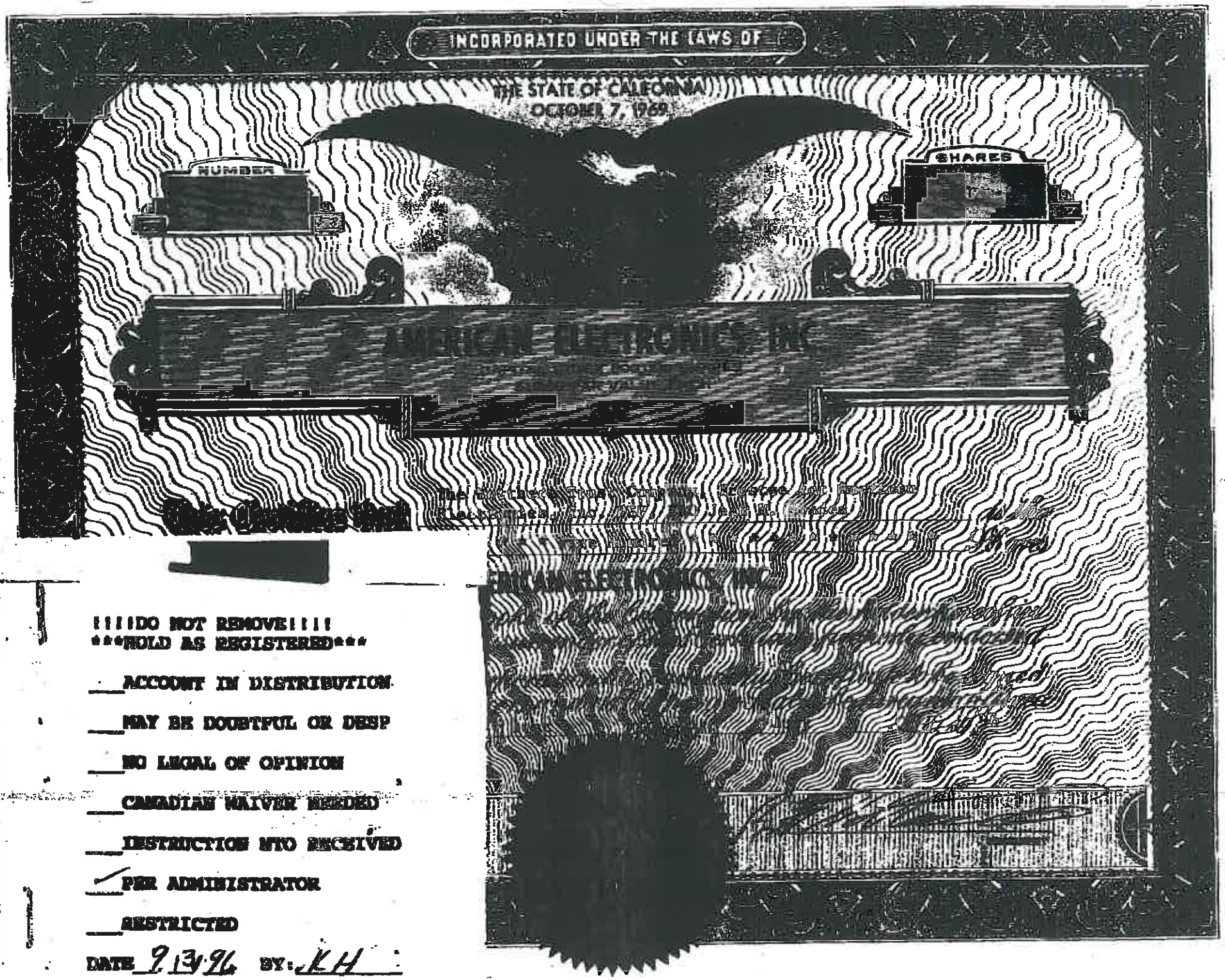
Joetta Lowery

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9920 (N1/87)

22.81657 201 886



!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9/13/96 BY: KH

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 1500 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 6 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____ By: David A. Dufas AS TRUSTEE

We certify that the trustee-signing is/are the currently acting trustee(s) and constituted the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY

BY: Raymond Y Wong TRUST OFFICER

Jo Etta Lowery

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9820 (N1/87)

22-66142 201 100

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS INC

This certifies that [redacted] is the owner of [redacted] fully paid and non-assessable shares of the capital stock of AMERICAN ELECTRONICS INC transferable only on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

Dated

President

Secretary

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9.13.96 BY: LH

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____
(This space must be left blank)

If stock, complete this portion. 1000 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 11 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

BY: David A. Sylas
AS TRUSTEE

THE NORTHERN TRUST COMPANY
BY: Raymond Y. Way
TRUST OFFICER

Mary Ann Peterson

Jo Etta Lowery

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9820 (N1/87)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS INC

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER RECORD

___RESTRICTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9/13/96 BY: LH

Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Stock Purchase Agreement among Jay-El Products, Inc. ("Buyer"), Ducommun Incorporated, of which Buyer is a wholly-owned subsidiary, Richard F. Holland, Dominick J. Monaco and the Trustee of the Plan.

Dated: June 2, 1998

RICHARD F. HOLLAND

Northern Trust Bank of California N.A., in its capacity as Trustee of the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan"), is hereby directed to sell all of the shares of capital stock of American Electronics, Inc. which are owned by the Plan for my benefit as a participant in the Plan and allocated to my Directed Account under the Plan under the terms and conditions set forth in the Stock Purchase Agreement among Jay-El Products, Inc. ("Buyer"), Ducommun Incorporated, of which Buyer is a wholly-owned subsidiary, Richard F. Holland, Dominick J. Monaco and the Trustee of the Plan.

Dated: June 8, 1998

DOMINICK J. MONACO

46561.01.LA (ZXD02!.DOC)
06/08/98 12:22 PM

PRVY-Controlled/Privacy

PRVY-Controlled/Privacy

EXHIBIT "A"

RESIGNATION

The undersigned, Richard F. Holland, hereby resigns as an officer and director of American Electronics, Inc., such resignation to be effective as of the date hereof.

DATED: June ___, 1998

_____
Richard F. Holland

PRVY-Controlled/Privacy

PRVY-Controlled/Privacy

EXHIBIT "A"

RESIGNATION

The undersigned, Dominick J. Monaco, hereby resigns as an officer and director of American Electronics, Inc., such resignation to be effective as of the date hereof.

DATED: June ___, 1998

_____
Dominick J. Monaco

PRVY-Controlled/Privacy

PRVY-Controlled/Privacy

EXHIBIT "A"

RESIGNATION

The undersigned, William E. Holland, hereby resigns as an officer and director of American Electronics, Inc., such resignation to be effective as of the date hereof.

DATED: June ___, 1998

_____
William E. Holland

RESIGNATION

The undersigned, Richard F. Holland, hereby resigns as an officer and director of American Electronics, Inc., such resignation to be effective as of the date hereof.

DATED: June 8, 1998

Richard F. Holland

RESIGNATION

The undersigned, Dominick J. Monaco, hereby resigns as an officer and director of American Electronics, Inc., such resignation to be effective as of the date hereof.

DATED: June 8, 1998

Dominick J. Monaco

RESIGNATION

The undersigned, William E. Holland, hereby resigns as an officer and director of American Electronics, Inc., such resignation to be effective as of the date hereof.

DATED: June 8, 1998

William E. Holland

ASSIGNMENT SEPARATE FROM CERTIFICATE

I, Dominick J. Monaco, hereby transfer to Jay-El Products, Inc.:

13,000 shares

of the Common Stock of American Electronics, Inc. (the "Company") standing in my name on the books of the Company represented by Certificate No. 3 and do hereby irrevocably constitute and appoint _____, to transfer said stock on the books of the Company with full power of substitution in the premises.

Dated: June 9, 1998

Signature: _____
Dominick J. Monaco

46555.01.LA (ZX701!.DOC)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1960

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies that Dominick J. Monaco is the registered holder of * * * * * Thirteen Thousand * * * * * * * * * * * * * Shares

AMERICAN ELECTRONICS, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 1st day of July A.D. 1996

SECRETARY

PRESIDENT

©OCES 73.

ASSIGNMENT SEPARATE FROM CERTIFICATE

I, Richard F. and Ann E. Holland, as Trustees of the R. and A. Holland Trust dated August 12, 1991, hereby transfer to Jay-El Products, Inc.:

8,000 shares

of the Common Stock of American Electronics, Inc. (the "Company") standing in my name on the books of the Company represented by Certificate No. 2 and do hereby irrevocably constitute and appoint _____, to transfer said stock on the books of the Company with full power of substitution in the premises.

Dated: June 9, 1998

Signature: _____
Richard F. Holland, as Trustee of the R. and A. Holland Trust dated August 12, 1991

Signature: _____
Ann E. Holland, as Trustee of the R. and A. Holland Trust dated August 12, 1991

46555.01.LA (ZX701!.DOC)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC

CAPITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies that Richard F. & Ann E. Holland, as Trustees of the R. and A. Holland Trust dated August 12, 1991 is the registered holder of * * * Eight Thousand * * * * * * * * * * * * * * * Shares

AMERICAN ELECTRONICS, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 1st day of July A.D. 1996

SECRETARY

PRESIDENT

GOES 73.

ASSIGNMENT SEPARATE FROM CERTIFICATE

I, George H. Caple, hereby transfer to Jay-El Products, Inc.:

1,000 shares

of the Common Stock of American Electronics, Inc. (the "Company") standing in my name on the books of the Company represented by Certificate No. 14 and do hereby irrevocably constitute and appoint _____, to transfer said stock on the books of the Company with full power of substitution in the premises.

Dated: June 8, 1998

Signature: _____
George H. Caple

46555.01.LA (ZX701!.DOC)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1968

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL STOCK TWENTY SHARES
PAR VALUE NINE DOLLARS EACH

This Certifies That George H. Caple is the registered holder of ********** One Thousand ********** Shares

AMERICAN ELECTRONICS, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 8th day of June A.D. 19 98

PRESIDENT

© GOES 73.

ASSIGNMENT SEPARATE FROM CERTIFICATE

I, Paul C. Lee, hereby transfer to Jay-El Products, Inc.:

1,000 shares

of the Common Stock of American Electronics, Inc. (the "Company") standing in my name on the books of the Company represented by Certificate No. 10 and do hereby irrevocably constitute and appoint _____, to transfer said stock on the books of the Company with full power of substitution in the premises.

Dated: June 8, 1998

Signature: _____
Paul C. Lee

46555.01.LA (ZX701!.DOC)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies That Paul C. Lee is the registered holder of * * * * * * * One Thousand * * * * * * * * * * * * * Shares

AMERICAN ELECTRONICS, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 1st day of July A.D. 1996

SECRETARY

PRESIDENT

© GOES 73.

ASSIGNMENT SEPARATE FROM CERTIFICATE

I, William E. Holland, hereby transfer to Jay-El Products, Inc.:

500 shares

of the Common Stock of American Electronics, Inc. (the "Company") standing in my name on the books of the Company represented by Certificate No. 5 and do hereby irrevocably constitute and appoint _____, to transfer said stock on the books of the Company with full power of substitution in the premises.

Dated: June 8, 1998

Signature: _____
William E. Holland

46555.01.LA (ZX7011.DOC)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

5

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL [illegible] SHARES
$10.00 PAR VALUE EACH

This Certifies that William E. Holland is the registered holder of * * * * * * * Five Hundred * * * * * * * * * * * * * * Shares

AMERICAN ELECTRONICS, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 1st day of July A.D. 1996

SECRETARY

PRESIDENT

© GOES 73.

AMERICAN ELECTRONICS, INC.
1600 E. Valencia Drive, Fullerton, Calif. 92831-4735
Phone (714) 871-3020 FAX (714) 871-1403

TO: Northern Trust Bank of California

FROM: Administrative Committee for the American Electronics, Inc. Profit Sharing Plan

RE: Sale of AEI Stock at Direction of Participants

DATE: June 8, 1998

Certain participants in the American Electronics, Inc. Profit Sharing Plan and Trust (the "Plan") have directed you to sell the shares of capital stock of American Electronics, Inc. which are owned by the Plan for their benefit under the terms and conditions of specified Purchase Agreements. The names of these participants and the number of shares allocated to their accounts under the Plan are as follows:

Participant's Name	Allocated Shares of AEI Stock
R. Holland	19,500
D. Monaco	3,000
G. Caple	2,000
R. Harris	1,500
P. Lee	1,000
S. Method	500
J. Roades	500
	28,000

In order to facilitate the sales of stock listed above as directed by the participants, you are hereby authorized and directed as a directed trustee to enter into such Purchase Agreements on behalf of the Plan, and to make or assume any representations, warranties, agreements or obligations required thereunder of the Trustee of the Plan.

Administrative Committee for the
American Electronics, Inc. Profit Sharing Plan

By: _____

By: _____

By: _____

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 19,500 shares of the COMMON stock of AMERICAN ELECTRONICS represented by Certificate No.(s) 1 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

By: David A. Gaylor
AS TRUSTEE

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY
BY: Raymond Wong
TRUST OFFICER

"It is hereby certified that the transfer of the original shares in [illegible] under such circumstances as to come within one of the exemptions specified in the section [illegible] of the Tax Law of the State of New York and that evidence in [illegible] the exemption is maintained by the undersigned and is [illegible] for inspection by officers and representatives of the [illegible] State Tax Commission."

The Northern Trust Company

BY: [illegible]

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Jo Etta Lowery
AUTHORIZED SIGNATURE
(SEAL)
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(SEAL)
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM

9820 (N1/87)

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

22-66044 2016886

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL [illegible] 500,000 SHARES
[illegible] PAR VALUE EACH

This Certificate Bearing

The Northern Trust Company, Trustee for American
[illegible]ronics, Inc. PSP, FBO Richard F. Holland is the
[illegible]eteen Thousand Five Hundred ********** Shares

[illegible]ERICAN ELECTRONICS, INC.

[illegible]ooks of the Corporation by the holder hereof in
[illegible] surrender of this Certificate properly endorsed
[illegible]rporation has caused this Certificate to be signed
[illegible]ers and its Corporate Seal to be hereunto affixed
[illegible] st [illegible] July A.D. 19 96

[illegible]

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9.13.96 BY: KH

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 3000 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 4 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

We certify that the trustee signing is/are the currently acting trustee and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

BY: David A Seylas

AS TRUSTEE

Dated _____

In Presence of _____

BY: Raymond Y Wong

THE NORTHERN TRUST COMPANY

TRUST OFFICER

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY

Jo Etta Lowery

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY

Mary Ann Peterson

AUTHORIZED SIGNATURE

X0020471

SECURITIES TRANSFER ASSOCIATION MEDALLION PROGRAM

9820 (N1/87)

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

22-66045 2016286

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

10

AMERICAN ELECTRONICS, INC

CAPITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies that The Northern Trust Company, Trustee for American Electronics, Inc. PSP, FBO Dominick J. Monaco is the registered holder of * * * * * Three Thousand * * * * * * * * * * * Shares

AMERICAN ELECTRONICS, INC.

transferable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be signed by its duly authorized Officers and its Corporate Seal to be hereunto affixed this 1st day of July A.D. 1996

SECRETARY

PRESIDENT

© GOES 73.

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 2000 shares of the COMMON stock of AMERICAN ELECTRONICS, INC represented by Certificate No.(s) 8 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

By: David A. Gulas

AS TRUSTEE

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY

BY: Raymond Y. Wong

TRUST OFFICER

SIGNATURE GUARANTEED MEDALLION GUARANTEED

Joetta Lowery

(SS)

SIGNATURE GUARANTEED MEDALLION GUARANTEED

Mary Ann Peterson

(SS)

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9820 (N1/87)

22-66050 2016886

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies that The Northern Trust Company, Trustee for American Electronics, Inc. PSP, FBO George H. Caple is the

* * * Two Thousand * * * * * * * * * * * * * * * Shares

ERICAN ELECTRONICS, INC.

ooks of the Corporation by the holder hereof in
surrender of this Certificate properly endorsed

rporation has caused this Certificate to be signed
cers and its Corporate Seal to be hereunto affixed

1st day of July A.D. 1996

PRESIDENT

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9/31/96 BY: KH

OD.

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 1500 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 6 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____

(This space must be left blank)

attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

We certify that this trustee signing is/are the currently acting trustee(s) and constituted the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY

TRUST OFFICER

Dated _____

In Presence of BY: Raymond Y. Wong

By: David A. Dufas

AS TRUSTEE

"It is hereby certified that the transfer of the [illegible] made under such circumstances as to come within one of the exemptions specified in the section [illegible] of the [illegible] of the State of New York and that evidence of [illegible] is maintained by the [illegible] for inspection by citizens and representatives of the [illegible] State Tax Commission."

The Northern Trust Company

BY: [illegible] OFFICER

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY

Jo Etta Lowery

AUTHORIZED SIGNATURE
X0920471
(93)
SECURITIES TRANSFER ASSIGN MEDALLION PROGRAM

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY

Mary Ann Peterson

AUTHORIZED SIGNATURE
X0920471
(93)
SECURITIES TRANSFER ASSIGN MEDALLION PROGRAM

9820 (N1/87)

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

22-66042 A016000

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies that The Northern Trust Company, Trustee for American Electronics, Inc. FSP, FBO J. Roy Harris is the owner of * * One Thousand Five Hundred * * * * * * * * Shares

AMERICAN ELECTRONICS, INC.

transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its President and its Corporate Seal to be hereunto affixed this 31st day of July A.D. 1986

PRESIDENT

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9.13.96 BY: KH

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 1000 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 11 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

BY: David A. Sylas
AS TRUSTEE

We certify that the trustees signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY

BY: Raymond J. Wong
TRUST OFFICER

"It is hereby certified that the transfer of the [illegible] made under such circumstances as to come within [illegible] exemptions specified in the section [illegible] of the Law of the State of New York and that witnesses in proof of the [illegible] is maintained by the undersigned and is available for inspection by officers and representatives of the New York State Tax Commission."

The Northern Trust Company

BY: [illegible]
TRUST OFFICER

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Joetta Lowery
AUTHORIZED SIGNATURE
(93) X0920471
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM™
SP

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(93) X0920471
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM™
SP

9820 (N1/87)

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER [redacted]

SHARES [redacted]

AMERICAN ELECTRONICS, INC.

[illegible] SHARES
[illegible] EACH

This Certifies that The Northern Trust Company, Trustee for American Electronics, Inc. PSP, FBO Paul C. Lee is the

* * * One Thousand * * * * * * * * * * * * * Shares

[redacted]

ERICAN ELECTRONICS, INC.

ooks of the Corporation by the holder hereof in
surrender of this Certificate properly endorsed
rporation has caused this Certificate to be signed
cers and its Corporate Seal to be hereunto affixed
1st day of July A.D. 1996

PRESIDENT

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9.13.96 BY: KH

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 500 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 12 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

We certify that the trustee signing is/are the currently acting trustee(s) and constitutes the required number of trustees authorized to act in accordance with the terms of the trust assignment.

THE NORTHERN TRUST COMPANY

BY: Raymond Young

TRUST OFFICER

The undersigned does (do) hereby irrevocably constitute and appoint _____

(This space must be left blank)

attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises.

THE NORTHERN TRUST COMPANY

Dated _____

In Presence of _____

By: David A Sylas

AS TRUSTEE

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY

Jo Etta Lowery

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9820 (N1/87)

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

ITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certificate that The Northern Trust Company, Trustee for American Electronics, Inc. PSP, FBO Susan M. Method is the

* * * * Five Hundred * * * * * * * * * * * * Shares

ERICAN ELECTRONICS, INC.

ooks of the Corporation by the holder hereof in
surrender of this Certificate properly endorsed

rporation has caused this Certificate to be signed
cers and its Corporate Seal to be hereunto affixed

1st day of July A.D. 1996

PRESIDENT

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9. 24/96 BY: K H

D.

ASSIGNMENT SEPARATE FROM CERTIFICATE

THE NORTHERN TRUST COMPANY, CHICAGO, ILLINOIS

For Value Received, _____ hereby sell, assign and transfer unto

_____

(This space must be left blank)

If stock, complete this portion. 500 shares of the COMMON stock of AMERICAN ELECTRONICS, INC. represented by Certificate No.(s) 13 standing in the name of the undersigned on the books of said Company.

If bonds, complete this portion. Bonds of the _____ %, due _____ in the principal amount of $_____, No.(s) _____ standing in the name of the undersigned on the books of said Company.

The undersigned does (do) hereby irrevocably constitute and appoint _____ (This space must be left blank) attorney to transfer said stock or bond(s), as the case may be, on the books of said Company with full power of substitution in the premises. THE NORTHERN TRUST COMPANY

We certify that the currently acting trustee signing is/are the required number of trustee(s) and constitutes the authorized to act in accordance with the terms of the trust assignment.

Dated _____

In Presence of _____ By: David A Douglas AS TRUSTEE

THE NORTHERN TRUST COMPANY

By: Raymond Young TRUST OFFICER

SIGNATURE GUARANTEED MEDALLION GUARANTEED

Joetta Lawery

SIGNATURE GUARANTEED MEDALLION GUARANTEED

Mary Ann Peterson

IMPORTANT: *The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement or any change whatsoever.*

9820 (N1/87)

22-87639 2016886

INCORPORATED UNDER THE LAWS OF

THE STATE OF CALIFORNIA
OCTOBER 7, 1969

NUMBER

SHARES

AMERICAN ELECTRONICS, INC.

CAPITAL STOCK 500,000 SHARES
$10.00 PAR VALUE EACH

This Certifies that The Northern Trust Company, Trustee for American Electronics, Inc. PSP, FBO Jean M. Roades is the

* * * Five Hundred * * * * * * * * * * * * * Shares

ERICAN ELECTRONICS, INC.

ooks of the Corporation by the holder hereof in
surrender of this Certificate properly endorsed

rporation has caused this Certificate to be signed
ers and its Corporate Seal to be hereunto affixed

1st day of July A.D. 19 96

!!!!DO NOT REMOVE!!!!
HOLD AS REGISTERED

___ACCOUNT IN DISTRIBUTION

___MAY BE DOUBTFUL OR DESP

___NO LEGAL OF OPINION

___CANADIAN WAIVER NEEDED

___INSTRUCTION NTO RECEIVED

✓ PER ADMINISTRATOR

___RESTRICTED

DATE 9/13/96 BY: KH

EXTRACT FROM THE BY–LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

Any Second Vice President, any Vice President, any Senior Vice President, any Executive Vice President, any Vice Chairman of the Board, the Cashier, the President, or the Chairman of the Board, whether acting for the Company itself or acting for the Company in its fiduciary capacity or as agent, custodian or otherwise, is authorized and empowered to purchase, sell, trade or otherwise deal in drafts, acceptances, notes, stocks, bonds or other securities and interests therein, whether registered or unregistered, certificated or uncertificated, of every kind and description whatsoever, including United States Registered Bonds, or any other securities or similar instruments or property whatsoever, and to appoint one or more attorneys for such purposes.

Section 18 – Article VII

Further Authorizations By Executive Instructions

Notwithstanding anything to the contrary appearing in the above Sections 9 through 17, by Executive Instructions, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, the Chairman, the President or any Vice Chairman, may authorize and empower any officer or employee to exercise any of the powers or perform any of the functions specified therein, within such limits, if any, as may be set forth in such Executive Instructions.

STATEMENT OF AUTHORITIES GRANTED TO TRUST OFFICERS PURSUANT TO EXECUTIVE INSTRUCTION NO. X-170 Dated August 21, 1973

SUBJECT: EXTENSION OF AUTHORITIES GRANTED UNDER BANK'S BY-LAWS

Pursuant to Section 18 of Article VII of the By-laws of **The Northern Trust Company**, authority has been delegated by Executive Instruction No. X-170 of **The Northern Trust Company**, dated August 21, 1973, to any Trust Officer to purchase any drafts, acceptances, notes, stocks, bonds, or other securities or any personal property with funds held in a fiduciary capacity, and to sell, exchange, transfer or dispose of any of the same held by the Company in a fiduciary capacity, and to execute instruments necessary in the purchase, sale, mortgage, lease, assignment, transfer, management, or handling of property held or controlled by the Company in any fiduciary capacity.

I do hereby certify that I am an Assistant Secretary to **The Northern Trust Company** and as such the keeper of its records and seal; that I have compared the foregoing copy of Sections 12 and 18 of Article VII of the By-laws of **The Northern Trust Company** with Sections 12 and 18 of Article VII of the By-laws of the said Company now in force as they appear in the record books of said Company in my custody, and that the same are complete, true and exact copies of the authorities granted pursuant to said By-laws; and the foregoing statement of authorities granted to Trust Officers is a correct statement of authorities granted pursuant to Executive Instruction X–170 now in full force and effect as they appear in the record books of said Company in my custody.

I do hereby further certify that _____ is a duly elected, qualified and acting _____ of **The Northern Trust Company.**

In Witness Whereof I have hereunto set my hand and the seal of said **The Northern Trust Company** this date _____.

Jo Etta Lowery

Assistant Secretary

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(SM) X0929171
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM℠ SR

1169c (R 6/95)

EXTRACT FROM THE BY–LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

Any Second Vice President, any Vice President, any Senior Vice President, any Executive Vice President, any Vice Chairman of the Board, the Cashier, the President, or the Chairman of the Board, whether acting for the Company itself or acting for the Company in its fiduciary capacity or as agent, custodian or otherwise, is authorized and empowered to purchase, sell, trade or otherwise deal in drafts, acceptances, notes, stocks, bonds or other securities and interests therein, whether registered or unregistered, certificated or uncertificated, of every kind and description whatsoever, including United States Registered Bonds, or any other securities or similar instruments or property whatsoever, and to appoint one or more attorneys for such purposes.

Section 18 – Article VII

Further Authorizations By Executive Instructions

Notwithstanding anything to the contrary appearing in the above Sections 9 through 17, by Executive Instructions, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, the Chairman, the President or any Vice Chairman, may authorize and empower any officer or employee to exercise any of the powers or perform any of the functions specified therein, within such limits, if any, as may be set forth in such Executive Instructions.

STATEMENT OF AUTHORITIES GRANTED TO TRUST OFFICERS PURSUANT TO EXECUTIVE INSTRUCTION NO. X-170 Dated August 21, 1973

SUBJECT: EXTENSION OF AUTHORITIES GRANTED UNDER BANK'S BY-LAWS

Pursuant to Section 18 of Article VII of the By-laws of **The Northern Trust Company**, authority has been delegated by Executive Instruction No. X-170 of **The Northern Trust Company**, dated August 21, 1973, to any Trust Officer to purchase any drafts, acceptances, notes, stocks, bonds, or other securities or any personal property with funds held in a fiduciary capacity, and to sell, exchange, transfer or dispose of any of the same held by the Company in a fiduciary capacity, and to execute instruments necessary in the purchase, sale, mortgage, lease, assignment, transfer, management, or handling of property held or controlled by the Company in any fiduciary capacity.

I do hereby certify that I am an Assistant Secretary to **The Northern Trust Company** and as such the keeper of its records and seal; that I have compared the foregoing copy of Sections 12 and 18 of Article VII of the By-laws of **The Northern Trust Company** with Sections 12 and 18 of Article VII of the By-laws of the said Company now in force as they appear in the record books of said Company in my custody, and that the same are complete, true and exact copies of the authorities granted pursuant to said By-laws; and the foregoing statement of authorities granted to Trust Officers is a correct statement of authorities granted pursuant to Executive Instruction X–170 now in full force and effect as they appear in the record books of said Company in my custody.

I do hereby further certify that _____
is a duly elected, qualified and acting _____ of **The Northern Trust Company.**

In Witness Whereof I have hereunto set my hand and the seal of said **The Northern Trust Company** this date _____.

Jo Etta Lowery
Assistant Secretary

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(90)
SECURITIES TRANSFER

1169c (R 6/95)

EXTRACT FROM THE BY–LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

Any Second Vice President, any Vice President, any Senior Vice President, any Executive Vice President, any Vice Chairman of the Board, the Cashier, the President, or the Chairman of the Board, whether acting for the Company itself or acting for the Company in its fiduciary capacity or as agent, custodian or otherwise, is authorized and empowered to purchase, sell, trade or otherwise deal in drafts, acceptances, notes, stocks, bonds or other securities and interests therein, whether registered or unregistered, certificated or uncertificated, of every kind and description whatsoever, including United States Registered Bonds, or any other securities or similar instruments or property whatsoever, and to appoint one or more attorneys for such purposes.

Section 18 – Article VII

Further Authorizations By Executive Instructions

Notwithstanding anything to the contrary appearing in the above Sections 9 through 17, by Executive Instructions, the Chief Executive Officer, or, in the absence of the Chief Executive Officer, the Chairman, the President or any Vice Chairman, may authorize and empower any officer or employee to exercise any of the powers or perform any of the functions specified therein, within such limits, if any, as may be set forth in such Executive Instructions.

STATEMENT OF AUTHORITIES GRANTED TO TRUST OFFICERS PURSUANT TO EXECUTIVE INSTRUCTION NO. X-170 Dated August 21, 1973

SUBJECT: EXTENSION OF AUTHORITIES GRANTED UNDER BANK'S BY-LAWS

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JoEtta Lemery
Assistant Secretary

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NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE

1169c (R 8/93)

EXTRACT FROM THE BY–LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

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Jo Etta Lowery
Assistant Secretary

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(SG)
SECURITIES TRANSFER AGENTS DISCLOSURE PROGRAM
SR

1169c (R 8/95)

EXTRACT FROM THE BY–LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

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Assistant Secretary

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(SEAL) X0020471
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM SIG

1169c (R 8/96)

EXTRACT FROM THE BY–LAWS OF

The Northern Trust Company

Chicago, Illinois

SUMMARY PROVISIONS

Section 12 – Article VII

Securities

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Jo Etta Lowery
Assistant Secretary

SIGNATURE GUARANTEED
MEDALLION GUARANTEED
NORTHERN TRUST COMPANY
Mary Ann Peterson
AUTHORIZED SIGNATURE
(93) X0929471
SECURITIES TRANSFER AGENTS MEDALLION PROGRAM SR

1169c (R 8/95)

Comerica Bank
June 3, 1998

AMERICAN ELECTRONICS INC
1600 E VALENCIA DRIVE
FULLERTON, CALIFORNIA 92631

RE: PAYOFF ON OBLIGOR # 0259870006 OBLIGATION # 59

CUSTOMER NAME: AMERICAN ELECTRONICS INC

Dear Sir / Madam:

The payoff figures you requested are as follows:

Current Unpaid Principal Balance:			$	2,280,338.48.
Interest to Requested Date:			$	3,663.09.
Per Diem:	$	554.73		
Fees:			$	0.00
Pre - Payment Penalty			$	246,697.84
Reconveyance Fee			$	65.00
Escrow Balance (Plus/Minus)			$	0.00
Total Amount Due to pay Loan in full as of 06/08/98			$	2,510,066.41.

Interest is due to the date the funds are available to this Bank.

For same-day credit, funds must be in the form of a wire transfer or a check drawn on COMERICA BANK. Any other form of payoff will be charged additional interest based on the above per diem rate until available funds are received. Funds must be received by our Wire Department by 3.30 PM, Pacific Standard Time, or they will be considered received the next business day. Wire transfer information is as follows:

Comerica Bank — ABA # 121137522
For credit to #21685-00010
MC 7578 — Commercial Lending Services
For final credit to: (Customer's name & loan number to be paid off.)

The above figures are subject to change due to prime rate fluctuations, returned checks (NSF), or stop payment transactions.

This payoff figure must be verified immediately before submitting the final payment. For verification amount, please contact Research & Analysis (800) 479-9750.

Sincerely,

Janet Genson /KS

Janet Genson
Loan Account Analyst
Commercial Lending Services
(800) 479-9750

ESTOPPEL CERTIFICATE

Jay-El Products, Inc.
23301 South Wilmington Ave.
Carson, California 90745

Gentlemen:

We understand that you are presently negotiating an agreement to purchase the stock of American Electronics, Inc. (the "Landlord"), owner of the property known as 1600 E. Valencia Drive, Fullerton, California, of which the Premises (defined below) are a part, and that as a condition to entering the agreement you have required this certificate by the undersigned (the "Tenant").

The Tenant hereby confirms the following:

1. That (i) the Lease (defined below) constitutes the entire agreement between Landlord and Tenant with respect to the leasing of the Premises, and there are no other understandings, contracts, agreements, or commitments of any kind between the Landlord and the Tenant; (ii) the Lease is in full force and effect and has not been modified, changed, altered, supplemented or amended in any respect: (iii) the Tenant has accepted possession and is in occupancy of the Premises; and (iv) the Lease term commenced in July, 1997, and will expire in September, 2002.

2. That (i) there is no existing default on the part of the Landlord under the Lease; and (ii) the Tenant currently has no defense, offset, lien, credit or deduction against the enforcement of the Lease or collection of the rent by the Landlord.

3. That the Tenant has no notice of a prior sale, transfer, assignment, hypothecation or pledge by the Landlord of the Lease or of the rentals accruing under the Lease.

4. That (i) the rent under the Lease is $16,320 per month, increasing to $17,952 in April, 2000; (ii) the Tenant has paid to the Landlord a security deposit of $17,105.00; and (iii) there are no prepaid rents.

5. That (i) "Premises" as used herein means approximately 40,800 square feet of the Landlord's building at 1600 E. Valencia Drive, Fullerton, California, more specifically defined in the Lease; and (ii) "Lease" as used herein means that certain Lease Agreement by and between Tenant and Landlord dated July 28, 1997.

Executed this 4th Day of June, 1998.

WILSON'S ART STUDIO, INC.
Tenant

By _____

Title VP PRODUCTION

DUCOMMUN INCORPORATED

July 17, 1998

VIA FEDERAL EXPRESS

Richard F. and Ann E. Holland, as
Trustees of the R. and A. Holland
Trust dated August 12, 1991
PRVY-Controlled/Privacy

Mr. Dominick J. Monaco
726 Bighorn Lane
Walnut, CA 91789

Re: American Electronics, Inc.

Dear Dick and Dominick:

Reference is made to the Stock Purchase and Sale Agreement by and among Ducommun Incorporated, Jay-El Products, Inc. and Certain Shareholders of American Electronics, Inc. dated as of June 8, 1998 (the "Stock Purchase Agreement"). Capitalized terms not otherwise defined herein shall have the same meaning as in the Stock Purchase Agreement.

Attached is the Reconciliation of Initial to Definitive Assumed Liabilities Schedule (the "Reconciliation"), the right column of which sets forth the Definitive Assumed Liabilities Schedule as contemplated by Section 2.5(b) of the Stock Purchase Agreement. As indicated on such Reconciliation, the Buyer will pay to the Sellers the amount of $18,745 as the difference between

ESTABLISHED IN 1849 • 111 WEST OCEAN BOULEVARD, SUITE 900 • LONG BEACH, CA 90802 • (562) 624-0800 / FAX: (562) 624-0789
MAILING ADDRESS: P.O. BOX 22677 • LONG BEACH, CA 90801-5677

the amount set forth in the Initial Assumed Liabilities Schedule and the amount set forth in the Definitive Assumed Liabilities Schedule.

Sincerely,

JAY-EL PRODUCTS, INC.

By:_____
James S. Heiser
Assistant Secretary

ACCEPTED AND AGREED:

RICHARD F. AND ANN E. HOLLAND,
AS TRUSTEES OF THE R. AND A. HOLLAND
TRUST DATED AUGUST 12, 1991

By:_____

Date: 7-20-98

_____
Dominick J. Monaco

Date: 7/20/98

Attachment
AEI:7-17-98 Letter

American Electronics, Inc.
Reconciliation of Initial to Definitive Assumed Liabilities Schedule
(As of June 8, 1998, except Note Payable - Bank as of June 9, 1998)

	Assumed Liabilities Schedule		
	Initial	Changes	Definitive
Accounts Payable Trade	75,986	-	75,986
Accrued Accounts Payable	10,000	(1,966)	8,034
Total Accounts Payable	85,986	(1,966)	84,020
Accrued Holiday Pay (Hourly Only)	8,465	(4,838)	3,627
Accrued Vacation Pay	133,785	(414)	133,371
Accrued Sick Pay	9,845	(822)	9,023
Subtotal	152,095	(6,074)	146,021
Accrued Payroll, w/e 5/3/98 & 6/7/98	26,500	(249)	26,251
Accrued Payroll, 6/8/98	10,800	(2,073)	8,727
Total Accrued Payroll	37,300	(2,322)	34,978
Payroll Taxes, w/e 6/7/98	56,272	713	56,985
Payroll Taxes - CSV of Insurance	154,728	-	154,728
Deferred Tax Liability	17,000	(8,000)	9,000
Sales Taxes	2,000	(85)	1,915
Total Taxes	230,000	(7,372)	222,628
Accounting (1997 Tax Return Preparation)	6,500	-	6,500
Rent Deposit	17,105	-	17,105
Deferred Income (Rent and Other)	14,480	-	14,480
Credit Union	6,400	(22)	6,378
Employee Recreation Assoc	270	-	270
Royalty	100	(65)	35
Accrued PSP Trustee Fee	2,500	-	2,500
Total Other	47,355	(87)	47,268
Note Payable - Bank	2,520,540	-	2,520,540
Accrued Environmental [1]	50,000	-	50,000
Subtotal	2,570,540	-	2,570,540
Total	3,123,276	(17,821)	3,105,455
Cash	1,457,257	(924)	1,458,181
Grand Total		(18,745)	

[1] For groundwater monitoring and remediation of AEI property.

AMERICAN ELECTRONICS, INC.
1600 E. Valencia Drive, Fullerton, Calif. 92831-4735
Phone (714) 871-3020 FAX (714) 871-1403

July 21, 1998

Mr. James S. Heiser
Ducommun Incorporated
111 W. Ocean Blvd., Suite 900
Long Beach, CA 90802

Dear Jim,

Enclosed is the executed Reconciliation of the Initial to Definitive Assumed Liability Schedule.

Please wire transfer the funds due as follows:

Bank of America		121000358
R.F. Holland	A/C	PRVY-Controlled/Privacy
D.J. Monaco	A/C	[redacted]
	Total	18,745.00

If you need any additional information, please contact me.

Yours truly,

AMERICAN ELECTRONICS DIV.

D.J. Monaco

DJM:kc

encl.

CLOSING MEMORANDUM

ACQUISITION OF AMERICAN ELECTRONICS, INC.

BY

DUCOMMUN INCORPORATED

JUNE 9, 1998

Definitions

Agreement	Stock Purchase Agreement dated as of June 8, 1998 by and among Ducommun Incorporated, Jay-El Products, Inc. and certain shareholders of American Electronics, Inc.
Buyer	Jay-El Products, Inc.
Common Stock	Common Stock, par value $10.00 per share, of the Company
Company	American Electronics, Inc., a California corporation
Ducommun	Ducommun Incorporated, a Delaware corporation
Other Purchase Agreements	Purchase Agreements dated as of June 9, 1998, by and among Buyer and Other Sellers
Other Sellers	Certain shareholders of the Company as set forth in Exhibit A to the Agreement
Sellers	Certain shareholders of the Company as set forth in the preamble to the Agreement

Except as otherwise defined herein, capitalized terms shall be as defined in the Agreement.

I. Action Taken Prior to the Closing

A. The Board of Directors of Buyer authorized the execution, delivery and performance of the Agreement by Buyer.

B. The Board of Directors of Ducommun authorized the execution, delivery and performance of the Agreement by Ducommun.

C. Richard Holland, Dominick Monaco and William Holland entered into agreements terminating their respective Employment Agreements in consideration of payment by the Company of the amount it received in payment of the cash surrender value on cancellation of universal life insurance policies carried to support the payment of retirement benefits under such Employment Agreements.

D. The Board of Directors of the Company authorized certain actions contemplated by the Agreement.

E. The parties prepared all estimates of cash payable at Closing and an Initial Assumed Liabilities Schedule and, on the basis of those estimates, completed Exhibit A to the Agreement.

F. Buyer obtained an ALTA Survey and ALTA Title Insurance as contemplated by Section 5.9 of the Agreement.

II. The Closing

The Closing will be held on Tuesday, June 9, 1998, at 10:00 a.m., local time, in the offices of Heller Ehrman White & McAuliffe, 601 South Figueroa Street, 40th Floor, Los Angeles, California. All of the transactions at the Closing will be deemed to have been completed simultaneously, and no transaction will be deemed to have been completed and no document will be deemed to have been delivered until all transactions have been completed and all documents have been delivered. However, for tax, financial accounting and other purposes, the Closing will be deemed to have occurred as of June 8, 1998.

A. The Agreement (together with Exhibit A and Schedules) will be executed and delivered by all parties thereto.

B. The Sellers will deliver the following to Buyer:

1. Certificates representing the Shares, accompanied by duly executed stock powers from each of the Sellers for transfer to Buyer.

2. A certificate executed by the Principals to the effect that (A) each of Sellers' representations and warranties in the Agreement was accurate in all respects as of the date of the Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date, and (B) all covenants required to be complied with by Sellers prior to the Closing Date have been complied with in all respects.

3. An Estoppel Certificate from Wilson's Art Studio.

4. Written confirmation from Comerica Bank - California as to the pay off amount as of the Closing under all outstanding indebtedness of the Acquired Companies.

5. Buyer's standard offer of employment letter, employment application and arbitration agreement signed by all employees of the Acquired Companies.

B. The Other Sellers will deliver the following to Buyer:

1. Certificates representing the Other Shares, accompanied by duly executed stock powers from each of the Other Sellers for transfer to Buyer.

2. Other Purchase Agreements executed by each of the Other Sellers and beneficial owners.

C. Buyer will deliver the following to the Sellers:

1. The amounts set forth opposite their names on Exhibit A by wire transfer to the accounts specified by each of the Sellers.

2. A certificate executed by Buyer and Ducommun to the effect that (A) each of Buyer's and Ducommun's representations and warranties in the Agreement was accurate in all respects as of the date of the Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date, and (B) all covenants required to be complied with by Buyer and Ducommun prior to the Closing Date have been complied with in all respects.

D. An Employment Agreement will be executed and delivered between William Holland and Buyer.

E. Noncompetition Agreements will be executed and delivered between Buyer and each of Richard Holland, Dominick Monaco and William Holland, and the amount payable at execution by Buyer will be paid by wire transfer to William Holland.

F. Buyer will deliver the following to the Other Sellers:

1. The amounts set forth opposite the name of each of the Other Sellers on Exhibit A to the Agreement by wire transfer to accounts specified by each of the Other Sellers.

2. Other Purchase Agreements executed by Buyer.

III. Action to be Taken Following the Closing

A. Each of Richard Holland, Dominick Monaco and William Holland will deliver to the Company a personal check for the automobile being purchased from the Company pursuant to Section 5.10 of the Agreement.

B. Directors of the Company will be elected by Buyer as the sole shareholder of the Company, and officers of the Company will be elected by the directors.

C. The stock certificates to be delivered by Sellers and Other Sellers will be placed in the stock book of the Company and canceled.

D. A new stock certificate will be issued by the Company evidencing 51,500 shares of Common Stock in the name of Buyer.

E. The indebtedness of the Company due Comerica Bank-California will be retired.

F. Buyer will furnish to Principals the Definitive Assumed Liabilities Schedule within 30 days following the Closing Date and, subject to the procedure set forth in Section 2.5 of the Agreement, payment will be made pursuant to Section 2.5(d).

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06/08/98 6:35 PM

DUCOMMUN INCORPORATED

CONTACTS: Joseph C. Berenato
President and Chief Executive Officer
(562) 951-1751

Lori C. Parks
Silverman Heller Associates
(310) 208-2550

FOR IMMEDIATE RELEASE

DUCOMMUN INCORPORATED ANNOUNCES ACQUISITION OF AMERICAN ELECTRONICS, INC.

LOS ANGELES, California (June 10, 1998) – Ducommun Incorporated (NYSE: DCO) today announced that it has acquired American Electronics, Inc. ("AEI"), a privately held company based in Fullerton, California. AEI is a leading manufacturer of high-precision actuators, stepper motors, fractional horsepower motors and resolvers principally for commercial and military space applications. Calendar 1997 sales of AEI exceeded $7.1 million, of which approximately 60% were to space markets.

William E. Holland, president of AEI, will remain with the Company. AEI will be integrated with Jay-El Products, Inc., an existing Ducommun subsidiary, which supplies illuminated push button switches and keyboard panels, as well as microwave switches for applications in commercial and military aerospace, space and wireless telecommunications. After a short transition period, AEI will be relocated to Jay-El's Carson, California, facility.

Ducommun believes that the close similarities between Jay-El and AEI, especially in the areas of manufacturing, engineering, sales and marketing, will benefit both businesses. AEI supplies a number of high-reliability, proprietary products in the space sector, which will reinforce Jay-El's penetration into this growing market. At the same time, Jay-El's greater financial, engineering, sales and marketing resources should allow for the rapid growth of AEI's products in the years ahead.

- more -

AMERICAN ELECTRONICS, INC.
SETTLEMENT STATEMENT

	Purchase Price
	$8,650,000
Deferred Amount	1,575,000
Initial Assumed Liabilities	-3,123,276
Cash (1)	1,457,259
Total	$8,558,983

Seller	No. of Shares	Percent Ownership	Purchase Price	Adjustment (2)	Adjusted Purchase Price	Deferred Purchase Price (3)	Cash Purchase Price	Noncompete	Total Cash Payable at Closing
Richard & Ann Holland Trust	8,000	15.53398%	$1,329,550.76	$134,784.06	$1,464,334.82	$289,655.17	$1,174,679.65		$1,174,679.65
Northern Trust FBO R. Holland	19,500	37.86408%	3,240,779.97	-136,310.68	3,104,469.29	706,034.48	2,398,434.81		2,398,434.81
Dominick Monaco	13,000	25.24272%	2,160,519.98	78,419.82	2,238,939.80	470,689.66	1,768,250.14		1,768,250.14
Northern Trust FBO D. Monaco	3,000	5.82524%	498,581.53	-20,970.87	477,610.66	108,620.69	368,989.97		368,989.97
William Holland	500	0.97087%	83,096.92	-3,495.15	79,601.78		79,601.78	PRVY-Controlled/Privacy	179,601.78
George Caple	1,000	1.94175%	166,193.84	-6,990.29	159,203.55		159,203.55		159,203.55
Northern Trust FBO G. Caple	2,000	3.88350%	332,387.69	-13,980.58	318,407.11		318,407.11		318,407.11
Paul Lee	1,000	1.94175%	166,193.84	-6,990.29	159,203.55		159,203.55		159,203.55
Northern Trust FBO P. Lee	1,000	1.94175%	166,193.84	-6,990.29	159,203.55		159,203.55		159,203.55
Northern Trust FBO R. Harris	1,500	2.91262%	249,290.77	-10,485.44	238,805.33		238,805.33		238,805.33
Northern Trust FBO S. Method	500	0.97087%	83,096.92	-3,495.15	79,601.78		79,601.78		79,601.78
Northern Trust FBO J. Roades	500	0.97087%	83,096.92	-3,495.15	79,601.78		79,601.78		79,601.78
Total	51,500	100.00000%	$8,558,983.00	$0.00	$8,558,983.00	$1,575,000.00	$6,983,983.00	$100,000.00	$7,083,983.00

MEMO: (1) Estimated cash minus outstanding checks.

(2) Purchase price adjusted for $360,000 of estimated investment bankers' and legal fees to be assumed by Richard & Ann Holland Trust and Dominick Monaco.

(3) Deferred purchase price allocated as follows:

Holland Trust	18.3908%
N.T. FBO Holland	44.8276%
Dominick Monaco	29.8851%
N.T. FBO Monaco	6.8966%
Total	100.0000%

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1-800-421-5032 (Outside CA)
FAX: (714) 871-1403

AGREEMENT OF SALE OF BUSINESS

This Agreement of Sale of Business ("Agreement") is made on October ___, 1998 between American Electronics, Inc. ("Seller") and D/A Pacific, Inc., a California corporation ("Buyer").

RECITALS

WHEREAS, Seller (i) manufactures and sells certain 16mm cameras; and (ii) sells and processes film cartridges for such cameras under the name "Micro•Check"; and,

WHEREAS, Seller desires to sell all of the assets of the film sales and processing business to Buyer, and Buyer desires to purchase all of the assets of the film sales and processing business from the Seller.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Purchase and Sale of Business

Seller shall sell to Buyer, and Buyer shall purchase from Seller, on the terms and conditions set forth in this Agreement, the following property of the film sales and processing business:

(a) All the furniture, fixtures, equipment, and other tangible assets shown on the attached inventory marked "Exhibit A" attached hereto and by this reference made a part hereof; and

(b) Seller will share with Buyer the current Micro•Check 16mm film processing customer list, provided that the Buyer agrees not to compete by selling Micro•Check cameras to customers from the list.

2. Condition of Tangible Assets

Buyer agrees to inspect all of the fixtures, equipment, and other tangible assets shown on the attached inventory marked "Exhibit A" that are being sold to Buyer, and to accept them in an "as is" condition.

A RELIABLE IMAGE

3. Purchase Price

The purchase price shall be allocated as follows:

1.	Furniture, fixtures, and equipment:	$ 5,000.00
2.	Goodwill:	$30,000.00 (min.)

The payment for the goodwill shall be made from a percentage of the monthly sales equaling fifteen percent (15%) of the gross sales of 16mm film and processing to purchasers set forth on Exhibit B (or any additions thereto) for a period of three (3) years from the execution of this Agreement, but in no event shall payments to Seller be less than $10,000.00 for any single year during the three year period. Payments shall be made on a quarterly basis to the address and in the manner set forth in Paragraph 13, below.

4. Time and Place of Sale

The sale and purchase of said property and 16mm Micro•Check film processing cartridge sales pursuant to this Agreement shall be as of the date of signing of this Agreement.

5. Bill of Sale

Seller hereby agrees to execute a bill of sale for all equipment, and the rights to solely process and distribute 16mm film installed in Micro•Check cartridges.

6. Report of Sales

Buyer shall furnish the Seller quarterly a report of all sales of 16mm film products (cassettes) to Seller's pre-existing and future customer base. Upon request, Buyer shall allow Seller to audit such reports and shall provide Seller (officers of company) with access to all of its records and personnel for the purpose of such audit.

7. No Representations or Warranties - except as provided in this agreement

The Seller makes no representations or warranties of any kind to the Buyer.

8. Confidential Information

Exhibit B (and any additions thereto) shall be a trade secret and be deemed as confidential information shared by Buyer and Seller.

9. Limitation of Liability

Seller shall not be liable for consequential, incidental, indirect or special damages under any circumstances. Seller's liability shall not exceed $5,000 under any circumstances.

10. Agreement Not To Compete

During the three year payment period set forth in Paragraph 3 above, Seller shall not, directly or indirectly, engage in the sale or processing of Micro•Check 16mm film, except that Seller may include one (1) Micro•Check 16mm film cartridge in the initial sale of any new or refurbished Micro•Check 16mm camera.

11. Entire Agreement

This Agreement constitutes the entire agreement between Buyer and Seller concerning their rights and obligations with respect to the sale and purchase of the business. Any agreements or representations respecting the business or its sale to Buyer not expressly set forth in this Agreement shall have no effect, unless such written agreement or modification is signed by both parties.

12. Amendment of Agreement

This Agreement may be amended or modified at any time with respect to any provision by a written instrument executed by Buyer and Seller.

13. Attorneys' Fees

If Buyer or Seller brings any legal action or seeks arbitration regarding any provision of the Agreement, the prevailing party in the litigation or arbitration shall be entitled to recover reasonable attorneys' fees from the other party, in addition to any other relief that may be granted. Buyer and Seller were each represented by an attorney in the negotiation and execution of the Agreement.

14. Notices

Any notice required or permitted to be given under this Agreement shall be written, and may be given by personal delivery or by registered or certified mail, first-class postage prepaid, return receipt requested. Notice shall be deemed given upon actual receipt in the case of personal delivery, or upon mailing. Mailed notices shall be addressed as follows, but each party may change address by written notice in accordance with this paragraph.

To Buyer:	D/A Pacific, Inc. 75-101 Sego Ln., Suite H Palm Desert, CA 92211	To Seller:	Ducommun, Inc. 111 W. Ocean Blvd, Suite 900 Long Beach, CA 90802

15. Assignment Prohibited

Neither Buyer nor Seller shall assign any right or interest arising under this Agreement without the prior written consent of the other.

16. Binding on Heirs

This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of Buyer and Seller.

17. Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the State of California.

18. Authority

The undersigned hereby warrant that they are legally authorized to and entitled to enter into this Agreement, and that each person signing this Agreement on behalf of an entity specifically represents that he/she has the full and unconditional authority to do so.

Executed this 19 day of October, 1998

SELLER:

American Electronics, Inc.
by Bill Holland, President

BUYER:

D/A Pacific, Inc., a California Corporation
by Doug Hassett, President

AGREEMENT OF PURCHASE AND SALE

AND JOINT ESCROW INSTRUCTIONS

(1600 East Valencia Drive, Fullerton, California 92831)

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EXHIBITS

EXHIBIT "A" DESCRIPTION OF PROPERTY
EXHIBIT "B" GRANT DEED
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EXHIBIT "D" FIRPTA CERTIFICATE
EXHIBIT "E" CALIFORNIA FORM 590-RE

AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

TO: Lawyers Title Company, Commercial Escrow
18551 Von Karman, Suite 100
Irvine, California 92612

Escrow No. 50602 KH
Escrow Officer: Kathleen Huntsman, Senior Commercial Escrow Officer
Title Order No. _____
Title Officer: _____

AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made and entered into as of this 1st day of August, 2003, by and between AMERICAN ELECTRONICS, INC., a California corporation ("Seller"), and WOHL INVESTMENT COMPANY, INC. a California corporation ("Buyer"), with respect to the following:

RECITALS:

A. Seller is the owner of that certain real property and improvements and fixtures located in the City of Fullerton, County of Orange ("County"), State of California, and more particularly described on Exhibit "A" attached hereto (which together with any and all development rights, entitlements, easements and other property rights related thereto is hereinafter referred to as the "Property").

B. Seller desires to sell the Property to Buyer and Buyer desires to purchase the Property from Seller upon the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree that the terms and conditions of this Agreement and the instructions to Lawyers Title Company, Commercial Escrow ("Escrow Holder") with regard to the escrow ("Escrow") created pursuant hereto are as follows:

AGREEMENT:

1. Purchase and Sale. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein set forth.

2. Purchase Price.

(a) Price. The purchase price ("Purchase Price") for the Property shall be Four Million Eight Hundred Fifty Thousand Dollars ($4,850,000.00).

3. Payment of Purchase Price. The Purchase Price for the Property shall be paid by Buyer as follows:

(a) Initial Deposit. Upon the delivery by Buyer to Escrow Holder of a fully executed original or an originally executed counterpart of this Agreement, Buyer shall deposit with Escrow Holder, in cash, by certified or bank cashier's check made payable to Escrow Holder, or by a confirmed wire transfer of funds (hereinafter referred to as "Immediately Available Funds"), the sum of One Hundred Thousand Dollars ($100,000.00) (the "Initial Deposit"). Escrow Holder shall place the Initial Deposit in an interest-bearing account acceptable to Buyer. The Initial Deposit and the interest accrued thereon shall be nonrefundable to Buyer from and after the expiration of the "Contingency Period" (as defined in Paragraph 7(a)(ii) below) and shall (i) be applicable to the Purchase Price upon the "Close of Escrow" (as defined in Paragraph 4(b) below), or (ii) shall constitute "Liquidated Damages" as provided in and subject to the provisions of Paragraph 16 below, if the Escrow fails to close as a result of Buyer's default.

(b) Final Deposit. On or before the expiration of the Contingency Period, provided Buyer has not elected to earlier terminate this Agreement in accordance with its rights to do so contained herein, Buyer shall deposit with Escrow Holder, in Immediately Available Funds, the additional sum of One Hundred Thousand Dollars ($100,000.00) (the "Final Deposit"). Escrow Holder shall place the Final Deposit in an interest-bearing account acceptable to Buyer. The Final Deposit and the interest accrued thereon shall be applicable to the Purchase Price upon the Close of Escrow and shall, except as expressly otherwise provided herein, be nonrefundable to Buyer. If the Escrow fails to close as a result of Buyer's default, the Initial Deposit and the Final Deposit shall constitute "Liquidated Damages" as provided in and subject to the provisions of Paragraph 16 below. The Initial Deposit and the Final Deposit are sometimes hereinafter collectively referred to as the "Deposit". If the Escrow fails to close due to Seller's default, the Deposit, or so much thereof as has been deposited by Buyer, together with the interest earned thereon, shall be returned to Buyer. Otherwise, the Deposit shall be non-refundable to Buyer.

(c) Closing Funds. At least one (1) business day prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder, in Immediately Available Funds, the balance of the Purchase Price as determined pursuant to this Agreement, plus Escrow Holder's estimate of Buyer's share of closing costs, prorations and charges payable pursuant to this Agreement.

4. Escrow.

(a) Opening of Escrow. For purposes of this Agreement, the Escrow shall be deemed opened on the date Escrow Holder shall have received the Initial Deposit from Buyer and a fully executed original or originally executed counterparts of this Agreement from Seller and Buyer (the "Opening of Escrow"), and Escrow Holder shall notify Buyer

and Seller, in writing, of the date Escrow is opened. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder or other instruments as may reasonably be required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portions of this Agreement. To the extent of any inconsistency between the provisions of such supplemental instructions and the provisions of this Agreement, the provisions of this Agreement shall control.

(b) Close of Escrow. For purposes of this Agreement, the "Close of Escrow" shall be defined as the date that the grant deed ("Grant Deed"), the form of which is attached hereto as Exhibit "B", conveying the Property to Buyer, is recorded in the Official Records of Orange County, California (the "Official Records"). This Escrow shall close on or before that date which is thirty (30) days after the end of the Contingency Period, as defined below ("Closing Date"). The period commencing with the Opening of Escrow and continuing through the Close of Escrow shall hereinafter be referred to as the "Escrow Period."

5. Condition of Title. It shall be a condition to the Close of Escrow for Buyer's benefit that title to the Property be conveyed to Buyer by the Grant Deed subject to the following condition of title ("Condition of Title"):

(a) a lien to secure payment of general and special real property taxes and assessments, not delinquent;

(b) the lien of supplemental taxes arising from this transaction assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code;

(c) matters affecting the Condition of Title created by or with the written consent of Buyer; and

(d) all exceptions, matters and encumbrances of record other than those which are objected to in accordance with Paragraph 7(a)(ii) below.

6. Title Policy; Survey. Title shall be evidenced by the irrevocable written commitment of Escrow Holder in its capacity as title insurer ("Title Company") to issue an ALTA Owner's Policy of Title Insurance (Form B, Rev. 10/17/70) in the amount of the Purchase Price, insuring fee simple title to the Property in Buyer, subject only to exceptions described in Paragraph 5 hereof, and containing such endorsements as Buyer may require (the "Title Policy"). Buyer shall, within five (5) business days after the date hereof, retain the services of a licensed surveyor which shall be instructed to prepare (at Buyer's sole cost and expense) an ALTA survey of the Property (the "Survey"). Buyer shall use commercially reasonable efforts to cause the

surveyor to complete the first draft of the Survey within fifteen (15) days from the date of such engagement.

7. Conditions to Close of Escrow.

(a) Conditions to Buyer's Obligations. Buyer's obligation to consummate the transaction contemplated by this Agreement is subject to the satisfaction of the following conditions for Buyer's benefit (or Buyer's waiver thereof, it being agreed that Buyer may waive any or all of such conditions) on or prior to the dates designated below for the satisfaction of such conditions.

(i) Buyer's Review of Title. Seller shall, prior to the execution of this Agreement, caused the Title Company to deliver to Buyer a preliminary title report with respect to the Property (the "Report"), together with copies of all documents referred to in the Report (the "Underlying Documents"). Buyer shall give Seller and Escrow Holder written notice of Buyer's disapproval of any matters affecting title (each, a "Buyer's Title Notice"): (A) no later than 5:00 p.m. Pacific Time on the date which is ten (10) days following the date of this Agreement (the "Title Review Period"), as to all matters shown in the Report and the Underlying Documents other than those the effect of which can only be determined by reference to its location on the Survey, (B) no later than 5:00 p.m. Pacific Time on the date which is five (5) business day after the date of the first draft of the Survey, as to all matters the effect of which can only be determined by reference to its location on the Survey, and (C) as to those matters of record which are not disclosed in the Report (or the Underlying Documents) and which are first brought to the attention of Buyer after the date which shall be two (2) business days prior to the last day of the Title Review Period, Buyer must notify Seller of Buyer's objection thereto within two (2) business days after receipt of notice thereof. The failure of Buyer to give Buyer's Title Notice or to object to any matters affecting title within the time periods specified herein shall be deemed to constitute Buyer's approval thereof.

(A) If Buyer expressly disapproves or expressly conditionally approves any matter of title shown in the Title Documents, then Seller may, but shall have no obligation to, within five (5) days after its receipt of Buyer's Title Notice ("Seller's Election Period"), elect to eliminate or ameliorate to Buyer's reasonable satisfaction the disapproved or conditionally approved title matters by giving Buyer written notice ("Seller's Title Notice") of those disapproved or conditionally approved title matters, if any, which Seller agrees to so eliminate or ameliorate by the Closing Date, provided that Seller shall have no obligation to pay any consideration or incur any liability in order to evaluate or ameliorate such disapproved title matters, except for such matters as Seller has agreed, in writing, to cure pursuant hereto. Seller shall be entitled to one or more

reasonable extensions of the Closing Date, not to exceed ninety (90) days, to so eliminate or ameliorate to Buyer's reasonable satisfaction the disapproved or conditionally approved title matters.

(B) If Seller does not elect to eliminate or ameliorate any disapproved or conditionally approved title matters, or if Buyer disapproves Seller's Title Notice, or if Seller fails to timely deliver Seller's Title Notice, then Buyer shall have the right, upon delivery to Seller and Escrow Holder (on or before five (5) days following the expiration of Seller's Election Period) of a written notice, to either: (1) waive its prior disapproval in which event said disapproved matters shall be deemed approved; or (2) terminate this Agreement and the Escrow created pursuant hereto in which event Buyer shall be entitled to the return of the Deposit, together with all interest accrued thereon while in Escrow. Failure to take either one of the actions described in (1) and (2) above shall be deemed to be Buyer's election to take the action described in (1) above.

(C) If, in, Seller's Title Notice, Seller has agreed to either eliminate or ameliorate to Buyer's satisfaction by the Closing Date certain disapproved or conditionally approved title matters described in Buyer's Title Notice, but Seller is unable to do so, then Buyer shall have the right (which shall be Buyer's sole and exclusive right or remedy for such failure), upon delivery to Seller and Escrow Holder (on or before one (1) business day prior to the Closing Date) of a written notice to either: (1) waive its prior disapproval in which event said disapproved matters shall be deemed approved; or (2) terminate this Agreement and the Escrow created pursuant hereto in which event Buyer shall be entitled to the return of the Deposit, together with all interest accrued thereon while in Escrow. Failure to take either one of the actions described in (1) and (2) above shall be deemed to be Buyer's election to take the action described in (1) above.

(D) In the event this Agreement is terminated pursuant to the provisions of this Paragraph 7(a)(i), neither party shall have any further rights or obligations hereunder, except that the indemnity obligations of Buyer set forth in Paragraph 7(a)(ii)(A) below and the indemnity obligations of Buyer and Seller under Paragraph 19 hereof shall survive any such termination.

(ii) Buyer's Review of the Property and Related Documents and Materials. Buyer shall have until 5 p.m. Pacific Time on the date which is thirty (30) days following the mutual execution of this Agreement (such period of time shall be referred to herein as the "Contingency Period") to satisfy itself, in Buyer's

sole and absolute discretion, as to the following matters. If, during the Contingency Period, Buyer determines that it is dissatisfied with any aspects of the Property or its condition or suitability for Buyer's intended use or with the "Documents and Materials" (defined below), then Buyer may terminate this Agreement and the Escrow created pursuant hereto, by delivering written notice to Seller and Escrow Holder on or before the expiration of the Contingency Period of Buyer's election to terminate. If Buyer fails to deliver any such termination notice to Seller and Escrow Holder on or before the expiration of the Contingency Period, then Buyer shall be deemed to be satisfied with all aspects of the Documents and Materials and the Property, including, without limitation, the condition and suitability of the Property for Buyer's intended use.

(A) Buyer's Review of the Property and Related Matters. Buyer shall be satisfied with all aspects of the Property and its condition and suitability for Buyer's intended use thereof, including, without limitation, the zoning for the Property, the condition of the soil and the availability of all utilities, permits, licenses, variances and the like necessary for Buyer's intended use of the Property. During the Escrow Period, Buyer, its agents, employees, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times, and upon reasonable notice to Seller, during ordinary business hours, to make such inspections, surveys and tests as may be necessary in Buyer's discretion, including, without limitation soils tests, toxic waste analysis, geological and/or engineering studies and land use or related studies; provided, however, if Buyer proposes to make any tests in connection with any Phase II environmental report or any other tests which involve drilling, boring or other similar intrusive or invasive action in, on, or under the Property (including the Building), then (y) Buyer shall provide Seller with reasonable prior written notice (in no event less than seventy-two (72) hours) to making any such tests, and (z) Seller shall have the right to approve of the scope and methods of such testing in Seller's reasonable discretion (it being understood and agreed by the parties that such approval will be based upon, among other things, a reasonably detailed workplan submitted in advance of any such testing). Notwithstanding the foregoing, Buyer shall have the right to conduct invasive testing on the Property, but only with respect to, and in the precise vicinity of, the Specific/Identified Existing Conditions (as hereinafter defined) which are more particularly identified and described in the Phase I Report (as hereinafter defined) in order to determine the presence or lack thereof of any hazardous materials, and Seller acknowledges Buyer's intent and election to do so under the express condition that such invasive testing shall not expand beyond the scope described above. Buyer shall use care and consideration in connection with any of its inspections or tests and

Seller shall have the right to be present during any inspection of the Property by Buyer or its agents. In furtherance of the foregoing, Seller shall have the right to reasonably approve of any environmental consultants retained by Buyer to make any Phase II or other intrusive investigation, and shall have the option to cancel any proposed entry by Buyer until Seller shall have approved of the proposed scope of investigation and the identity of Buyer's consultants. Buyer shall restore the Property to its original condition after any and all tests and/or inspections. Buyer hereby indemnifies, protects, defends (with counsel acceptable to Seller) and holds Seller, its shareholders, officers, directors, agents and employees, and any tenants or occupants of the Property (collectively, "Seller's Indemnitees") harmless from and against any and all costs, losses, liabilities, damages, lawsuits, judgments, actions, proceedings, penalties, demands, reasonable attorneys' fees, mechanic's liens, or expenses of any kind or nature whatsoever, arising out of or resulting from any entry and/or activities upon the Property by Buyer pursuant to this subparagraph (A), except to the extent such liabilities are attributable to the Seller's Indemnitee's own gross negligence or willful misconduct. The indemnification obligations of Buyer hereunder shall survive the Closing. The foregoing provisions shall not be deemed to give rise to any right or remedy against Buyer in the event that Buyer's due diligence results in the discovery of any hazardous materials on or under the Property, nor for the subsequent affect of such discovery on the value of the Property.

(B) Review and Approval of Documents and Materials. Throughout the Escrow Period, and commencing not less than five (5) days after the Opening of Escrow, Seller will make available to Buyer during normal business hours, copies of all existing building reports, certificates of occupancy, permits, as-built plans and specifications engineering data, non-financial data, environmental reports, grading plans, topographical maps, leases and service or maintenance contracts and any and all other documents and instruments, if any, relating to the use, ownership or development of the Property that are, to the actual knowledge of the officers of Seller, in Seller's possession unless such items are subject to a confidentiality agreement that requires such item or document be kept in confidence (collectively, the "Documents and Materials").

(C) Survey Approval. Buyer's approval of the Survey.

(D) Insurance. At all times during the Contingency Period, and prior to the Closing if Buyer does not elect to terminate this Agreement in

accordance with this Section 7(a)(ii), Buyer and its consultants and contractors entering upon the Property shall be required to maintain liability insurance with coverage of not less than $2 million (per occurrence). Prior to its entry upon the Property, Seller shall have received certificates of insurance demonstrating such insurance coverage with insurers reasonably satisfactory to Seller. Such certificates shall indicate that Seller is a named additional insured.

(E) Estoppel Certificates. Seller shall, in accordance with Buyer's reasonable request, use commercially reasonable efforts to obtain estoppel certificates from the tenants under Leases (as defined below) in the form of Exhibit "C" attached hereto (which is the form prescribed in the Leases). While Seller shall use all commercially reasonable efforts to obtain such estoppel certificates prior to the Close of Escrow, in no event shall the failure of Seller to obtain any such estoppel certificates be a default of Seller hereunder, provided Seller uses its reasonable and diligent efforts to do so; provided, however, that Buyer shall be entitled to extend the date established herein for the Close of Escrow for such period as may be reasonably necessary (not to exceed thirty (30) days) in order to obtain estoppels from such tenants and Seller's inability to deliver estoppel certificates from the tenants shall be a condition precedent for Buyer to close hereunder unless waived by Buyer.

(iii) Seller's Obligations. As of the Close of Escrow Seller shall have timely performed all of the obligations required to be performed by Seller under this Agreement and Seller's representations and warranties contained in this Agreement shall still be correct.

(iv) Authority. Prior to Closing, Seller shall have provided Buyer with a certificate of the Secretary of Seller, indicating that the transactions contemplated by this Agreement have been duly authorized by Seller, that the persons executing this document and all others contemplated hereunder have been duly authorized, empowered and directed to do so, and that Seller is bound thereby.

(b) Conditions to Seller's Obligations. For the benefit of Seller, the Close of Escrow shall be conditioned upon the occurrence or satisfaction (or Seller's written waiver thereof, it being agreed that Seller may waive such condition) of the following conditions for Seller's benefit:

(i) Buyer's Performance. As of the Close of Escrow, Buyer shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Buyer.

(ii) Good Standing. Prior to Closing, Buyer shall have provided Seller with a certificate of good standing from the California Secretary of State indicating that Buyer is authorized to do business in California, and is in good standing as a foreign corporation in said state.

(iii) Authority. Prior to Closing, Buyer shall have provided Seller with a certificate of a senior officer of Buyer, indicating that the transactions contemplated by this Agreement have been duly authorized by Buyer, that the persons executing this document and all others contemplated hereunder have been duly authorized, empowered and directed to do so, and that Buyer is bound thereby.

8. Deposits by Seller. At least one (1) business day prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents or instruments.

(a) Grant Deed. The Grant Deed in the form attached hereto as Exhibit "B" duly executed by Seller and properly acknowledged; and

(b) FIRPTA Certificate. A certificate of non-foreign status (the "FIRPTA Certificate"), duly executed by Seller, in the form attached hereto as Exhibit "D".

(c) California Form 590 RE. A California Form 590 RE in the form attached hereto as Exhibit "E".

9. Deposits By Buyer. Buyer shall deposit or cause to be deposited with Escrow Holder the Deposit, which is to be applied towards the payment of the Purchase Price, and the balance of the Purchase Price and other sums due from Buyer hereunder in the amounts and at the times set forth herein.

10. Costs and Expenses. The cost of the Title Policy shall be paid by Seller, provided that Buyer shall pay and be solely responsible for any additional premiums or other costs additional to the premium for CLTA coverage for the ALTA Extended Coverage and/or any title endorsements to the Title Policy. The escrow fee of Escrow Holder and related costs (including, without limitation, Escrow Holder's customary charges to buyers and sellers for document drafting and miscellaneous charges) shall be shared equally between Buyer and Seller. Seller shall pay all recording fees and documentary transfer taxes payable in connection with the recordation of the Grant Deed. If as a result of no fault of Buyer or Seller (i.e., a condition the Close of Escrow is not satisfied or waived), Escrow fails to close, Buyer and Seller shall share equally all of Escrow Holder's fees and charges. Buyer and Seller shall pay their respective legal fees and costs in connection with the transaction described herein, except as expressly provided to the contrary in Paragraph 20 herein.

11. Prorations. All taxes, assessments, charges, expenses, rent and revenues and other income shall be prorated between Seller and Buyer as of 12:01AM on the day of the Close of Escrow (the "Cut-Off Time") (except as otherwise specifically provided). Without limiting the generality of the foregoing, specific charges and income shall be prorated as follows:

(a) Taxes and Assessments. Real and personal property taxes and assessments on the Property shall be prorated on the basis that Seller is responsible for (i) all such taxes for or relating to the fiscal years of the applicable taxing authorities occurring prior to the "Current Tax Period" (as hereinafter defined) and (ii) that portion of such taxes for the Current Tax Period determined on the basis of the number of days which have elapsed from the first day of the Current Tax Period to the Close of Escrow, inclusive, whether or not the same shall be payable prior to the Close of Escrow; provided, however, that no such prorations shall be required if and to the extent that such taxes and assessments are paid or required to be paid by tenants as operating costs pass-throughs under Leases (as defined below). The phrase "Current Tax Period" refers to the fiscal year of the applicable taxing authority in which the Close of Escrow occurs. In the event that as of the Close of Escrow the actual tax bills for the year or years in question are not available and the amount of taxes to be prorated as aforesaid cannot be ascertained, then rates and assessed valuation of the previous year, with known changes, shall be used, and when the actual amount of taxes and assessments for the year or years in question shall be determinable, then such taxes and assessments to be prorated hereunder will be reprorated between the parties to reflect the actual amount of such taxes and assessments.

(b) Tenant Rents and Security Deposits. Rental amounts ("Rent") payable by the tenants under the Leases shall be prorated as of the Cut-Off Time on a per diem basis and Buyer shall receive a credit for (i) its proportionate share of the rent previously received by Seller for the month in which the Close of Escrow occurs, and (ii) the amount of all security deposits under all such leases. In the case of a tenant which has any security deposit and the Lease for such tenant permits Seller to apply all or a portion of the security deposit to cure any of the tenant's defaults and requires the tenant to replenish the deposit in full, any tenant delinquencies may be offset against the security deposit credit for that tenant to be given at Closing. Seller shall provide Buyer with a list of all delinquencies and a certified rent roll at or prior to closing. In the event that Buyer receives any rent or other sums due under any Leases attributable to the period of time prior to the Cut-Off Time (it being agreed that rents received from delinquent tenants shall be applied first to rents currently due before application thereof to those longest outstanding), Buyer shall first be entitled to apply such rent or other sums to current rents due but not paid and then shall pay over to Seller any other amounts of such payments upon Buyer's receipt thereof. All security deposits or other deposits under the Leases shall be assigned to Buyer, including any certificates of deposit or letters of credit, and guaranties. Seller shall be entitled to any interest on security deposits payable under the

respective Leases applicable to the period prior to closing, unless such interest is payable to tenants under the terms of the respective Leases.

(c) Utilities. Prior to Closing, Seller shall notify all utility companies servicing the Property of the anticipated change in ownership and request that all billings after closing (other than those billed directly to tenants of the Property) be made to Buyer (at the address provided herein for notices or such other address as Buyer may designate). Since all such utilities are paid by the tenants under the Leases, there shall be no apportionments thereof.

(d) Proration Statement. At least two (2) business days prior to the Close of Escrow the parties hereto shall agree upon all of the prorations to be made and shall submit a statement to the Escrow Holder (or shall approve an estimated proration statement prepared by Escrow Holder) setting forth the same. In the event that any prorations, apportionments or computations made under this Paragraph 11 shall require final adjustment, then the parties hereto shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to collect the same. Any corrected adjustment or proration will be paid promptly in cash or immediately available funds to the party entitled thereto.

(e) Escaped Property Taxes and Assessments. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes, bonds or assessments assessed against the Property relating to any period of time prior to the Closing Date, Seller shall pay to Buyer within sixty (60) days after written demand an amount equal to such property tax, bond or assessment; provided, however, that Seller shall be released of liability hereunder for such property taxes, bonds or assessments if Buyer shall be entitled to make a claim with respect thereto under its Title Policy, but only to the extent same are covered by such policy.

12. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, Escrow Holder shall promptly undertake all of the following in the manner indicated:

(a) Prorations. Prorate all matters referenced in Paragraph 11 based upon the statement delivered into Escrow signed by the parties.

(b) Recording. Cause the Grant Deed and any other documents which the parties hereto may mutually direct, to be recorded in the Official Records.

(c) Funds. Disburse from funds deposited by Buyer with Escrow Holder towards payment of all items chargeable to the account of Buyer pursuant hereto in payment of such costs, including, without limitation, the payment of the Purchase Price to Seller, and disburse the balance of such funds, if any, to Buyer.

(d) Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

(e) Documents to Seller. Deliver to Seller a conformed copy of the recorded Grant Deed.

(f) Documents to Buyer. Deliver to Buyer the FIRPTA Certificate, the California Form 590 RE and a conformed copy of the recorded Grant Deed.

13. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property from Seller, Seller makes the following representations and warranties to Buyer:

(a) Authority. Seller has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) Leases. Except as set forth in the "Schedule of Leases" attached hereto, Seller has not entered into, nor are there any leases or other agreements (whether oral or written) affecting or relating to the right of any party with respect to the possession of the Property, or any portion thereof. Buyer has been provided with true, correct and complete copies of all leases identified in the "Schedule of Leases" attached hereto (each, a "Lease" and, collectively, the "Leases").

(c) FIRPTA Certificate. Seller is not a "foreign person" in accordance with and/or for the purpose of the provisions of Section 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(d) No Pending Claims. To the actual knowledge of Seller, (i) there are no condemnation or other proceedings instituted or planned to be instituted which would materially and adversely affect the value, use or development of the Property; (ii) there are no tax assessments affecting the Property other than as described herein or in the Title Documents; and (iii) there are no claims of prescriptive rights to use or occupy any portion of the Property.

(h) Actions, Suits or Proceedings. To the actual knowledge of Seller, there are no actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, instrumentality, arbitrator(s) court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) No Seller Bankruptcy Proceedings. Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(j) No Material Inaccuracy. Seller has no actual knowledge of any material inaccuracy contained in the Phase I Report (as hereinafter defined) delivered to Buyer by Seller in connection with the Property.

(k) No Notices of Violation. Seller has not received any written notice from any federal, state of local governmental bodies with jurisdiction over the Property relating to any uncured violation of any pollution, health, safety, fire, environmental, sewer, zoning, or other federal, state or local law, code, ordinance, regulation, rule, requirement, order or permit, of any covenants, conditions or restrictions, affecting or relating to the Property, any portion thereof or the use, occupancy or operation thereof.

As used in this Agreement, "Seller's actual knowledge" means the actual, personal knowledge of each of the President, the Vice President/Treasurer and the Secretary of Seller, without duty of inquiry or investigation and without imputation. No claim for a breach of any representation or warranty of Seller shall be actionable or payable if the breach in question results from or is based on a condition, state of facts or other matter which was known to Buyer prior to Closing. Notwithstanding any provision to the contrary set forth in this Agreement, the representations and warranties of Seller set forth herein shall survive the Closing under this Agreement for a period of one (1) year. Seller shall have no liability to Buyer for a breach of any representation or warranty (a) unless the valid claims for all such breaches collectively aggregate more than twenty-five thousand dollars ($25,000), in which event the full amount of such valid claims shall be actionable, up to the Cap (as defined below), and (b) unless written notice containing a description of the specific nature of such breach shall have been given by Buyer to Seller prior to the expiration of such one (1) year period and, unless settled by mutual agreement of the parties prior thereto, an action shall have been commenced thereon within one (1) year of the Closing. Buyer agrees to first seek recovery under all insurance policies prior to seeking recovery from Seller, and Seller shall not be liable to Buyer if Buyer's claim is satisfied from such insurance policies. As used herein, the term "Cap" shall mean the total aggregate amount of three hundred thousand dollars ($300,000.00).

14. Buyer's Covenants, Representations, Acknowledgments and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following covenants, representations, acknowledgments and warranties, each of which is material and. is being relied upon by Seller:

(a) Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement have been duly authorized and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b) As Is. Buyer understands, acknowledges and agrees that it is acquiring the Property "AS IS" without any representation or warranty of Seller, express, implied or statutory, except as expressly provided herein. Without limiting the generality of the

foregoing, and except as expressly provided herein, Seller has made no representation, as to, and Buyer shall acquire the Property subject all risks with respect to, (i) the nature or condition of the Property (including, without limitation, the condition of the roof and all structures and improvements), (ii) any liabilities and obligations of the landlord under the Leases (including, without limitation, those relating to repairs to, and the condition of, the Property and any improvements thereon or statements regarding the size and dimensions of the premises demised under such Leases), (iii) any design defects or natural defects of any kind or nature whatsoever, (iv) the condition of title to the Property, (v) the Property's fitness for Buyer's intended use of same (including, without limitation Buyer's ability to construct or otherwise develop the Property), and (vi) Environmental Liabilities and Obligations (as defined below). Buyer is, or as of the expiration of the Contingency Period will be, familiar with the Property and the condition thereof. Except for the representations and warranties set forth herein, Buyer is relying solely upon, and as of the expiration of the Contingency Period will have conducted, its own, independent inspection, investigation and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

(c) Limitation on Seller's Liability. Buyer represents and covenants that Seller shall not have any liability, obligation or responsibility of any kind with respect to the following:

(i) The content or accuracy of any report, study, opinion or conclusion of any soils, toxic, environmental or other engineer or other person or entity who has examined the Property or any aspect thereof;

(ii) The content or accuracy of any information released to Buyer by an engineer or planner in connection with the development of the Property;

(iii) The availability of building or other permits or approvals for the property by any state or local governmental bodies with jurisdiction over the Property;

(iv) The availability or capacity of sewer, water or other utility connections to the Property;

(v) Any of the items delivered to Buyer pursuant to Buyer's review of the condition of the Property, including the reports or other documents identified in Paragraph 7(a)(ii)(B) herein; and

(vi) The content or accuracy of any other development or construction cost, projection, financial or marketing analysis or other information given to Buyer by Seller or reviewed by Buyer with respect to the Property.

(d) ERISA. As of the Closing, (1) Buyer will not be an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to collectively as a "Plan"), and (2) the assets of the Buyer will not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor ("DOL") Regulation Section 2510.3-101.

(i) As of the Closing, if Buyer is a "governmental plan" as defined in Section 3(32) of ERISA, the closing of the sale of the Property will not constitute or result in a violation of state of local statutes regulating investments of and fiduciary obligations with respect to governmental plans.

(ii) As of the Closing, Buyer will not be acting on account of or for the benefit of any Plan.

(iii) Purchase has no present intention to transfer the Property to any entity, person or Plan which will cause a violation of ERISA.

(iv) Buyer shall not assign its interest under this Agreement to any entity, person or Plan which will cause a violation of ERISA.

15. Environmental Liabilities. (a) Buyer hereby agrees to release Seller and its corporate parent, Ducommun Incorporated ("Ducommun"), and their past, current and future officers, directors, employees and affiliates (collectively, the "Seller Parties"), as of Close of Escrow, from all Environmental Liabilities and Obligations (as defined below), which release shall extend to any and all liabilities, penalties, fines, suits, claims, demands, actions, losses (including, but not limited to, diminution in the value of the Property), damages (including, without limitation, consequential and punitive damages), expenses, investigation and remediation costs (including, but not limited to, laboratory, handling, transportation, containment, neutralization, disposal, capping and other similar costs), operation and maintenance costs, financial assurance costs, Agency (as defined below) costs (including, but not limited to, permitting, licensing, hazardous waste taxes and oversight costs), causes of action, proceedings, judgments, executions and costs of any kind or nature whatsoever (including attorneys', consultants', engineers' and contractors' fees) in connection with, arising out of or related to the existence of any threat to health, safety or the environment under any applicable laws, or the presence or alleged presence or release of any Hazardous Substances (as defined below) on, under, at or from the Property; and Buyer's compliance or non-compliance with any Environmental Law (as defined below) (it being understood and agreed that this release is not intended to affect the parties' respective third-party indemnity obligations under Subsections 15(b), 15(c) and 15(d) herein).

(b) Seller hereby agrees to indemnity and defend Buyer and its past, current and future officers, directors, employees and affiliates (collectively, the "Buyer Parties") from and against Environmental Liabilities and Obligations and/or Corrective Actions, incurred or imposed as a consequence of lawsuits brought by third-parties (i.e. – parties who are not Buyer Parties), or incurred or imposed as a consequence of a final, non-appealable order of an Agency or a court of competent jurisdiction, provided that in each case, the Environmental Liabilities and Obligations or Corrective Action, as the case may be, shall have arisen directly as a result of a release by Seller of Hazardous Substances into the groundwater from the Property, and such release shall have occurred *PRIOR* to the Close of Escrow.

Notwithstanding the foregoing, such indemnity by Seller in favor of the Buyer Parties under this Subsection 15(b) shall not cover Environmental Liabilities and Obligations and/or Corrective Actions which arise from or relate to any of the following existing conditions identified in that certain environmental report, dated January 20, 2003, prepared by Targhee, Inc., and entitled "Phase I Environmental Assessment Report, 1600 East Valencia Drive, Fullerton, CA 92831" (the "Phase I Report"): (i) three clarifiers on the Property, (ii) the loading docks and sumps on the Property, and (iii) the chemical storage area on the Property (individually and collectively, the "Specified/Identified Existing Conditions").

(c) Buyer hereby agrees to indemnity and defend each of the Seller Parties from and against Environmental Liabilities and Obligations and/or Corrective Actions, incurred or imposed as a result of lawsuits brought by third-parties (i.e. – parties who are not Seller Parties), or incurred or imposed as a result of a final, non-appealable order of an Agency or a court of competent jurisdiction, provided that in each case, the underlying condition first giving rise to the related Environmental Liabilities and Obligations or Corrective Action, as the case may be, shall have occurred *AFTER* Close of Escrow.

(d) In addition to the indemnity from Buyer in favor of each of the Seller Parties set forth in Subsection (c) above, Buyer further hereby agrees to indemnify and defend each of the Seller Parties from and against Environmental Liabilities and Obligations and/or Corrective Actions, incurred or imposed as a result of lawsuits brought by third-parties (i.e. – parties who are not Seller Parties), or incurred or imposed as a result of a final, non-appealable order of an Agency or a court of competent jurisdiction, provided that in each case, such Environmental Liabilities and Obligations and/or Corrective Action arise from any Specific/Identified Existing Conditions (whether or not the underlying condition first giving rise to the related Environmental Liabilities and Obligations or Corrective Action, as the case may be, shall have occurred *PRIOR* to the Close of Escrow and/or *AFTER* Close of Escrow).

Notwithstanding the foregoing, in order to utilize the indemnity provided by Buyer under this Subsection (d), the applicable Seller Parties must make a written demand under this Subsection (d) prior to the date which is three (3) years from the date of the Close of Escrow (the "Limited Indemnity Expiration Date") (it being understood and agreed to by the parties, however, that to the extent that a Seller Party makes such a written demand prior to such Limited Indemnity Expiration Date, then, in such event, Buyer will be obligated to fully perform under this Subsection 15(d)).

(e) Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "Indemnified Party") shall promptly notify in writing to the party obligated to provide indemnification (the "Indemnifying Party") of the claim and, when known,

the facts constituting the basis for such claim. The Indemnifying Party at its sole cost and expense may, upon written notice to the Indemnified Party, assume and control the defense of any such claim. The Indemnified Party shall render, without compensation, to the Indemnifying Party such assistance as the Indemnifying Party may reasonably request in order to insure the proper and adequate defense of any such claim, including but not limited to, by providing reasonable access to the Property. The Indemnified Party shall not settle any claim without the prior written consent of the Indemnifying Party.

(f) For the purposes of this Section 15, the following terms shall have the following meanings:

(i) "Agency" means, collectively, the California Integrated Waste Management Board, the California Regional Water Quality Control Board and any other federal, state or local governmental or regulatory agency, body, board, commission or other political entity with environmental jurisdiction over the Property.

(ii) "Environmental Liabilities and Obligations" means, collectively, any known or unknown liability, obligation (including, without limitation, any obligation to investigate, monitor, test, report to an agency, remediate or clean up, or any obligation under a permit or order of agreement), claim, action, proceeding, expense, cost (including, without limitation, any expense and cost incurred or associated with the investigation, handling, containment, characterization, disposal, treatment, stabilization and/or neutralization of Hazardous Substances (as defined below)), as well as the cost and expense of any Corrective Action.

(iii) "Corrective Action" means investigation, stabilization, response, monitoring, operations, maintenance, active remediation, passive remediation and risk assessment or any combination thereof in such manner as to achieve the remediation standards required by the rules, regulations, policies, agreements or orders as they may change from time to time, of any Agency or under applicable Environmental Laws.

(iv) "Environmental Law(s)" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601m, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 et seq., the Toxic Substance Act, 15 U.S.C. Sections 2501 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., the Federal Water Pollution Prevention and Control Act, 33 U.S.C. Sections 1251 et seq., the Oil Pollution Act of 1990, Pub. L. 101-380, August 18, 1990, the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code Sections 25249.5-25249.13), the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health & Safety Code Sections 25300 et seq.), the California Hazardous Water Control Act (Cal. Health & Safety Code Sections 25100 et seq.) and the California Water Code Sections 13000 et seq., as said Environmental Laws have been supplemented or amended from time to time, the regulations now or hereafter promulgated pursuant to said Environmental Laws and any other federal, state, county or local law, statute, rule, regulation or ordinance currently

in effect or subsequently enacted, promulgated or adopted which regulates or proscribes the use, storage, disposal, presence, cleanup, transportation or release or threatened release into the environment of any Hazardous Substances or pertains to health, industrial hygiene and/or the environment.

(v) "Hazardous Substances" means (i) any element, compound, mixture, solution, chemical, material or substance at any time defined as or included in the definition of "Hazardous substances," "hazardous wasters," "hazardous materials," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "biohazardous waste," "pollutant," "toxic pollutant," "containment," "restricted hazardous waste," "infectious waste," "toxic substances," or any other term or expression intended to define, list or classify substances by reason of properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, "TCLP toxicity" or "EP toxicity" or words of similar import under any applicable Environmental Laws; (ii) any oil, petroleum, petroleum fraction, petroleum addictive or petroleum derived substances; (iii) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; (iv) any flammable substances or explosives; (v) any radioactive materials; (vi) any asbestos-containing materials; (vii) urea formaldehyde foam insulation; (viii) electrical equipment which contains any oil or dielectric fluid containing polychlorinated biphenyls; (ix) pesticides; (x) lead-based paint; and (xi) any other chemical, material or substance, exposure to which is now or in the future prohibited, limited or regulated by any governmental authority or which may or could pose a hazard to the health and safety of the owners, occupants or any persons in the vicinity of the Property or to the indoor or outdoor environment.

16. Liquidated Damages. IN THE EVENT THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT ARE NOT CONSUMMATED AS A RESULT OF A DEFAULT BY BUYER THEN IN ANY SUCH EVENT, THE ESCROW HOLDER MAY BE INSTRUCTED BY SELLER TO CANCEL THE ESCROW AND SELLER SHALL THEREUPON BE RELEASED FROM ITS OBLIGATIONS HEREUNDER. BUYER AND SELLER AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH SELLER'S DAMAGE BY REASON OF BUYER'S DEFAULT UNDER THIS AGREEMENT. ACCORDINGLY, BUYER AND SELLER AGREE THAT IN THE EVENT THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT ARE NOT CONSUMMATED AS A RESULT OF A DEFAULT BY BUYER, ALL OTHER CLAIMS TO DAMAGES OR REMEDIES BEING HEREIN EXPRESSLY WAIVED BY SELLER, AS SELLER'S SOLE AND EXCLUSIVE REMEDY AT LAW, SELLER SHALL BE ENTITLED TO PAYMENT AS "LIQUIDATED DAMAGES" OF AN AMOUNT EQUAL TO (i) THE AMOUNT REPRESENTED BY THE DEPOSIT (AS DEFINED IN PARAGRAPH 3 HEREOF) PLUS ANY AND ALL ACCRUED INTEREST THEREON, (ii) ANY AND ALL ATTORNEYS' FEES AND OTHER COSTS INCURRED BY SELLER PURSUANT TO

PARAGRAPH 20 HEREOF, AND (iii) ANY AND ALL AMOUNTS PAYABLE IN RESPECT OF BUYER'S INDEMNIFICATION OBLIGATIONS TO SELLER AS SET FORTH HEREIN.

SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389.

THEREFORE, IF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT ARE NOT CONSUMMATED AS A RESULT OF A DEFAULT UNDER THIS AGREEMENT BY BUYER, SELLER MAY INSTRUCT THE ESCROW HOLDER TO CANCEL THE ESCROW WHEREUPON ESCROW HOLDER SHALL IMMEDIATELY PAY OVER TO SELLER THE DEPOSIT, TOGETHER WITH ALL INTEREST ACCRUED THEREON, AND SELLER SHALL BE RELIEVED FROM ALL OBLIGATIONS AND LIABILITIES HEREUNDER, AND, PROMPTLY FOLLOWING ESCROW HOLDER'S RECEIPT OF SUCH INSTRUCTION, ESCROW HOLDER SHALL CANCEL THE ESCROW.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH 16 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO 13E BOUND BY ITS TERMS.

Seller's Initials	Buyer's Initials

17. Seller's Default. In no event shall Seller be liable to Buyer in an action for damages if Seller fails to or is otherwise unable to convey the Property to Buyer in accordance with this Agreement. If Seller fails to or is otherwise unable to convey the Property to Buyer in accordance with the terms of this Agreement and Buyer shall otherwise be ready, willing and able to complete the closing in accordance with this Agreement, Buyer agrees that Buyer's sole and exclusive remedies shall be either to (a) terminate this Agreement in which event (i) the Deposit and all interest accrued thereon shall be returned to Buyer and (ii) Seller shall pay to Buyer an amount equal to its reasonable attorneys' fees and costs incurred in connection with the negotiation of this Agreement and all reasonable out-of-pocket costs and expenses incurred in connection with its due diligence review of the Property (provided that the amounts payable by Seller to Buyer under this clause (ii) shall not exceed $25,000), or (b) maintain an action against Seller for specific performance under this Agreement in compliance with applicable law and the provisions of this Paragraph 17.

(a) Specific Performance. If Buyer elects to seek specific performance of this Agreement, then, as a condition precedent to any suit for specific performance, Buyer shall, on or before the Closing Date (time being of the essence), fully perform all of its obligations hereunder (other than the obligation to pay the full Purchase Price, which Buyer shall be required to pay to Seller as directed by the court). If Buyer fails in any material way to satisfy the conditions precedent set forth herein, Buyer shall not be entitled to, and hereby waives, any right of specific performance.

PARAGRAPH 20 HEREOF, AND (iii) ANY AND ALL AMOUNTS PAYABLE IN RESPECT OF BUYER'S INDEMNIFICATION OBLIGATIONS TO SELLER AS SET FORTH HEREIN.

SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389.

THEREFORE, IF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT ARE NOT CONSUMMATED AS A RESULT OF A DEFAULT UNDER THIS AGREEMENT BY BUYER, SELLER MAY INSTRUCT THE ESCROW HOLDER TO CANCEL THE ESCROW WHEREUPON ESCROW HOLDER SHALL IMMEDIATELY PAY OVER TO SELLER THE DEPOSIT, TOGETHER WITH ALL INTEREST ACCRUED THEREON, AND SELLER SHALL BE RELIEVED FROM ALL OBLIGATIONS AND LIABILITIES HEREUNDER, AND, PROMPTLY FOLLOWING ESCROW HOLDER'S RECEIPT OF SUCH INSTRUCTION, ESCROW HOLDER SHALL CANCEL THE ESCROW.

SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS PARAGRAPH 16 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO 13E BOUND BY ITS TERMS.

_____	_____
Seller's Initials	Buyer's Initials

17. Seller's Default. In no event shall Seller be liable to Buyer in an action for damages if Seller fails to or is otherwise unable to convey the Property to Buyer in accordance with this Agreement. If Seller fails to or is otherwise unable to convey the Property to Buyer in accordance with the terms of this Agreement and Buyer shall otherwise be ready, willing and able to complete the closing in accordance with this Agreement, Buyer agrees that Buyer's sole and exclusive remedies shall be either to (a) terminate this Agreement in which event (i) the Deposit and all interest accrued thereon shall be returned to Buyer and (ii) Seller shall pay to Buyer an amount equal to its reasonable attorneys' fees and costs incurred in connection with the negotiation of this Agreement and all reasonable out-of-pocket costs and expenses incurred in connection with its due diligence review of the Property (provided that the amounts payable by Seller to Buyer under this clause (ii) shall not exceed $25,000), or (b) maintain an action against Seller for specific performance under this Agreement in compliance with applicable law and the provisions of this Paragraph 17.

(a) Specific Performance. If Buyer elects to seek specific performance of this Agreement, then, as a condition precedent to any suit for specific performance, Buyer shall, on or before the Closing Date (time being of the essence), fully perform all of its obligations hereunder (other than the obligation to pay the full Purchase Price, which Buyer shall be required to pay to Seller as directed by the court). If Buyer fails in any material way to satisfy the conditions precedent set forth herein, Buyer shall not be entitled to, and hereby waives, any right of specific performance.

(b) Buyer as Prevailing Party. If Buyer is the prevailing party in its action for specific performance, on the Judgment Date (as defined below), the parties shall proceed to closing in accordance with the provisions of this Agreement and Seller shall pay to Buyer its reasonable attorneys' fees and costs incurred in connection with the action for specific performance (the amount thereof to be set by a court and not by a jury). The Closing Date, for purposes hereof, shall be that day on which all applicable appeal period have expired. As used herein, the term "Judgment Date" means the date of entry of the final judgment on the complaint for specific performance.

(c) Seller as Prevailing Party. If Seller is the prevailing party in Buyer's action for specific performance, on the Judgment Date, this Agreement shall automatically terminate, and Buyer shall pay to Seller its reasonable attorneys' fees and costs incurred in connection with the action for specific performance (the amount thereof to be set by a court and not by a jury), and the parties shall have no further obligations to each other under this Agreement except as otherwise specifically set forth herein.

18. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any casualty to the Property or any condemnation proceeding threatened or commenced prior to the Close of Escrow. If any such damage or proceeding relates to or may result in the loss of any material portion of the Property, Seller or Buyer may, at their option, elect either to: (i) terminate this Agreement, in which event all funds deposited into Escrow by Buyer shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, or (ii) continue the Agreement in effect, in which event, upon the Close of Escrow, Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding relating to the Property and there shall be no adjustment to the Purchase Price.

19. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or sent by telecopy, and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, three (3) business days after the date of posting by the United States post office, (iii) if delivered by Federal Express or other overnight courier, the next business day, or (iv) if given by facsimile, when sent with confirmation of receipt. Any notice, request, demand, direction or other communication sent by telecopy must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing.

To Seller: American Electronics, Inc.
c/o Ducommun Incorporated
111 W. Ocean Blvd, Suite 900
Long Beach, California 90801-5577
Attention: Chief Financial Officer
Telephone: (562) 624-0800
Facsimile: (562) 624-0789

With a copy to:	Gibson, Dunn & Crutcher LLP 333 S. Grand Avenue Los Angeles, California 90071 Attention: D. Eric Remensperger, Esq. Telephone: (213) 229-7103 Facsimile: (213) 229-7520
To Buyer:	Wohl Investment Company, Inc. 2402 Michelson, Suite 170 Irvine, CA 92612 Attention: Peter Desforges Telephone: (949) 955-0115 Facsimile: (949) 955-0123
With a copy to:	Rutan & Tucker, LLP 611 Anton Blvd., Suite 1400 Costa Mesa, CA 92626 Attention: Kim D. Thompson, Esq. Telephone: (714) 641-3449 Facsimile: (714) 546-9035
To Escrow Holder:	Lawyers Title Company, Commercial Escrow Ms. Kathleen Huntsman Escrow Officer 18551 Von Karman, Suite 100 Irvine, CA 92612 Telephone: (949) 223-5523 Facsimile: (949) 223-5572

Notice of change of address shall be given by written notice in the manner detailed in this Paragraph 18. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

20. Brokers. Upon the Close of Escrow, (which is an express condition precedent to the obligation of Seller to pay a commission) Seller shall pay a real estate brokerage commission to The Klabin Company, the Seller's broker. The Klabin Company shall be responsible for the payment of any brokerage commission to Voit Commercial, the Buyer's broker. If any additional claims for brokers' or finders' fees for the consummation of this Agreement arise (including, without limitation, claims made by either of the aforementioned against anyone other than the party who has the responsibility to pay them in accordance with this Agreement) then Buyer hereby agrees to indemnify, save harmless and defend Seller from and against such claims if they shall be based upon any statement or representation or agreement by Buyer, and Seller hereby agrees to indemnify, save harmless and defend Buyer if such claims shall be based upon

any statement, representation or agreement made by Seller. This Paragraph 20 shall survive the Closing.

21. Legal Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment, or out of court settlement shall be entitled to have and recover of and from the other party all costs and expenses of suit, including reasonable attorneys' fees. Any judgment or order entered in any final judgment shall contain a specific provision providing for the recovery of all costs and expenses of suit, including reasonable attorneys' fees (collectively "Costs") incurred in enforcing, perfecting and executing such judgment. For the purposes of this paragraph, Costs shall include, without limitation, reasonable attorneys' fees, costs and expenses incurred in the following (i) post-judgment motions; (ii) contempt proceeding; (iii) garnishment, levy, and debtor and third party examination; (iv) discovery; and (v) bankruptcy litigation. This Paragraph 21 shall survive the Closing.

22. Assignment. Buyer shall have the right to assign its rights and obligations under this Agreement, subject to Seller's right to approve same, and provided that any such assignment shall be to a transferee financially capable, in the judgment of Seller, of closing the Escrow in a timely manner, and provided further that (i) Buyer shall provide prior written notice to Seller of the intended transfer; (ii) no such transfer shall result in a release of Buyer of its obligations hereunder; (iii) no such transfer shall result in a delay in the Closing, or have a material adverse impact on Seller or its rights hereunder; and (iv) the transferee shall execute and deliver to Seller a written agreement indicating its acceptance of all of the duties of Buyer hereunder prior to any such transfer being effective.

Notwithstanding anything to the contrary set forth herein, Buyer shall have the right to assign its rights and obligations under this Agreement, without any requirement of Seller to approve same, to an entity in which Buyer, H. Gregory Wohl, and/or Peter Desforges, as applicable, exercises control ("control" being the power, directly or indirectly, to direct or cause the direction of the management policies of such entity, whether via the ownership of voting securities, by contract or otherwise) and holds a majority interest provided that (x) any such assignment shall not relieve the current Buyer entity of its obligations hereunder, (y) such assignee of Buyer shall expressly assume, on a joint and several basis with the current Buyer entity, all obligations and liabilities of Buyer hereunder, and (z) Seller shall have the right to review, and reasonably approve, in advance, the forms of the documents and/or instruments intended to affect such assignment and assumption. Whenever a reference is made in this Agreement to Buyer, such reference will include the successors and permitted assigns of Buyer under this Agreement.

23. Miscellaneous.

(a) Survival of Covenants. The covenants, representations and warranties of Buyer and Seller set forth in this Agreement which by the terms hereof are to survive closing shall survive the recordation of the Grant Deed and the Close of Escrow for a period of six (6) months following the Closing Date and shall not be deemed merged into the Grant Deed upon its recordation.

(b) Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use good faith efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

(c) Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof. All references herein to a particular time of day shall be deemed to refer to California time.

(d) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(e) Captions: Interpretation. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof. The use of the terms "hereof, " "herein," and "hereunder" shall mean and refer to this Agreement as a whole, unless the context expressly requires otherwise. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party or parties causing this Agreement to be drafted.

(f) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

(g) Exhibits. The Exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

(h) Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(i) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(j) Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

(k) Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

(l) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof and supersedes all prior agreements between the parties hereto with respect to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by each of the parties hereto.

(m) Partial Invalidity. If any portion of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way effect the validity or enforceability of the remaining portions of this Agreement.

(n) Successors and Assigns. Subject to the provisions of Paragraph 22 hereof, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

(o) Business Days. In the event any date described in this Agreement relative to the performance of actions hereunder by Buyer, Seller and/or Escrow Holder falls on a Saturday, Sunday or legal holiday, such date shall be deemed postponed until the next business day thereafter.

(p) Maintenance. In addition to Seller's other obligations hereunder, Seller shall, between the date first above written and the Closing Date, at Seller's sole cost and expense, maintain the Property in substantially the same order, condition and repair as the Property is in as the date hereof, reasonable wear and tear expected, and, in connection therewith, Seller shall make all repairs to the extent necessary to cause the Property to remain in such condition and repair and Seller shall continue to operate the Property in the same manner as before the date first above written as though Seller were retaining the Property.

(q) Leases and Other Agreements. Seller shall not, after the date first above written, enter into any lease, contract or agreement pertaining to the Property, or modify any contract or agreement pertaining to the Property or waive any rights of Seller

thereunder, without in each case obtaining Buyer's prior written consent thereto, which Buyer agrees shall not be unreasonably withheld, conditional or delayed.

(r) Encumbrances. Seller shall not, after the date first above written, mortgage, encumber or suffer to be encumbered all or any portion of the Property, without the prior written consent of Buyer.

(s) Delivery of Possession. Possession of the Property shall be delivered to Buyer on the Closing Date.

(t) Submission of Document. Submission of this Agreement to Buyer for examination or signature does not constitute a reservation, right or option to purchase the Property, and will not be effective as a binding purchase and sale agreement or otherwise until full execution by and delivery to both Buyer and Seller.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

"Seller" AMERICAN ELECTRONICS INC.,
a California corporation

By: _____
Print Name: James S. Heiser
Print Title: Secretary

"Buyer" WOHL INVESTMENT COMPANY, INC.
a California corporation

By: _____
Print Name: _____
Print Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

"Seller" AMERICAN ELECTRONICS INC.,
a California corporation

By:_____
Print Name:_____
Print Title:_____

"Buyer" WOHL INVESTMENT COMPANY, INC.
a California corporation

By:_____
Print Name: PETER DESPORTES
Print Title: PRESIDENT

Lawyers Title Company
Commercial/Industrial Escrow Division
18551 Von Karman Avenue • Suite 200 • Irvine • CA • 92612
(949) 223-5503 • (800) 800-2582, X503• FAX (949) 955-2550

Facsimile Transmission

PLEASE DISTRIBUTE IMMEDIATELY

The information contained in this facsimile message is privileged and confidential information intended only for the use of the individual or entity named herein. If the reader of this message is not the intended recipient, or the employee or agent responsible to delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify me by telephone, and return the original message to me at the above address via the U.S. postal service. Thank you.

FROM:	**Kathleen Huntsman, Escrow Officer**
DATE:	**Wednesday, August 06, 2003 at 3:20:19 PM**
PAGES:	2 **including this cover page**

RE:
Escrow No: 50527-KH
Escrow Officer: Kathleen Huntsman
Title Order No.: 03-13797-12
Title Officer: John Marten
Property: 1600 Valencia, Fullerton, CA
Buyer: Wohl Investment Company Inc.
Seller American Electronics Inc.

TO:	Attention:	COMPANY:	EMAIL NO:
✓	Peter Desforges	Wohl Investment	peter@wohlinvestment.com
✓	Kim Thompson	Rutan & Tucker	kthompson@rutan.com
✓	E . Remensperger	Gibson Dunn	Eremensperger@gibsondunn.com

Gentlemen:

Attached is the Acceptance by Escrow Holder.

SHOULD THIS TRANSMISSION (or the documentation attached) REQUIRE YOUR SIGNATURE(S), it is important that you sign where indicated, fax back a copy of your signature, and **return the originally signed document to our office.** Pursuant to our General Provisions, we must have original signatures in our escrow file **PRIOR TO THE CLOSE OF ESCROW**. Thank you for your cooperation and compliance.

09.03.02: Commercial Fax - COMMFAX

Acceptance by Escrow Holder:

LAWYERS TITLE COMPANY, Commercial Escrow, hereby acknowledges that it has received originally executed counterparts or a fully executed original of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Dated: August 6, 2003

LAWYERS TITLE COMPANY

By: Kathleen Huntsman

Print Name: Kathleen Huntsman

Its: Authorized Agent

EXHIBIT "A"

Legal Description

The following described real property located in the County of Orange, State of California:

Parcel 2, in the City of Fullerton, as shown on a Map filed in Book 128, Page 46 of Parcel Maps, Records of said Orange County.

EXHIBIT "B"

Form of Grand Deed

WHEN RECORDED MAIL
THIS GRANT DEED AND ALL
TAX STATEMENTS TO:

(Above Space for Recorder's Use Only)

GRANT DEED

The undersigned grantors declare:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, AMERICAN ELECTRONICS INCORPORATED, a California corporation ("Grantor"), hereby GRANTS to [TO BE INSERTED], a [TO BE INSERTED] ("Grantee"), the following described real property (the "Property") located in the City of Fullerton, County of Orange, State of California:

SEE EXHIBIT "I" ATTACHED HERETO AND INCORPORATED
HEREIN BY THIS REFERENCE

SUBJECT TO:

1 Taxes and assessments, not delinquent; and

2. All covenants, conditions, restrictions, reservations, rights, rights of way, easements, encumbrances, liens and title matters of record and all matters an accurate survey of the Property would disclose.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed as of the _____ day of [TO BE INSERTED], 2003.

Dated: [TO BE INSERTED], 2003

AMERICAN ELECTRONICS INC.,
a California corporation

By:_____
Print Name:_____
Print Title:_____

EXHIBIT "C"

Form of Tenant Estoppel Certificate

[See attached form]

AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION

STANDARD ESTOPPEL CERTIFICATE - BY LESSEE

TO WHOM IT MAY CONCERN:

RE: Lease ("Lease") dated _____, by and between _____

_____ as Lessee,

as Lessor, and _____

concerning the real property known as: _____

_____

("Premises"), which Lease was amended _____

and guaranteed by _____

("Guarantor(s)") (It will be presumed no amendments or guarantees exist unless they are specified above).

Lessee hereby certifies as follows:

1. True copies of the above referenced Lease as amended and the guarantees, if any, are attached hereto marked Exhibit "1" (Attach a copy of Lease, all amendments and guarantees.)

2. The Lease term commenced on _____ and expires on _____.

3. The current monthly rent and expense pass-through, if any, are as follows:

	Amount	Day of Month Due	Paid Up Through
Rent	$ _____	_____	_____, 20__
Pass through	$ _____	_____	_____, 20__

No rents or pass-throughs have been prepaid except as reflected in the Lease. (It will be presumed that no expense pass-throughs are currently required unless set forth above.)

4. The current amount of security deposit held by Lessor is $ _____.

5. The Lease has not been modified, orally or in writing, since its execution, except as hereinabove identified. The Lease is in full force and effect and contains the entire agreement between Lessor and Lessee, except (if there are no exceptions, write "NONE"): _____

6. The improvements and space required to be provided by Lessor have been furnished and completed in all respects to the satisfaction of Lessee, and all promises of an inducement nature by Lessor have been fulfilled except (if there are no exceptions, write "NONE"): _____

7. Lessee has no knowledge of any uncured defaults by Lessor or Lessee under the Lease, except (if there are no exceptions, write "NONE"): _____

8. There are no disputes between Lessor and Lessee concerning the Lease, the Premises or the improvements therein or thereon, except (if there are no exceptions, write "NONE"): _____

9. Lessee is in full and complete possession of the Premises and has not assigned or sublet any portion of the Premises, except (if there are no exceptions, write "NONE"): _____

10. Lessee has no knowledge of any prior sale, transfer, assignment or encumbrance of the Lessor's interest in the Lease, except (if there are no exceptions, write "NONE"): _____

11. Lessee has made no alterations or additions to the Premises, except (if there are no exceptions, write "NONE"): _____

If alterations or additions have been made by Lessee, Lessee represents that to the best of its knowledge, all such alterations and additions were done in accordance with the terms of the Lease and in compliance with all applicable laws, rules and regulations, except (if there are no exceptions, write "NONE"):

12. The guarantees of the Guarantors named above are still in full force and effect, except (if there are no exceptions, write "NONE"): _____

13. Lessee is not currently the subject of a bankruptcy proceeding and to the best of its knowledge neither Lessor nor any Guarantor is involved in such a proceeding, except (if there are no exceptions, write "NONE"): _____

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14. Lessee is aware that buyers, lenders and others will rely upon the statements made in this Estoppel Certificate, and has therefore adjusted the language hereof as necessary to make it an accurate statement of the current facts concerning the Lease. If no such adjustments have been made, said parties may rely upon the statements in this form as printed.

15. Additional items (if there are no additional items, write "NONE"): _____

DATE: _____, 20__
(Fill in date of execution)

By: _____
Name Printed: _____
Title: _____
Mailing Address: _____

Telephone: (___) _____
Facsimile: (___) _____
Email: _____

DRAFT

DRAFT

DRAFT

NOTE: These forms are often modified to meet changing requirements of law and needs of the industry. Always write or call to make sure you are utilizing the most current form: AMERICAN INDUSTRIAL REAL ESTATE ASSOCIATION, 700 S. Flower Street, Suite 600, Los Angeles, Calif. 90017

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EXHIBIT "D"

FIRPTA Certificate

To inform [TO BE INSERTED], a [TO BE INSERTED] (the "Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code"), will not be required by AMERICAN ELECTRONICS INCORPORATED, a California corporation (the "Transferor"), Transferor hereby certifies the following:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax. Regulations promulgated thereunder); and

2. The Transferor's U.S. employer or tax (social security) identification number is [TO BE INSERTED].

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, the undersigned declares that it has examined this Certification, and to the best of its knowledge and belief, it is true, correct and complete.

AMERICAN ELECTRONICS INC.,
a California corporation

By:_____
Print Name:_____
Print Title:_____

EXHIBIT "E"

California Form 590-RE

[Form to be attached at later date]

10704374_4.DOC

FIRST AMENDMENT TO PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS is made and entered into as of the 13th day of August, 2003, by and between AMERICAN ELECTRONICS, INC., a California corporation ("Seller"), and WOHL INVESTMENT COMPANY, INC. a California corporation ("Buyer"),

RECITALS

A. Buyer and Seller entered into that certain Agreement Of Purchase and Sale and Joint Escrow Instructions dated August 1, 2003 (as modified, amended and/or supplemented from time to time, the "Purchase Agreement") regarding certain real property located in the City of Fullerton, County of Orange, California, commonly known as 1600 East Valencia Drive, as more particularly described therein. All capitalized terms, unless specifically defined herein, shall be defined as set forth in the Purchase Agreement.

B. Buyer and Seller desire to confirm the date for opening of escrow and the commencement of various due diligence dates in the Purchase Agreement. Buyer and Seller desire to amend the Purchase Agreement upon the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Contingency Period. The parties hereby confirm that the Contingency Period commenced on August 6, 2003. The date of the Purchase Agreement for purposes of provisions set forth in the Agreement referring to the date of the Purchase Agreement (such as the time frame to order the survey under Section 6 and the commencement of the Title Review Period under 7(a)(i) are hereby amended to August 6, 2003.

2. Schedule of Leases. The parties hereby confirm that that the Schedule of Leases attached hereto is the "Schedule of Leases" for the purposes of Section 13(b) of the Purchase Agreement.

3. Survival of Covenants. The words "six (6) months" contained in Section 23(a) of the Purchase Agreement are hereby deleted and replaced with the words "one (1) year".

4. Escrow Number. Notwithstanding references to the contrary contained in the Purchase Agreement, the parties confirm that Escrow Holder's designated Escrow No. for the transactions contemplated by the Purchase Agreement is: 50527-KH.

5. Counterpart Execution. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original.

6. Affect of Agreement. Except as specifically set forth herein, the Agreement shall continue in full force and effect.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date and year first above written.

"Seller" AMERICAN ELECTRONICS INCORPORATED,
a California corporation

By: _____
Print Name: James S. Heiser
Print Title: Secretary

"Buyer " WOHL INVESTMENT COMPANY, INC.,
a California corporation

By: _____
Print Name: _____
Print Title: _____

SCHEDULE OF LEASES

[Attached]

10723175_1.DOC

1600 E. Valencia Dr.
Schedule of Leases and Agreements

Standard Industrial/Commercial Multi-Tenant Lease -- Gross (plus Addendum)
Executed: 9/30/98
Lessor: American Electronics, Inc.
Lessee: Promotional Concepts Technology, Inc., dba Graphic Technologies
Term: 11/1/98-9/30/02 + 5-year option to extend

Consent to Sublease
Executed: 9/30/98
Lessor: American Electronics, Inc.
Lessee: Promotional Concepts Technology, Inc., dba Graphic Technologies
Sublessee: Solutions Unlimited

Consent to Sublease
Executed: 9/30/98
Lessor: American Electronics, Inc.
Lessee: Promotional Concepts Technology, Inc., dba Graphic Technologies
Sublessee: Graphics 2000 LLP

First Amendment to Lease Between American Electronics, Inc., and Promotional Concepts Technology, Inc. dba Graphic Technologies
Executed: 11/12/02
Lessor: American Electronics, Inc.
Lessee: Promotional Concepts Technology, Inc., dba Graphic Technologies
Term: 10/1/02-9/30/07

Standard Industrial/Commercial Multi-Tenant Lease -- Gross (plus Addendum)
Executed: 7/28/97
Lessor: American Electronics, Inc.
Lessee: Wilson's Art Studio, Inc.
Term: 10/1/97-9/30/02 + 5-year option to extend

First Amendment to Lease Between American Electronics, Inc. and Wilson's Art Studio, Inc.
Executed: 9/98
Lessor: American Electronics, Inc.
Lessee: Wilson's Art Studio, Inc.
Additional portion of building leased by Wilson's Art Studio, Inc.

Second Amendment to Lease Between American Electronics, Inc. and Wilson's Art Studio, Inc., dba Solutions Unlimited
Executed: 11/12/02
Lessor: American Electronics, Inc.
Lessee: Wilson's Art Studio, Inc., dba Solutions Unlimited
Term: 10/1/02-9/30/07

Standard Industrial/Commercial Single-Tenant Lease -- Gross
Executed: 5/12/00
Lessor: American Electronics, Inc.
Lessee: National Technical Systems, Inc.
Term: 4/1/00-9/30/02

Collateral Removal Agreement
Executed: 12/27/00
American Electronics, Inc. authorizes Merrill Lynch Business Financial Services, Inc. to remove collateral relating to credit extended to Graphics 2000, LLC.

Collateral Removal Agreement
Executed: 12/27/00
American Electronics, Inc. authorizes Merrill Lynch Business Financial Services, Inc. to remove collateral relating to credit extended to Promotional Concepts Technology, Inc., dba Graphic Technologies.

SECOND AMENDMENT TO PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS is made and entered into as of the 25th day of September, 2003, by and between AMERICAN ELECTRONICS, INC., a California corporation ("Seller"), and WOHL INVESTMENT COMPANY, INC. a California corporation ("Buyer"),

RECITALS

A. Buyer and Seller entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated as of August 1, 2003, as amended by that certain First Amendment to Purchase Agreement dated as of August 13, 2003 (as further modified, amended and/or supplemented from time to time, the "Purchase Agreement") regarding certain real property located in the City of Fullerton, County of Orange, California, commonly known as 1600 East Valencia Drive, as more particularly described therein. All capitalized terms, unless specifically defined herein, shall be defined as set forth in the Purchase Agreement.

B. Buyer and Seller desire to amend the Purchase Agreement upon the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Expiration of Contingency Period and Title Review Period. The parties acknowledge and agree (i) that the Contingency Period described in Section 7(a)(ii) of the Purchase Agreement has ended, and that Buyer has satisfied itself with respect to, and has approved, all aspects of the Documents and Materials and the Property, including, but not limited to, all for the items set forth in that certain letter from Buyer to Seller dated September 4, 2003 (the "Letter"), and (ii) that the Title Review Period described in Section 7(a)(i) of the Purchase Agreement has ended, and that Buyer has satisfied itself with respect to, and has approved, all matters affecting title to the Property (including, without limitation, those matters disclosed in the Report, the Underlying Documents and the Survey).

2. Closing Date. The parties agree that, notwithstanding anything to the contrary contained in the Purchase Agreement, the term "Closing Date" shall mean October 21, 2003.

3. Purchase Price. The parties agree that the Purchase Price shall be reduced to the amount of $4,825,000.00 (i.e. – a $25,000.00 reduction from the original Purchase Price).

4. Final Deposit. Buyer agrees that, within one (1) business day of the date hereof, Buyer shall deposit the Final Deposit with Escrow Holder.

5. Seller's Indemnity and Purchaser's Covenant Regarding the Presence of PCE.

(a) The parenthetical in the last sentence of Section 15 is hereby deleted in its entirety and replaced with the following:

> (it being understood and agreed that this release is not intended to affect the parties' respective third-party indemnity obligations under Subsections 15(b), 15(c), 15(d) and 15(g) herein).

(b) Subsections (b) of Section 15 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

> (b) Seller hereby agrees to indemnity and defend Buyer and its past, current and future officers, directors, employees and affiliates (collectively, the "Buyer Parties") from and against Environmental Liabilities and Obligations and/or Corrective Actions, incurred or imposed as a consequence of lawsuits brought by third-parties (i.e. – parties who are not Buyer Parties), or incurred or imposed as a consequence of an order of an Agency or a court of competent jurisdiction, provided that in each case, the Environmental Liabilities and Obligations or Corrective Action, as the case may be, shall have arisen directly as a result of a release by Seller of Hazardous Substances into the groundwater from the Property, and such release of Hazardous Substances shall have occurred *PRIOR* to the Close of Escrow.
>
> Notwithstanding the foregoing, such indemnity by Seller in favor of the Buyer Parties under this Subsection 15(b) shall not cover Environmental Liabilities and Obligations and/or Corrective Actions which arise from or relate to any of the following existing conditions identified in that certain environmental report, dated January 20, 2003, prepared by Targhee, Inc., and entitled "Phase I Environmental Assessment Report, 1600 East Valencia Drive, Fullerton, CA 92831" (the "Phase I Report"): (i) three clarifiers on the Property, (ii) the loading docks and sumps on the Property, and (iii) the chemical storage area on the Property (individually and collectively, the "Specified/Identified Existing Conditions").

(c) The following subsections (g) and (h) are hereby added to the end of Section 15 of the Purchase Agreement:

> (g) In addition to the other indemnity obligations from Seller in favor of each of the Buyer Parties as set forth above in this Section 15, Seller hereby further agrees to indemnity and defend each of the Buyer Parties from and against Environmental Liabilities and Obligations and/or Corrective Actions, incurred or imposed as a consequence of lawsuits brought by third-parties (i.e. – parties who are not Buyer Parties), or incurred or imposed as a consequence of an order of an Agency or a court of competent jurisdiction, provided that in each case, the Environmental Liabilities and Obligations or Corrective Action, as the case may be, shall have arisen directly as a result of the presence of Tetrachloroethene ("PCE") in the soil at the Property, at the locations identified in that certain portion of the environmental report, prepared by Centec Engineering, which is attached to the Letter (the "Centec Report"), and provided further that such indemnity shall only cover PCE to the extent that such PCE was introduced onto the Property *PRIOR* to the Close of Escrow. Notwithstanding the foregoing, Seller's indemnity obligations under this Subsection 15(g) shall immediately cease to be effective, and shall terminate, if and when any Buyer Party, or any agent or representative of any Buyer Party, as the case may be, discloses the presence of PCE at the Property and/or the results of the Centec Report to any third-party (including, without limitation, a voluntary disclosure to any federal, state or local governmental body, but excluding any disclosure to a purchaser (or prospective purchaser) of the Property or to a lender (or prospective lender) providing financing to be secured by the Property, and excluding any disclosure compelled under applicable law). In addition, Buyer hereby covenants and agrees that Buyer shall not make any disclosure which would have the effect of terminating the Seller's indemnity obligations under this Section 15(g). The

parties' respective obligations under this Section 15(g) shall survive the Closing, and all indemnity obligations shall be governed by the procedures outlined in Section 15(e).

(h) In addition to the other indemnity obligations from Buyer in favor of each of the Seller Parties as set forth above in this Section 15, Buyer further hereby agrees to release, indemnify and defend each of the Seller Parties from and against Environmental Liabilities and Obligations and/or Corrective Actions, incurred or imposed as a result of the presence of asbestos-containing materials (including, but not limited to, asbestos containing tiles located at the Property). The Buyer's obligations under this Section 15(h) shall survive the Closing.

6. Ducommun's Guaranty of Seller's Obligations. Ducommun, the parent company of Seller, hereby joins in the execution of this Second Amendment for the purposes of absolutely and unconditionally guaranteeing each of Seller's payment and performance obligations arising under Sections 11, 13 and 15 of the Purchase Agreement, as amended hereby, and Ducommun hereby waives all rights Ducommun may have, if any, to require any action be brought against Seller (or any other person) prior to any Buyer Party enforcing its rights hereunder, provided, however, that Ducommun's responsibility under this Section 6 shall in all cases be limited by the terms and conditions contained in the Purchase Agreement, including the last full paragraph of Section 13 (including, without limitation, the survival period for Seller's representations and warranties and the Cap related thereto).

7. Counterpart Execution. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original.

8. Affect of Agreement. Except as specifically set forth herein, the Purchase Agreement shall continue in full force and effect.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date and year first above written.

"Seller" AMERICAN ELECTRONICS INCORPORATED,
a California corporation

By: _____
Print Name: James S. Heiser
Print Title: Secretary

"Buyer" WOHL INVESTMENT COMPANY, INC.,
a California corporation

By: _____
Print Name: _____
Print Title: _____

The undersigned's is joining in the execution of this Second Amendment solely for the purposes of Section 6 hereof:

DUCOMMUN INCORPORATED,
a Delaware corporation

By: _____
Print Name: James S. Heiser
Print Title: VP/CFO

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date and year first above written.

"Seller" AMERICAN ELECTRONICS INCORPORATED,
a California corporation

By:_____
Print Name:_____
Print Title:_____

"Buyer" WOHL INVESTMENT COMPANY, INC.,
a California corporation

By:_____
Print Name: PETER DESPOPOULOS
Print Title: PRESIDENT

The undersigned's is joining in the execution of this Second Amendment solely for the purposes of Section 6 hereof:

DUCOMMUN INCORPORATED,
a Delaware corporation

By: _____
Print Name: _____
Print Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date and year first above written.

"Seller" AMERICAN ELECTRONICS INCORPORATED,
a California corporation

By: _____
Print Name: James S. Heiser
Print Title: Secretary

"Buyer" WOHL INVESTMENT COMPANY, INC.,
a California corporation

By: _____
Print Name: _____
Print Title: _____

The undersigned's is joining in the execution of this Second Amendment solely for the purposes of Section 6 hereof:

DUCOMMUN INCORPORATED,
a Delaware corporation

By: _____
Print Name: James S. Heiser
Print Title: VP / CFO

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "Assignment") dated as of October 21, 2003, is made by AMERICAN ELECTRONICS, INC., a California corporation ("Assignor"), to WOHL/CYPRESS LLC, a California limited liability company ("Assignee").

WITNESSETH:

WHEREAS, pursuant to that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated as of August 1, 2003, as amended by (i) that certain First Amendment to Purchase Agreement dated as of August 13, 2003, and (ii) that certain Second Amendment to Purchase Agreement dated as of September 25, 2003 (collectively, the "Purchase Agreement"), Assignor is contemporaneously herewith selling to Assignee the real property commonly known as 1600 East Valencia Drive, Fullerton, California, and more particularly described on Schedule 1 attached hereto and incorporated herein by this reference (the "Real Property"), together with the structures and improvements located thereon (the "Buildings"); and

WHEREAS, Assignor is the lessor under certain leases described in Schedule 2 attached hereto and incorporated herein by this reference (the "Leases"), and Assignor desires to assign its interest in and to the Leases (together with any and all guarantees thereof, if any) to Assignee as of the date on which title to the Real Property is vested in Assignee (the "Transfer Date").

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties hereby agree as follows:

1. Assignment and Assumption.

(a) As of the Transfer Date, Assignor hereby assigns to Assignee all of its right, title, claim and interest in, to and under the Leases (and any and all guarantees thereof, if any).

(b) As of the Transfer Date, Assignee hereby assumes all of Assignor's obligations under the Leases.

2. Indemnification.

As of the Transfer Date, Assignee hereby agrees to indemnify, defend and hold harmless Assignor from and against any and all liabilities, claims, demands, damages and costs, including, without limitation, attorneys' fees and expenses arising out of Assignor's obligations under any of the Leases.

3. Miscellaneous.

(a) In the event of any litigation between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party's costs and expenses in such litigation, including, without limitation, reasonable attorneys' fees and expenses. In addition to the foregoing award of attorneys' fees to the prevailing party, the prevailing party in any lawsuit on this Agreement shall be entitled to its reasonable attorneys' fees incurred in any post judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Assignment into any judgment on this Assignment.

(b) This Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

(c) This Assignment shall be governed by and construed in accordance with the laws of the State of California.

(d) Nothing contained herein shall be deemed or construed as relieving the Assignor or Assignee of their respective duties and obligations under the Purchase Agreement.

[signature page follows]

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IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the date first above written.

ASSIGNOR:

AMERICAN ELECTRONICS, INC.,
a California corporation

By: _____
Print Name: James S. Heiser
Print Title: Secretary

ASSIGNEE:

WOHL/CYPRESS LLC,
a California limited liability company

By: _____
Print Name: _____
Print Title: _____

Schedule 1 to Assignment and Assumption of Leases

Real Property

The following described real property located in the County of Orange, State of California:

Parcel 1:

Parcel 2, in the City of Fullerton, as shown on a Map filed in Book 128, Page 46 of Parcel Maps, Records of said Orange County.

Parcel 2:

An easement 15.000 feet wide for ingress and egress over that portion of Parcel 1 in the City of Fullerton, County of Orange, State California as shown on a map filed in Book 128 Page 16 of Parcel Maps in the office of the County Recorder of said Orange County, the easterly line of said easement is described as follows:

Beginning at the northeast corner of said Parcel 1; thence South 00°08'18" East along the east line of said parcel 1 a distance of 300.59 feet.

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Schedule 2 to Assignment and Assumption of Leases

Description of the Leases

1. Standard Industrial/Commercial Multi-Tenant Lease -- Gross (plus Addendum)
   Executed: 9/30/98
   Lessor: American Electronics, Inc.
   Lessee: Promotional Concepts Technology, Inc., dba Graphic Technologies

   First Amendment to Lease Between American Electronics, Inc., and Promotional Concepts Technology, Inc. dba Graphic Technologies
   Executed: 11/12/02
   Lessor: American Electronics, Inc.
   Lessee: Promotional Concepts Technology, Inc., dba Graphic Technologies

2. Standard Industrial/Commercial Multi-Tenant Lease -- Gross (plus Addendum)
   Executed: 7/28/97
   Lessor: American Electronics, Inc.
   Lessee: Wilson's Art Studio, Inc., dba Solutions Unlimited

   First Amendment to Lease Between American Electronics, Inc. and Wilson's Art Studio, Inc.
   Executed: 9/98
   Lessor: American Electronics, Inc.
   Lessee: Wilson's Art Studio, Inc., dba Solutions Unlimited

   Second Amendment to Lease Between American Electronics, Inc. and Wilson's Art Studio, Inc., dba Solutions Unlimited
   Executed: 11/12/02
   Lessor: American Electronics, Inc.
   Lessee: Wilson's Art Studio, Inc., dba Solutions Unlimited

3. Standard Industrial/Commercial Single-Tenant Lease -- Gross
   Executed: 5/12/00
   Lessor: American Electronics, Inc.
   Lessee: National Technical Systems, Inc.

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