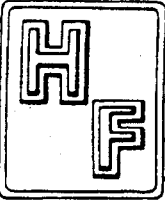


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ESTATE OF WILLIAM P. LEAR, DECEASED  
CHARGE AND DISCHARGE STATEMENT  
FOR THE FISCAL YEAR  
MAY 1, 1984 TO APRIL 30, 1985



HOLLANDER, FREEDMAN, HARRISON & FINE

CERTIFIED PUBLIC ACCOUNTANTS

8383 WILSHIRE BOULEVARD, SUITE 610, BEVERLY HILLS, CALIFORNIA 90211

TELEPHONE (213) 655-4190 FAX (213) 651-2385

Mrs. Moya Olsen Lear, Executrix  
of the Estate of William P. Lear, Deceased  
P.O. Box 61000  
Reno, Nevada, 89506-1060

Dear Mrs. Lear:

We have compiled the accompanying charge and discharge statement of the Estate of William P. Lear, Deceased, from May 1, 1984 through April 30, 1985, and the related supporting schedules for the period then ended on a cash basis, in a format for submission to the District Court, in accordance with standards established by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the District Court information that is the representation of the Executrix. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or other form of assurance on them.

These statements are presented in accordance with requirements of the District Court, which differ from generally accepted accounting principles. Accordingly, these statements are not designed for those who are not informed about such differences.

*Hollander, Freedman, Harrison & Fine*

Hollander, Freedman, Harrison & Fine  
Certified Public Accountants

Beverly Hills, California  
February 9, 1990

STATE OF WILLIAM P. LEAR, DECEASED

CHARGE AND DISCHARGE STATEMENT

FOR THE FISCAL YEAR

MAY 1, 1984 to APRIL 30, 1985

CHARGES:

|   |                        |
|---|------------------------|
| Property on Hand, May 1, 1984 (Schedule A)              | \$ 2,210,871.62        |
| Interest Income (Schedule B)                            | 10,823.43              |
| Income from Oil Leases (Schedule C)                     | 47,623.00              |
| Distributions and Income from Partnerships (Schedule D) | 104,348.76             |
| Amounts due to William P. Lear Family Trust B           | 319,000.72             |
| Increase in Amounts Due to Moya Olson Lear              | 13,179.47              |
| Income from Royalties on Aircraft (Schedule E)          | 830,025.00             |
| Refund of Federal Income Tax                            | <u>10,467.87</u>       |
| <u>Total Charges</u>                                    | <u>\$ 3,546,339.87</u> |

CREDITS:

|  |                        |
|--|------------------------|
| Expenses of Administration (Schedule F)                      | \$ 470,053.29          |
| Expenses of Operation of Oil Leases (Schedule G)             | 35,051.54              |
| Reduction in Amounts Due to Canadair Limited<br>(Schedule H) | 788,552.50             |
| Interest Charged by Canadair Limited (Schedule I)            | 41,472.50              |
| Balance of Property on Hand, April 30, 1985<br>(Schedule J)  | <u>2,211,210.04</u>    |
| <u>Total Credits</u>   | <u>\$ 3,546,339.87</u> |

Unaudited  
See Accountants' Compilation Report

SCHEDULE A

ESTATE OF WILLIAM P. LEAR, DECEASED

PROPERTY ON HAND MAY 1, 1984

|  |                     |                        |
|--|---------------------|------------------------|
| Cash in Banks - per Schedule A-1                 | \$ 101,026.30       |                        |
| Stocks - per Schedule A-2                        | 14,450.00           |                        |
| Mortgages, Notes, etc. - per Schedule A-3        | 187,163.18          |                        |
| Other Miscellaneous Property per<br>Schedule A-4 | <u>1,908,232.14</u> |                        |
| <u>Total Property on Hand May 1, 1984</u>        |                     | <u>\$ 2,210,871.62</u> |

SCHEDULE A-1

CASH IN BANKS MAY 1, 1984

|   |                      |
|---|----------------------|
| Security Bank of Nevada -<br>Checking Account       | \$ 23,192.83         |
| Nevada National Bank Savings Account                | 14,280.56            |
| American Savings & Loan Association Savings Account | <u>63,552.91</u>     |
| <u>Total Cash in Banks</u>                          | <u>\$ 101,026.30</u> |

ESTATE OF WILLIAM P. LEAR, DECEASED

STOCKS ON HAND MAY 1, 1984

(Estate's One-Half Community Share)

|  | <u>Number<br/>of Shares</u> |                     |
|--|-----------------------------|---------------------|
| 1. Aerocar, Inc., Washington                           | 10                          | \$ -0-              |
| 2. First Commercial Title, Inc., Nevada                | 25                          | 1,950.00            |
| 3. Tax Specialists, Inc., New                          | 1,500                       | -0-                 |
| 4. Incline Lake Corp.                                  | 1,250                       | 12,500.00           |
| 5. Laser Technology                                    | 5                           | <u>-0-</u>          |
| <u>Estate's Interest in Stocks on Hand May 1, 1984</u> |                             | <u>\$ 14,450.00</u> |

SCHEDULE A-3

NOTES, ETC. AS OF MAY 1, 1984

|   |                      |
|---|----------------------|
| Unsecured non-interest bearing note dated July 8, 1983 of Leareno Estates, a General Partnership, with principal payments of \$7,000 being due on the sale of each lot of Unit #1 | \$ 364,000.00        |
| Less: Community Interest of surviving spouse  | <u>182,000.00</u>    |
| Estate's interest in note receivable  | 182,000.00           |
| Unsecured demand note of 6/23/83 of Leareno Development Co. bearing interest of 10% p.a. until paid   | 5,000.00             |
| Due from Marjorie Golde for her 10% share of the net loss from the Cizek Oil Lease, Heider Unit   | <u>163.18</u>        |
| <u>Total Mortgages, Notes, etc. May 1, 1984</u>   | <u>\$ 187,163.18</u> |

Unaudited  
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## ESTATE OF WILLIAM P. LEAR, DECEASED

OTHER MISCELLANEOUS PROPERTY ON HAND MAY 1, 1984

## OIL AND GAS ROYALTIES:

|  |               |
|--|---------------|
| East and West Brorson Fields, Richland County, Montana,<br>operated by S & J Operating Co. per appraisal     | \$ 110,295.00 |
| Heider "J" Sand Unit, Cheyenne, Nebraska<br>Working Interest (secondary): 90% of 1.26540%<br>(per appraisal) | 634.00        |
| Ella Lee Kerlick Lease, DeWitt County, Texas<br>.68939% working interest                                     | -             |
| Strecker "A" Lease, Kansas 1.25% working interest  | 2,970.00      |

## PARTNERSHIP INTERESTS:

|  |            |
|--|------------|
| Airport Industrial Properties<br>14452 Chambers Road, Tustin, California 92680<br>68 1/2% interest as a limited partner<br>Book Value as of 5/1/83 and 4/30/84 | (1,127.12) |
|--|------------|

|   |                    |
|---|--------------------|
| Capistrano Industrial Park, Ltd.<br>32932 Calle Perfecto, San Juan Capistrano, Calif. 92675<br>10 1/2% interest as a limited partner<br>Book Value as of 5/1/83 | \$ 201,506.00      |
| Share of net income for the year 1983   | 48,824.00          |
| Distributions received  | <u>(35,250.00)</u> |
| Book Value 4/30/84  | 215,080.00         |

|  |                   |
|--|-------------------|
| Specialized Aircraft<br>P.O. Box 217, Camarillo, Calif 93010<br>1.21655 interest as a limited partner<br>Book Value as of 5/1/83 and 4/30/84 | <u>(6,893.00)</u> |
|--|-------------------|

|  |                        |
|--|------------------------|
| Total  | 320,958.88             |
| Less: Community interest of surviving spouse   | <u>160,479.44</u>      |
| Estate's interest  | 160,479.44             |
| Office equipment   | 486.35                 |
| Advances to Silver Lake Water Distribution Co.                                       | 20,500.00              |
| Advances to William P. Lear Family Trust B   | 92,068.35              |
| Loans to William P. Lear Trust A<br>(funds received from Canadair, Ltd., plus \$200) | <u>1,634,698.00</u>    |
| <u>Total Miscellaneous Property as of May 1, 1984</u>                                | <u>\$ 1,908,232.14</u> |

SCHEDULE B

ESTATE OF WILLIAM P. LEAR, DECEASED

INTEREST INCOME

MAY 1, 1984 to APRIL 30, 1985

|  |                     |
|--|---------------------|
| Nevada National Bank Savings Account       | \$ 459.63           |
| Security Bank of Nevada                    | 4,182.27            |
| First Western Savings and Loan Association | 1,433.14            |
| Internal Revenue Service                   | <u>4,748.39</u>     |
| <u>Total Interest Income</u>               | <u>\$ 10,823.43</u> |

SCHEDULE C

INCOME FROM OIL LEASES

(Estate's One-Half Community Share)

MAY 1, 1984 to APRIL 30, 1985

|                                     |                     |
|-------------------------------------|---------------------|
| Thomas Allison #1 Lease             | \$ 34,768.38        |
| Dynneson A #1 Lease                 | 11,552.72           |
| Miami B. Dynneson Lease             | -0-                 |
| Dynneson C #1 Lease                 | -0-                 |
| Gerald Larson #1 Lease              | -0-                 |
| Ella Lee Kerlick Lease              | 668.64              |
| Strecker "A" Lease                  | 633.26              |
| Cizek Lease - Heider Unit           | <u>-0-</u>          |
| <u>Total Income from Oil Leases</u> | <u>\$ 47,623.00</u> |

Unaudited  
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ESTATE OF WILLIAM P. LEAR, DECEASED  
DISTRIBUTIONS AND INCOME FROM PARTNERSHIPS  
 TO APRIL 30, 1985

Excess of Distributions received from partnerships  
 over book value:

|   |                      |
|---|----------------------|
| Airport Industrial Properties,<br>Tustin, California  | \$ 1,127.12          |
| Specialized Aircraft, Camarillo,<br>California  | 6,893.00             |
| Capistrano Industrial Park, Ltd.<br>San Juan Capistrano, California:<br>Book Value, May 1, 1984 | \$ 215,080.00        |
| Share of net income for the<br>year 1984  | <u>19,184.00</u>     |
| Total   | 234,264.00           |
| Distributions received  | <u>415,757.40</u>    |
| Excess  | <u>181,493.40</u>    |
|   | 189,513.52           |
| Net Income from Partnerships:<br>Capistrano Industrial Park,<br>San Juan Capistrano, California | <u>19,184.00</u>     |
| Total   | 208,697.52           |
| Less: Community share of surviving spouse   | <u>104,348.76</u>    |
| <u>Estate's interest</u>  | <u>\$ 104,348.76</u> |

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ESTATE OF WILLIAM P. LEAR, DECEASED

INCOME FROM ROYALTIES ON AIRCRAFT

MAY 1, 1984 to APRIL 30, 1985

|  |                   |                             |
|--|-------------------|-----------------------------|
| Royalties credited by Canadair Limited<br>arising from sales of Challenger Aircraft<br>to April 30, 1985 |                   | \$ 2,100,000.00             |
| Less: 15% Canadian Withholding Tax   | \$ 315,000.00     |                             |
| Commissions  | <u>124,950.00</u> | <u>439,950.00</u>           |
| Net Royalties  |                   | 1,660,050.00                |
| Less: Community share of surviving spouse  |                   | <u>830,025.00</u>           |
| <u>Estate's share of Net Income from Royalties</u>   |                   | <u><u>\$ 830,025.00</u></u> |

Unaudited  
See Accountants' Compilation Report

## ESTATE OF WILLIAM P. LEAR, DECEASED

EXPENSES OF ADMINISTRATION

MAY 1, 1984 to APRIL 30, 1985

1984

|       |   |    |          |
|-------|---|----|----------|
| 5/3   | Jerry Della - office expense  | \$ | 85.65    |
| 5/8   | Jerry Della - office expense  |    | 217.70   |
| 7/24  | Moya Olsen Lear - reimbursement for office expense  |    | 437.97   |
| 7/24  | Moya Olsen Lear - reimbursement for property tax  |    | 100.15   |
| 9/5   | Leareno Development, Inc. - reimbursement for<br>accounting fees                              |    | 4,220.00 |
| 9/10  | Moya Olsen Lear - reimbursement for accounting<br>fees and office expense                     |    | 6,580.25 |
| 10/23 | Moya Olsen Lear - reimbursement for accounting<br>fees and office expenses                    |    | 2,196.60 |
| 11/6  | Legal fees paid to Wilson, et al. by Moya Olsen Lear  |    | 9,955.31 |
| 12/1  | Hollander, Freedman, Harrison & Fine -<br>accounting fees                                     |    | 1,950.00 |
| 12/1  | Leareno Development, Inc. - reimbursement of<br>accounting fees paid to Alexander Grant & Co. |    | 3,580.00 |
| 12/14 | Office expense paid to Jerry Della by Moya Olsen Lear   |    | 278.77   |

1985

|      |  |  |            |
|------|--|--|------------|
| 1/9  | Moya Olson Lear - reimbursement for office expense   |  | 559.15     |
| 1/15 | Legal fees paid by Wm. P. Lear Family Trust B  |  | 317,706.76 |
| 1/15 | Accounting fees paid by Wm. P. Lear Family Trust B<br>to Alexander Grant & Co.                 |  | 15,750.00  |
| 3/6  | Hollander, Freedman, Harrison & Fine - accounting fees   |  | 1,190.00   |
| 3/5  | McDonald, Carano, et. al. - legal fees   |  | 299.00     |
| 3/11 | Leareno Development, Inc. - reimbursement for<br>accounting fees paid to Alexander Grant & Co. |  | 3,000.00   |
| 4/30 | Eli Grubic - legal fees  |  | 7,325.00   |
| 4/30 | Moya Olsen Lear - reimbursement for office expenses  |  | 590.68     |
| 4/30 | Hollander, Freedman, Harrison & Fine - accounting fees   |  | 1,950.00   |
| 4/30 | Expenses paid by William P. Lear Family Trust B:   |  |            |
|      | Legal fees paid to various attorneys   |  | 81,080.30  |
|      | Accounting fees paid to Alexander Grant & Co.  |  | 10,000.00  |
|      | Appraisal fee paid to Wm. G. Kimmel  |  | 1,000.00   |

Total Expenses of Administration\$ 470,053.29

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SCHEDULE G

ESTATE OF WILLIAM P. LEAR, DECEASED  
EXPENSES OF OPERATION OF OIL LEASES

(Estate's One-Half Community Share)

MAY 1, 1984 to APRIL 30, 1985

|  |              |                     |
|--|--------------|---------------------|
| Thomas Allison Lease                             |              | \$ 22,333.07        |
| Dynneson A Lease                                 |              | 12,124.07           |
| Miami B Dynneson Lease                           |              | -0-                 |
| Dynneson C Lease                                 |              | -0-                 |
| Gerald Larson Lease                              |              | -0-                 |
| Ella Lee Kerlick Lease                           |              | 151.79              |
| Cizek Lease - Heider Unit                        | \$ 455.16    |                     |
| Less: 10% interest of<br>Marjorie H. Golde       | <u>45.52</u> | 409.64              |
| Strecker "A" Lease                               |              | <u>32.97</u>        |
| <u>Total Expenses of Operation of Oil Leases</u> |              | <u>\$ 35,051.54</u> |

SCHEDULE H

REDUCTION IN AMOUNTS DUE TO CANADAIR LIMITED

|  |  |                      |
|--|--|----------------------|
| Credits applied by Canadair against advances:<br>Net Royalties on sales of Challenger Aircraft<br>(see Schedule E) |  | \$ 1,660,050.00      |
| Less Charges for Interest on Advances  |  | <u>82,945.00</u>     |
| Net Reduction in Amounts Due to Canadair   |  | 1,577,105.00         |
| Less: Community share of surviving spouse  |  | <u>788,552.50</u>    |
| <u>Estate's Share of Net Reduction in Amount Due<br/>to Canadair Limited</u>                                       |  | <u>\$ 788,552.50</u> |

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INTEREST CHARGED BY CANADAIR LIMITED

MAY 1, 1984 to APRIL 30, 1985

|   |                     |
|---|---------------------|
| Interest to April 30, 1985 charged by Canadair<br>Limited on advances | \$ 82,945.00        |
| Less: Community share of surviving spouse                             | <u>41,472.50</u>    |
| <u>Estate's share of Interest charged by Canadair</u>                 | <u>\$ 41,472.50</u> |

Unaudited  
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED

PROPERTY ON HAND APRIL 30, 1985

|   |                        |
|---|------------------------|
| Cash in Banks, etc. - per Schedule J-1        | \$ 221,267.49          |
| Stocks - per Schedule J-2                     | 14,450.00              |
| Notes, etc. - per Schedule J-3                | 183,708.70             |
| Other Miscellaneous Property per Schedule J-4 | <u>1,791,783.85</u>    |
| <u>Total Property on Hand April 30, 1985</u>  | <u>\$ 2,211,210.04</u> |

Unaudited  
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED  
CASH IN BANKS, ETC. APRIL 30, 1985

|   |                      |
|---|----------------------|
| Security Bank of Nevada -<br>Checking Account               | \$ 19,780.21         |
| First Western Savings & Loan Association<br>Savings Account | 986.05               |
| U.S. Treasury bills   | <u>200,501.23</u>    |
| <u>Total Cash in Banks, etc.</u>                            | <u>\$ 221,267.49</u> |

SCHEDULE J-2

STOCKS ON HAND APRIL 30, 1985

(Estate's One-Half Community Share)

|   | <u>Number<br/>No. Shares</u> |                     |
|---|------------------------------|---------------------|
| Aerocar, Inc., Washington                                     | 10                           | \$ -0-              |
| First Commercial Title, Inc., Nevada                          | 25                           | 1,950.00            |
| Tax Specialists, Inc., New                                    | 1,500                        | -0-                 |
| Incline Lake Corp.  | 1,250                        | 12,500.00           |
| Laser Technology  | 5                            | <u>-0-</u>          |
| <u>Estate's Interest in Stocks on Hand<br/>April 30, 1985</u> |                              | <u>\$ 14,450.00</u> |

Unaudited  
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED  
NOTES, ETC. AS OF APRIL 30, 1985

|   |                      |
|---|----------------------|
| Unsecured note dated July 8, 1983 of North Valley<br>Homes, Inc. with principal payments of \$7,000<br>being due at the sale of each lot of Unit #1 | \$ 357,000.00        |
| Less: Community interest of surviving spouse  | <u>178,500.00</u>    |
| Estate's interest in note receivable  | 178,500.00           |
| Unsecured demand note of June 23, 1983 of<br>Leareno Development Co. bearing interest at<br>10% p.a. until paid                                     | 5,000.00             |
| Due from Marjorie Golde for her 10% share of<br>the net loss from the Cizek Oil Lease, Heider Unit  | <u>208.70</u>        |
| <u>Total Notes, etc. April 30, 1985</u>   | <u>\$ 183,708.70</u> |

Unaudited  
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED  
OTHER MISCELLANEOUS PROPERTY ON HAND APRIL 30, 1985

|   |                        |
|---|------------------------|
| Oil and Gas Royalties:<br>East and West Brorson Fields, Richland County,<br>Montana, operated by S & J Operating Co.<br>(per appraisal) | \$ 110,295.00          |
| Heider "J" Sand Unit, Cheyenne, Nebraska<br>Working interest (secondary): 90% of 1.26540%<br>(per appraisal)                            | 634.00                 |
| Ella Lee Kerlick Lease, DeWitt County, Texas<br>.68939% working interest  | -0-                    |
| Stecker "A" Lease, Kansas<br>1.25% working interest   | <u>2,970.00</u>        |
| Total   | 113,899.00             |
| Less: Community interest of surviving spouse  | <u>56,949.50</u>       |
| Estate's interest   | 56,949.50              |
| Office equipment  | 486.35                 |
| Advances to Silver Lake Water Distribution Co.  | 99,500.00              |
| Loans to William P. Lear Trust A<br>(funds received from Canadair, Ltd., plus \$200)  | 1,634,698.00           |
| Escrow deposit for Moya Boulevard improvements  | <u>150.00</u>          |
| <u>Total Miscellaneous Property as of</u><br><u>April 30, 1985</u>  | <u>\$ 1,791,783.85</u> |

Unaudited  
 See Accountants' Compilation Report