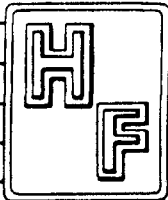


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MAR 28 2005

ESTATE OF WILLIAM P. LEAR, DECEASED
CHARGE AND DISCHARGE STATEMENT
FOR THE FISCAL YEAR
MAY 1, 1986 TO APRIL 30, 1987



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, 1986 through April 30, 1987, 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

ESTATE OF WILLIAM P. LEAR, DECEASED

CHARGE AND DISCHARGE STATEMENT

FOR THE FISCAL YEAR

MAY 1, 1986 to APRIL 30, 1987

CHARGES:

Property on Hand, May 1, 1986 (Schedule A)	\$ 2,292,617.42
Interest Income (Schedule B)	23,601.72
Dividend Income (Schedule C)	10,446.59
Income from Oil Leases (Schedule D)	22,296.28
Partnership Distributions received (Schedule E)	166,687.50
Increase in amounts due to William P. Lear Family Trust B	94,856.05
Income from Royalties on Aircraft (Schedule F)	1,279,250.00
Amount due to Estate of Marjorie H. Golde	<u>215.39</u>
<u>Total Charges</u>	<u>\$ 3,889,970.95</u>

CREDITS:

Expenses of Administration (Schedule G)	\$ 145,834.36
Estate taxes paid by William P. Lear Family Trust B	100,000.00
Federal and California Income Taxes paid	93,611.15
Expenses of Operation of Oil Leases (Schedule H)	16,244.95
Reduction in Amounts due to Operators of Oil and Gas Properties	457.83
Reduction in Amounts due to Moya Olsen Lear	224,354.15
Interest Paid to Moya Olsen Lear	575.34
Loss on Sale of Interest in Oil Lease (Schedule I)	73.74
Property on Hand, April 30, 1987 (Schedule J)	<u>3,308,819.43</u>
<u>Total Credits</u>	<u>\$ 3,889,970.95</u>

Unaudited
See Accountants' Compilation Report

SCHEDULE A

ESTATE OF WILLIAM P. LEAR, DECEASED
PROPERTY ON HAND MAY 1, 1986

Cash in Banks - per Schedule A-1	\$ 368,551.45
Stocks - per Schedule A-2	90,881.89
Notes, etc. - per Schedule A-3	22,749.23
Other Miscellaneous Property per Schedule A-4	<u>1,810,434.85</u>
<u>Total Property on Hand May 1, 1986</u>	<u>\$ 2,292,617.42</u>

SCHEDULE A-1

CASH IN BANKS, ETC. MAY 1, 1986

U.S. Treasury Bills	\$ 305,079.50
Security Bank of Nevada	57,514.93
Birr, Wilson Money Fund	<u>5,957.02</u>
<u>Total Cash in Banks, etc.</u>	<u>\$ 368,551.45</u>

Unaudited
See Accountant's Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED

STOCKS ON HAND MAY 1, 1986

	<u>No. Shares</u>	
Investment Portfolios - Government Plus	9,065.319	\$ 76,431.89(*)
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>Total Stocks on Hand, May 1, 1986</u>		<u>\$ 90,881.89</u>

(*)Market value approximately \$78,052

NOTES, ETC. AS OF MAY 1, 1986

Unsecured note dated July 8, 1983 of North Valley Homes, Inc. with principal payments of \$7,000 being due at the sale of each lot of Unit #1	\$ 35,000.00
Less: Community interest of surviving spouse	<u>17,500.00</u>
Estate's interest in note receivable	17,500.00
Unsecured demand note of June 23, 1983 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>249.23</u>
<u>Total Notes, etc. May 1, 1986</u>	<u>\$ 22,749.23</u>

Unaudited
See Accountant's Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED

OTHER MISCELLANEOUS PROPERTY ON HAND MAY 1, 1986

Oil and Gas Royalties: East and West Brorson Fields, Richland County, Montana, operated by S & J Operating Co. (per appraisal)	\$ 110,295.00
Heider "J" Sand Unit, Cheyenne, Nebraska Working Interest (secondary): 90% of 1.26540% (per appraisal)	634.00
Ella Lee Kerlick Lease, DeWitt County, Texas .68939% working interest	-0-
Strecker "A" Lease, Kansas 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.	111,251.00
Loans to William P. Lear Trust A (funds received from Canadair, Ltd., plus \$200)	1,634,698.00
Escrow deposit for Moya Boulevard improvements	<u>7,050.00</u>
<u>Total Miscellaneous Property as of</u> <u>May 1, 1985</u>	<u>\$ 1,810,434.85</u>

Unaudited
See Accountant's Compilation Report

SCHEDULE B

ESTATE OF WILLIAM P. LEAR, DECEASED

INTEREST INCOME

MAY 1, 1986 to APRIL 30, 1987

North Valley Homes, Inc. - Leareno Estates Unit #1	\$ 1,104.45
U.S. Treasury Bills	4,920.50
Federal Farm Credit Bank	11,977.74
Security Bank of Nevada	5,275.05
Birr, Wilson Securities, Inc.	143.49
Franchise Tax Board	<u>180.49</u>
<u>Total Interest Income</u>	<u>\$ 23,601.72</u>

SCHEDULE C

DIVIDEND INCOME

MAY 1, 1986 TO APRIL 30, 1987

Investment Portfolios - Government Plus	\$ 8,769.01
Birr Wilson Money Fund	<u>1,677.58</u>
<u>Total Dividend Income</u>	<u>\$ 10,446.59</u>

Unaudited
See Accountants' Compilation Report

SCHEDULE D

ESTATE OF WILLIAM P. LEAR, DECEASED

INCOME FROM OIL LEASES

(Estate's One-Half Community Share)

MAY 1, 1986 to APRIL 30, 1987

Thomas Allison #1 Lease	\$ 10,037.20
Dynneson A #1 Lease	7,694.41
Ella Lee Kerlick Lease	268.26
Strecker "A" Lease	286.08
Cizek Lease - Heider Unit	<u>4,010.33</u>
<u>Total Income from Oil Leases</u>	<u>\$ 22,296.28</u>

SCHEDULE E

PARTNERSHIP DISTRIBUTIONS RECEIVED

MAY 1, 1986 to APRIL 30, 1987

Capistrano Industrial Park, Ltd.,
San Juan Capistrano, California:

<u>Estate's share of Partnership Distributions Received</u>	<u>\$ 166,687.50</u>
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Unaudited
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED
INCOME FROM ROYALTIES ON AIRCRAFT
(Estate's One-Half Community Share)
MAY 1, 1986 to APRIL 30, 1987

Royalties paid by Canadair Limited arising from sales of Challenger Aircraft		\$ 1,352,000.00
Less: Canadian Withholding Tax (net, after refund of excess withheld in prior years)	\$ 35,250.00	
Commissions	<u>37,500.00</u>	<u>72,750.00</u>
<u>Net Royalties</u>		<u>\$ 1,279,250.00</u>

Unaudited
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED

EXPENSES OF ADMINISTRATION

MAY 1, 1986 to APRIL 30, 1987

<u>1986</u>		
5/29	Leareno Development, Inc. - Reimbursement for Accounting Fees paid to GrantThornton	\$ 4,400.00
6/11	Hollander, Freedman, Harrison & Fine - Accounting Fees	1,230.00
6/19	Leareno Development, Inc. - Reimbursement for Accounting Fees paid to GrantThornton	700.00
7/15	Leareno Development, Inc. - Reimbursement for Accounting Fees paid to GrantThornton	1,400.00
8/8	Hollander, Freedman, Harrison & Fine - Accounting Fees	3,625.00
9/16	Leareno Development, Inc. - Reimbursement for Accounting Fees paid to GrantThornton	1,050.00
9/16	McDonald, Carano, Wilson, et al. - Legal Fees	3,750.00
9/22	Wyoming Foundry Studio - Reimbursement for Travel Expenses, etc.	3,989.96
9/29	Moya Olsen Lear - Reimbursement for Office Expenses	1,666.33
10/13	Hollander, Freedman, Harrison & Fine - Accounting Fees	6,480.00
10/13	Cooke, Roberts and Reese, Ltd. - Legal Fees	1,139.04
11/19	Leareno Development, Inc. - Reimbursement for Accounting Fees paid to GrantThornton	3,300.00
12/12	Cooke, Roberts and Reese, Ltd. - Legal Fees	187.50
12/12	Hollander, Freedman, Harrison & Fine - Accounting Fees	2,840.00
<u>1987</u>		
1/27	Hill, Cassas, deLipkau and Erwin - Legal Fees	67,649.29
1/27	Vargas and Bartlett - Legal Fees	3,603.73
2/9	Investigative services paid by William P. Lear Family Trust B to William L. Savage & Associates	2,660.50
2/27	Hollander, Freedman, Harrison & Fine - Accounting Fees	2,450.00
2/27	Cooke, Roberts and Reese, Ltd. - Legal Fees	125.00
3/31	Ronald J. Bath, Esq. - Legal Fees	9,517.04
3/31	Hill, Cassas, deLipkau and Erwin - Legal Fees	16,795.00
4/14	Leareno Development, Inc. - Reimbursement for Accounting Fees paid to GrantThornton	270.00
4/14	Geraldine Della - Office Expense	350.00
4/14	Hollander, Freedman, Harrison & Fine - Accounting Fees	4,650.00
4/30	Office Expenses paid by Moya Olsen Lear	2,005.97
	<u>Total Expenses of Administration</u>	<u>\$ 145,834.36</u>

Unaudited

See Accountants' Compilation Report

SCHEDULE H

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

MAY 1, 1986 to APRIL 30, 1987

(Estate's One-Half Community Share)

Thomas Allison #1 Lease		\$ 8,442.58
Dynneson A #1 Lease		7,665.84
Ella Lee Kerlick Lease		64.46
Cizek Lease - Heider Unit	\$ 80.08	
Less: 10% Interest of Marjorie H. Golde	<u>8.01</u>	72.07
Strecker "A" Lease		<u>-0-</u>
<u>Total Expenses of Operation of Oil Leases</u>		<u>\$ 16,244.95</u>

SCHEDULE I

LOSS ON SALE OF INTEREST IN OIL LEASE

MAY 1, 1986 to APRIL 30, 1987

February 6, 1987 Sale of community half of
90% of 1.26540% interest in Heider "J"
Sand Unit, Cheyenne, Nebraska:

Cost Basis (community half of \$634.00, the value at May 14, 1978)	\$ 317.00
Selling price	<u>243.26</u>
<u>Loss on Sale</u>	<u>\$ 73.74</u>

Unaudited
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED
PROPERTY ON HAND APRIL 30, 1987

Cash in Banks, etc. - per Schedule J-1	\$ 708,109.18
Securities - per Schedule J-2	773,723.42
Notes receivable - per Schedule J-3	15,500.00
Other Miscellaneous Propety per Schedule J-4	<u>1,811,486.83</u>
<u>Total Property on Hand April 30, 1987</u>	<u>\$ 3,308,819.43</u>

Unaudited
See Accountants' Compilation Report

SCHEDULE J-1

ESTATE OF WILLIAM P. LEAR, DECEASED

CASH IN BANKS, ETC. APRIL 30, 1987

Security Bank of Nevada - Checking Account	\$ 355,542.14
Certificate of Deposit	50,000.00
Birr, Wilson Securities, Inc.	300,000.00
Birr, Wilson Money Fund	<u>2,567.04</u>
<u>Total Cash in Banks, etc.</u>	<u>\$ 708,109.18</u>

SCHEDULE J-2

SECURITIES ON HAND APRIL 30, 1987

(Estate's One-Half Community Share)

	<u>Number of Shares</u>	
Investment Portfolios - Government Plus	10,100.448	\$ 85,200.90(*)
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	-0-
Nuveen Tax-Exempt Unit Trusts		669,046.41
Accrued interest at date of purchase		<u>5,026.11</u>
<u>Securities on Hand, April 30, 1987 (at cost)</u>		<u>\$ 773,723.42</u>

(*)Market value approximately \$82,117.

Unaudited
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED
NOTES RECEIVABLE AS OF APRIL 30, 1987

Unsecured note of July 8, 1983 of North Valley Homes, Inc. with principal payments of \$7,000 being due at the sale of each lot of Unit #1	\$ 21,000.00
Less: Community interest of surviving spouse	<u>10,500.00</u>
Estate's interest in note receivable	10,500.00
Unsecured demand note of June 23, 1983 of Leareno Development Co. bearing interest of 10% p.a. until paid	<u>5,000.00</u>
<u>Total Notes Receivable, April 30, 1987</u>	<u>\$ 15,500.00</u>

Unaudited
See Accountants' Compilation Report

ESTATE OF WILLIAM P. LEAR, DECEASED
OTHER MISCELLANEOUS PROPERTY ON HAND APRIL 30, 1987

Oil and Gas Royalties: East and West Brorson Fields, Richland County, Montana, operated by S & J Operating Co. (per appraisal)	\$ 110,295.00
Ella Lee Kerlick Lease, DeWitt County, Texas .68939% working interest	-0-
Stecker "A" Lease, Kansas 1.25% working interest	<u>2,970.00</u>
Total	113,265.00
Less: Community interest of surviving spouse	<u>56,632.50</u>
Estate's interest	56,632.50
Amount due from S & J Operating Co.	1,068.98
Office equipment	486.35
Advances to Silver Lake Water Distribution Co.	111,251.00
Loans to William P. Lear Trust A (funds received from Canadair, Ltd., plus \$200)	1,634,698.00
Escrow deposit for Moya Boulevard improvements	<u>7,350.00</u>
<u>Total Miscellaneous Property as of</u> <u>April 30, 1987</u>	<u>\$ 1,811,486.83</u>

Unaudited
See Accountants' Compilation Report