

**CHARGE AND DISCHARGE STATEMENT AND
ACCOUNTANTS' COMPILATION REPORT**

ESTATE OF WILLIAM P. LEAR

May 1, 1991 to December 31, 1991

GrantThornton 

Accountants and
Management Consultants

The U.S. Member Firm of
Grant Thornton International

Accountants' Compilation Report

**To the Executrix
Estate of William P. Lear**

We have compiled the accompanying charge and discharge statement and related schedules of the Estate of William P. Lear for the period May 1, 1991 to December 31, 1991, in accordance with standards established by the American Institute of Certified Public Accountants.

The Estate's policy is to prepare its statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statement and related schedules are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

On November 26, 1991 the Second Judicial District Court in and for the County of Washoe issued an order approving Fourth and Final Account and Report of Executor, Petition for Final Distribution, and for approval of attorney's fees. As a result of that order, all final bills and expenses were paid, and the remaining assets transferred to the Lear Family Trust.

A compilation is limited to presenting the transactions in charge and discharge form and are the representations of the Executrix. We have not audited the accompanying charge and discharge statement and related schedule and, accordingly, do not express an opinion or any other form of assurance on them.

We are not independent with respect to the Estate of William P. Lear.

Grant Thornton

Reno, Nevada
January 15, 1992

Estate of William P. Lear

CHARGE AND DISCHARGE STATEMENT

**For the period May 1, 1991 to December 31, 1991
(See accountants' compilation report)**

The Executrix charges herself with:

Inventory of assets as of May 1, 1991 (Schedule 1)	\$ 3,342,443.62
Interest and dividend income (Schedule 6)	33,712.72
Net oil and gas royalty income (Schedule 7)	19,606.69
Distributions from Capistrano Industrial Park, Ltd.	5,250.00
Net aircraft royalty income (Schedule 8)	374,000.00
Miscellaneous income	294.76
	<u>3,775,307.79</u>

The Executrix credits herself with:

Estate taxes and interest paid	1,250,000.00
Fiduciary income taxes paid	60,342.50
Foreign income taxes paid (Schedule 8)	39,600.00
Administration expenses paid (Schedule 9)	91,959.08
Funds paid to Incline Lake Corporation	375.00
Loss on sale of securities	12,388.19
Loss on abandonment of oil and gas properties	50,576.89
Assets transferred to the Lear Family Trust (Schedule 10)	2,270,066.13
	<u>3,775,307.79</u>

**INVENTORY OF ASSETS AS OF
DECEMBER 31, 1991 (Schedule 10)**

\$ -0-

Estate of William P. Lear

INVENTORY OF ASSETS

Schedule 1

May 1, 1991

(See accountants' compilation report)

Cash in banks, etc. (Schedule 2)	\$ 1,479,503.99
Securities (Schedule 3)	135,289.84
Investment in Capistrano Industrial Park, Ltd. Partnership (5.25% interest)	-
Notes receivable (Schedule 4)	5,000.00
Oil and gas royalties (Schedule 5)	55,147.50
Receivable from Miami Oil Producers, Inc.	16,949.12
Receivable from Moya Olsen Lear	3,617.82
Office equipment	486.35
Advances to Silver Lake Water Distribution Company	11,751.00
Loans to William P. Lear Trust A	<u>1,634,698.00</u>
	<u>\$ 3,342,443.62</u>

Estate of William P. Lear

**CASH IN BANKS, MONEY MARKET FUNDS
AND CERTIFICATES OF DEPOSIT**

Schedule 2

December 31, 1991 and May 1, 1991
(See accountants' compilation report)

	<u>December 31, 1991</u>	<u>May 1, 1991</u>
Valley Bank of Nevada		
Super Insured Money Market Account	\$ -	\$ 1,101,841.52
Paine Webber Cash Fund	-	438.54
CEF Money Market Portfolio	-	102,652.93
Certificates of Deposit:		
Valley Bank of Nevada:		
CD #147768, due 10/15/91	-	137,285.50
CD #147769, due 10/15/91	-	<u>137,285.50</u>
	<u>\$ -0-</u>	<u>\$ 1,479,503.99</u>

Estate of William P. Lear

SECURITIES

Schedule 3

December 31, 1991 and May 1, 1991
(See accountants' compilation report)

	<u>December 31,</u> <u>1991</u>	<u>May 1,</u> <u>1991</u>
First Commercial Title, Inc., NV, 39 shares	\$ -	\$ 1,950.00
Incline Lake Corporation, 1,250 shares	-	12,500.00
Investment Portfolios - Government Plus, 14,881.894 shares	<u>-</u>	<u>120,839.84</u>
	<u>\$ -0-</u>	<u>\$ 135,289.84</u>

Estate of William P. Lear

NOTES RECEIVABLE

Schedule 4

December 31, 1991 and May 1, 1991
(See accountants' compilation report)

	December 31, <u>1991</u>	May 1, <u>1991</u>
Unsecured demand note of Leareno Development Company, dated June 23, 1983, bearing interest of 10% per annum until paid	<u>\$ -0-</u>	<u>\$ 5,000.00</u>

Estate of William P. Lear

OIL AND GAS PROPERTIES

Schedule 5

December 31, 1991 and May 1, 1991
(See accountants' compilation report)

	<u>December 31, 1991</u>	<u>May 1, 1991</u>
East and West Brorson Fields, Richland County, Montana, operated by Miami Oil Producers, Inc. (per appraisal)	\$ -	\$ 110,295.00
Less community interest of surviving spouse	<u>-</u>	<u>55,147.50</u>
	<u>\$ -0-</u>	<u>\$ 55,147.50</u>

Estate of William P. Lear

INTEREST AND DIVIDEND INCOME

Schedule 6

**For the period May 1, 1991 to December 31, 1991
(See accountants' compilation report)**

Bateman, Eichler, Hill, Richards Money Market	\$ 607.61
Silver Lake Water Distribution Company	7,420.25
Valley Bank of Nevada Certificates of deposit	14,882.24
Bank money market checking	<u>10,802.62</u>
	<u>\$ 33,712.72</u>

Estate of William P. Lear

NET OIL AND GAS ROYALTY INCOME

Schedule 7

For the period May 1, 1991 to December 31, 1991
(See accountants' compilation report)

	<u>Thomas Allison #1 Lease</u>	<u>Dynneson A #1 Lease</u>	<u>Total</u>
Gross Royalty Income (50% community property interest)	\$ 15,673.39	\$ 23,423.95	\$ 39,097.34
Operating lease expenses	<u>10,012.92</u>	<u>9,477.73</u>	<u>19,490.65</u>
	<u>\$ 5,660.47</u>	<u>\$ 13,946.22</u>	<u>\$ 19,606.69</u>

Estate of William P. Lear

NET AIRCRAFT ROYALTY INCOME

Schedule 8

For the period May 1, 1991 to December 31, 1991
(See accountants' compilation report)

Gross royalties from Canadair, Limited arising from sales of Challenger Aircraft	\$ 396,000.00
Less: Commissions	<u>22,000.00</u>
	<u>\$ 374,000.00</u>

Note: \$39,600.00 of Canadian income tax was also
withheld from the gross royalties received.

Estate of William P. Lear

ADMINISTRATION EXPENSES PAID

Schedule 9

**For the period May 1, 1991 to December 31, 1991
(See accountants' compilation report)**

Legal and consulting fees	\$ 51,504.08
Accounting fees	38,000.00
Office costs - J. Della	2,450.00
Miscellaneous expenses	<u>5.00</u>
	<u>\$ 91,959.08</u>

Estate of William P. Lear

ASSETS TRANSFERRED TO THE LEAR FAMILY TRUST Schedule 10

For the period May 1, 1991 to December 31, 1991
(See accountants' compilation report)

Valley Bank of Nevada	
December 31, 1991	\$ 400,000.00
December 31, 1991	174,151.65
Securities	
First Commercial Title, Inc. - 39 shares	1,950.00
Incline Lake Corporation - 1,250 shares	12,500.00
Notes receivable	
Leareno Development Corp.	5,000.00
Silver Lake Water Distribution Co.	19,171.25
Investment in Capistrano Industrial Park, Ltd. Partnership (5.25% interest)	-
Loans to William P. Lear Trust A	1,634,698.00
Receivable from Miami Oil Producers, Inc.	13,920.45
Receivable from Moya Olsen Lear	3,617.82
Office equipment	486.35
Oil and gas properties	<u>4,570.61</u>
	<u>\$ 2,270,066.13</u>