

CHARGE AND DISCHARGE STATEMENT
AND
ACCOUNTANTS' COMPILATION REPORT

WILLIAM P. LEAR FAMILY TRUST

May 1, 1987 to December 31, 1987

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Grant Thornton 

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Management Consultants

The U.S. Member Firm of
Grant Thornton International

James L. Murphy, Harold P. Dayton
and Richard B. Rowley, Co-Trustees
William P. Lear Family Trust

We have compiled the accompanying charge and discharge statement and related schedules for the William P. Lear Family Trust for the period May 1, 1987 to December 31, 1987, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting the transactions in charge and discharge statement form and is the representation of the co-trustees. We have not audited the accompanying charge and discharge statement and related schedules and, accordingly, do not express an opinion on them.

We are not independent with respect to the William P. Lear Family Trust.

Grant Thornton

Reno, Nevada
June 29, 1988

EXHIBIT "F"

William P. Lear Family Trust
CHARGE AND DISCHARGE STATEMENT

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

First as to Principal

The trustees charge themselves with	
Principal inventory of assets as of May 1, 1987 as filed with the court on October 14, 1987 (schedule 1)	\$5,065,928.78
Additions to inventory due to adjustments and changes in asset values (schedule 2)	1,499,152.30
Gain on sale of land (schedule 3)	<u>133,950.67</u>
	6,699,031.75
The trustees credit themselves with	
Payments of debt of the trust (schedule 4)	<u>136,879.11</u>
PRINCIPAL REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1987	<u>6,562,152.64</u>

Second as to Income

The trustees charge themselves with	
Interest received (schedule 5)	29,426.06
Rents received (schedule 6)	169,948.64
Option extension fee received	<u>2,500.00</u>
	201,874.70
The trustees credit themselves with	
Costs of administration (schedule 7)	<u>142,314.13</u>
DISTRIBUTABLE INCOME REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1987	<u>59,560.57</u>
TOTAL INVENTORY OF ASSETS REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1987 (schedule 8)	<u>\$6,621,713.21</u>

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 1

May 1, 1987

(See accountants' compilation report)

Undivided one-half interest in land and buildings near Reno/Stead Airport, Washoe County, Nevada		
Remaining portion (approximately 1,165.20 acres of vacant land including \$1,336.50 cost of mapping)		\$1,949,956.27
Remaining portion (approximately 44.23 acres of M-1 land and small buildings)		
Land	\$272,414.63	
Buildings	331,500.00	
Building improvements	<u>9,326.60</u>	613,241.23
Hangar building	425,000.00	
Building improvements	<u>15,458.32</u>	440,458.32
Autoclave and equipment		87,500.00
Total interest in real estate and equipment		<u>3,091,155.82</u>
Cash in First Interstate Bank		60,858.57
Time certificate of deposit - Security Bank of Nevada		101,118.00
Notes receivable - North Valley Homes, Inc.		
Leareno Estates Unit #3	147,000.00	
Leareno Estates Unit #5	<u>174,000.00</u>	321,000.00
Funds held in escrow (North Valley Homes, Inc.)		
Unit #2	7,200.00	
Unit #3	<u>750.00</u>	7,950.00
Due from Leareno Development Company		8,578.18
Due from Estate of William P. Lear (including \$625,000 paid to Internal Revenue Service)		818,706.86
Investment in and notes receivable from Silver Lake Water Distribution Company		<u>656,561.35</u>
INVENTORY REMAINING CHARGEABLE TO THE TRUSTEES AS OF MAY 1, 1987		<u>\$5,065,928.78</u>

William P. Lear Family Trust

ADDITIONS TO INVENTORY DUE TO ADJUSTMENTS
AND CHANGES IN ASSET VALUES

Schedule 2

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

Vacant land		
Adjustment to carrying value based on Internal Revenue Service and other cost allocation changes		\$ 578,764.23
Industrial land		
Adjustment to carrying value based on Internal Revenue Service and other cost allocation changes		29,621.37
Investment in Silver Lake Water Distribution Company		
Record additional costs and values		
Water rights for 732 acre feet	\$366,000.00	
Payment by Incline Enterprises for 2 million gallon tank	150,000.00	
Improvements paid through loan from Nevada National Bank	175,000.00	
Other additions and contributions for construction	255,886.17	
	<u>946,886.17</u>	
Less portion of above carrying value recorded as part of cost basis of land sold in prior years	(265,671.87)	681,214.30
Learavia stock		
Par value of 500 shares of stock transferred to the trust from the William P. Lear Family Trust A		500.00
Leareno Development Company		
Record book value of company which was previously reflected in inventory at no value		
Common stock	75,000.00	
Paid-in capital	<u>134,052.40</u>	<u>209,052.40</u>
		<u>\$1,499,152.30</u>

William P. Lear Family Trust

GAIN ON SALE OF LAND

Schedule 3

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

December 31, 1987 sale of trust's one-half interest in 90.15 acres in Washoe County, Nevada to Upland Industrial Development:

Gross sales price	\$405,675.00
Expense of sale	(<u>1,724.33</u>)
Net sales price	403,950.67
Cost basis	<u>270,000.00</u>
Gain on sale of land	<u>\$133,950.67</u>

William P. Lear Family Trust

PAYMENTS OF DEBT OF THE TRUST

Schedule 4

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

Principal payments on note payable to Nevada National Bank	
Paid from Estate of William P. Lear funds and credited	
to due from Estate of William P. Lear	\$127,171.16
Paid from Trust funds	7,682.45
	<u>134,853.61</u>
Payments on advance from Moya Olsen Lear	<u>2,025.50</u>
Total payments of debt of the trust	<u>\$136,879.11</u>

William P. Lear Family Trust

INTEREST INCOME

Schedule 5

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

Interest received from:

First Interstate Bank - Checking account	\$ 1,943.53
Security Bank of Nevada - Time certificates of deposit	1,037.58
North Valley Homes, Inc. - note receivable Leareno Estates - Unit #3	4,289.00
Silver Lake Water Distribution Company	19,265.15
Upland Industrial Development	<u>2,890.80</u>
Total interest income	<u>\$29,426.06</u>

EXHIBIT "F"

William P. Lear Family Trust

RENTAL INCOME

Schedule 6

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

Rent received from:

Lear Fan, Ltd.

\$ 96,393.73

Nevatech Industries, Inc.

73,554.91

Total rental income

\$169,948.64

William P. Lear Family Trust

COSTS OF ADMINISTRATION

Schedule 7

May 1, 1987 to December 31, 1987
(See accountants' compilation report)

Property taxes	\$ 16,754.66
Interest expense - Nevada National Bank hangar loan	5,776.10
Hangar repairs	1,263.86
Management fees -- Leareno Development Company	4,000.00
Management salary	14,672.00
Employee benefits	2,581.68
General overhead	24,673.73
Miscellaneous	162.92
Trustee fees	48,000.00
Legal and accounting fees	<u>24,429.18</u>
Total costs of administration	<u>\$142,314.13</u>

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 8

December 31, 1987

(See accountants' compilation report)

Undivided one-half interest in land and buildings near Reno/Stead Airport, Washoe County, Nevada		
Remaining portion (approximately 1,075.05 acres of vacant land including \$1,336.50 cost of mapping)		\$2,260,788.00
Remaining portion (approximately 44.23 acres of M-1 land and small buildings)		
Land	\$302,036.00	
Buildings	331,500.00	
Building improvements	<u>9,326.60</u>	642,862.60
Hangar building	425,000.00	
Building improvements	<u>15,458.32</u>	440,458.32
Autoclave and equipment		87,500.00
Total interest in real estate and equipment		<u>3,431,608.92</u>
Cash in First Interstate Bank		143,867.73
Notes receivable - North Valley Homes, Inc.		
Leareno Estates Unit #3	117,000.00	
Leareno Estates Unit #5	<u>174,000.00</u>	291,000.00
Note receivable - Upland Industrial Development		324,540.00
Funds held in escrow (North Valley Homes, Inc.)		
Unit #2	7,200.00	
Unit #3	<u>2,250.00</u>	9,450.00
Due from Leareno Development Company		30,816.19
Due from Western Title Company, Inc.		82,301.47
Due from Estate of William P. Lear (including \$625,000 paid to Internal Revenue Service)		691,535.70
Investment in and notes receivable from Silver Lake Water Distribution Company		1,407,040.80
Investment in Leareno Development Company		209,052.40
Investment in Learavia - 500 shares of stock		<u>500.00</u>
INVENTORY REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1987		<u>\$6,621,713.21</u>

EXHIBIT "F"
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