

CHARGE AND DISCHARGE STATEMENT  
AND  
ACCOUNTANTS' COMPILATION REPORT

WILLIAM P. LEAR FAMILY TRUST

January 1, 1988 to December 31, 1988

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**Grant Thornton** 

Accountants and  
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 January 1, 1988 to December 31, 1988, 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  
January 27, 1989

William P. Lear Family Trust

CHARGE AND DISCHARGE STATEMENT

January 1, 1988 to December 31, 1988  
(See accountants' compilation report)

First as to Principal

The trustees charge themselves with Principal inventory of assets as December 31, 1988 and 1987		<u>\$6,562,152.64</u>
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Second as to Income

The trustees charge themselves with		
Undistributed income as of January 1, 1988		59,560.57
Interest received (schedule 2)	\$ 58,299.29	
Rents received	107,349.91	
Option extension fee received - Sierra Pacific Power	2,500.00	
Construction rebates received	<u>60,311.50</u>	<u>228,460.70</u>
		288,021.27
The trustees credit themselves with		
Costs of administration (schedule 3)	220,170.40	
Payment to Union Pacific Railroad for railroad crossing on Lear Boulevard	<u>11,533.02</u>	<u>231,703.42</u>
DISTRIBUTABLE INCOME REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1988		<u>56,317.85</u>
TOTAL INVENTORY OF ASSETS REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1988 (schedule 4)		<u>\$6,618,470.49</u>

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 1

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>
Consisting of:		
Principal inventory		\$6,562,152.64
Distributable income		<u>59,560.57</u>
		<u>\$6,621,713.21</u>

William P. Lear Family Trust

INTEREST INCOME

Schedule 2

January 1, 1988 to December 31, 1988  
(See accountants' compilation report)

Interest received from:

First Interstate Bank - Checking account	\$ 4,457.73
Paine Webber - RMA account	260.62
Paine Webber - Commercial paper	1,138.23
Paine Webber - Landmark Savings & Loan	1,116.85
North Valley Homes, Inc. - note receivable Leareno Estates - Unit #3	6,953.00
Silver Lake Water Distribution Company	17,642.11
Upland Industrial Development	<u>26,730.75</u>
Total interest income	<u>\$58,299.29</u>

EXHIBIT "G"

William P. Lear Family Trust

COSTS OF ADMINISTRATION

Schedule 3

January 1, 1988 to December 31, 1988  
(See accountants' compilation report)

Property taxes	\$ 57,593.77
Building repairs	5,152.47
Management fees - Leareno Development Company	6,000.00
Management salary	8,464.49
Employee benefits	2,051.06
General overhead	48,381.94
Miscellaneous	241.44
Trustee fees	72,000.00
Legal and accounting fees	<u>20,285.23</u>
Total costs of administration	<u>\$220,170.40</u>

EXHIBIT "G"

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 4

December 31, 1988

(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)		\$2,626,788.00
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>3,797,608.92</u>
Cash in First Interstate Bank		93,377.77
Notes receivable - North Valley Homes, Inc.		
Leareno Estates Unit #3	87,000.00	
Leareno Estates Unit #5	<u>174,000.00</u>	261,000.00
Note receivable - Upland Industrial Development		259,632.00
Funds held in escrow (North Valley Homes, Inc.)		
Unit #2	7,200.00	
Unit #3	<u>3,750.00</u>	10,950.00
Due from Leareno Development Company		2,574.23
Due from Estate of William P. Lear (including \$705,000 paid to Internal Revenue Service)		822,636.56
Investment in and notes receivable from Silver Lake Water Distribution Company		1,058,682.91
Investment in Leareno Development Company		209,052.40
Investment in Learavia - 500 shares of stock		500.00
Cash held by Paine Webber		2,851.58
Investments held by Paine Webber		<u>99,604.12</u>
INVENTORY REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1988		<u>\$6,618,470.49</u>
Consisting of:		
Principal inventory		\$6,562,152.64
Distributable income		<u>56,317.85</u>
		<u>\$6,618,470.49</u>