

**Charge and Discharge Statement
and
Accountants' Compilation Report**

WILLIAM P. LEAR FAMILY TRUST

January 1, 1989 to December 31, 1989

EXHIBIT "C"

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, 1989 to December 31, 1989, in accordance with standards established by the American Institute of Certified Public Accountants.

The Trust'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.

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 19, 1990

William P. Lear Family Trust

CHARGE AND DISCHARGE STATEMENT

January 1, 1989 to December 31, 1989
(See accountants' compilation report)

First as to Principal

The trustees charge themselves with
Principal inventory of assets as December 31,
1988 and 1989 \$6,562,152.64

Second as to Income

The trustees charge themselves with

Undistributed income as of January 1, 1989		56,317.85
Interest received (schedule 2)	\$ 43,086.24	
Rents received	82,775.30	
Option extension fees received		
Silver State Ranches	2,500.00	
Lewis Homes	25,000.00	
Net income from sale of autoclave and oven	<u>22,750.00</u>	<u>176,111.54</u>
		<u>232,429.39</u>

The trustees credit themselves with
Costs of administration (schedule 3) 162,466.59

DISTRIBUTABLE INCOME REMAINING CHARGEABLE
TO THE TRUSTEES AS OF DECEMBER 31, 1989 69,962.80

TOTAL INVENTORY OF ASSETS REMAINING
CHARGEABLE TO THE TRUSTEES AS OF
DECEMBER 31, 1989 (schedule 4) \$6,632,115.44

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 1

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
Paine Webber Investments		
Cash	2,851.58	
Certificates of deposit	<u>99,604.12</u>	102,455.70
Due from Estate of William P. Lear (including \$625,000 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		<u>500.00</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>

William P. Lear Family Trust

INTEREST INCOME

Schedule 2

January 1, 1989 to December 31, 1989
(See accountants' compilation report)

Interest received from:

First Interstate Bank - Checking account	\$ 2,899.59
Paine Webber - RMA account	792.00
Paine Webber - Commercial paper	395.88
Paine Webber - Certificates of deposit	6,499.55
North Valley Homes, Inc. - note receivable Leareno Estates - Unit #3	3,826.11
Silver Lake Water Distribution Company	20,398.27
Moya Boulevard Road Fund	1,240.43
Upland Industrial Development	<u>7,034.41</u>
Total interest income	<u>\$43,086.24</u>

William P. Lear Family Trust

COSTS OF ADMINISTRATION

Schedule 3

January 1, 1989 to December 31, 1989
(See accountants' compilation report)

Property taxes	\$ 16,258.67
Building repairs	5,494.50
Management fees - Leareno Development Company	6,000.00
Management salary	1,501.54
Employee benefits	148.23
General overhead	36,593.37
Insurance	4,330.85
Miscellaneous	318.44
Trustee fees	72,000.00
Legal and accounting fees	<u>19,820.99</u>
Total costs of administration	<u>\$162,466.59</u>

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 4

December 31, 1989

(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
Total interest in real estate and equipment		<u>3,710,108.92</u>
Cash in First Interstate Bank		66,658.19
Notes receivable - North Valley Homes, Inc.		
Leareno Estates Unit #3	72,000.00	
Leareno Estates Unit #5	<u>174,000.00</u>	246,000.00
Note receivable - Upland Industrial Development		259,632.00
Due from Leareno Development Company		23,207.72
Due from Estate of William P. Lear (including \$765,000 paid to Internal Revenue Service)		877,791.90
Investment in and notes receivable from Silver Lake Water Distribution Company		1,079,081.18
Investment in Leareno Development Company		209,052.40
Investment in Learavia - 500 shares of stock		500.00
Cash held by Paine Webber		1,083.13
Investments held by Paine Webber		<u>159,000.00</u>
INVENTORY REMAINING CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1989		<u>\$6,632,115.44</u>
Consisting of:		
Principal inventory		\$6,562,152.64
Distributable income		<u>69,962.80</u>
		<u>\$6,632,115.44</u>