

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

WILLIAM P. LEAR FAMILY TRUST

January 1, 1991 to December 31, 1991

GrantThornton 

Accountants and
Management Consultants

The U.S. Member Firm of
Grant Thornton International

Accountants' Compilation Report

**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, 1991 to December 31, 1991, 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.

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 this Trust as set forth in Schedule 2.

The Trust records were also adjusted to add certain assets which had not been on the books and to make a number of adjustments so as to conform the records to agree with tax returns that have been filed. (See Schedule 4)

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 or any other form of assurance on them.

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

Grant Thornton

Reno, Nevada
March 31, 1992

William P. Lear Family Trust

CHARGE AND DISCHARGE STATEMENT

January 1, 1991 to December 31, 1991

(See accountants' compilation report)

The Trustees charge themselves with:

Inventory of assets as of December 31, 1990 (Schedule 1)	\$ 6,574,031.79
Assets transferred from the Estate of W.P. Lear as of December 31, 1990 (Schedule 2)	2,270,066.13
Less: Payments by the Trust for Estate taxes and other costs	(1,863,003.90)
Add: Net income for the year ended December 31, 1991 (Schedule 3)	439,770.47
Less: Payments to beneficiaries	(500,000.00)
Less: Equity adjustments to record changes to various asset accounts to reconcile to income tax records (Schedule 4)	<u>(2,375,367.42)</u>

**TOTAL INVENTORY OF ASSETS REMAINING
CHARGEABLE TO THE TRUSTEES AS OF
DECEMBER 31, 1991 (Schedule 5)**

\$ 4,545,497.07

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 1

December 31, 1990

(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 \$11,336.50 cost of mapping)		\$2,636,788.00
Remaining portion (approximately 43.23 acres of M-1 land and small buildings)		
Land	\$292,936.00	
Buildings	328,000.00	
Building improvements	<u>9,326.60</u>	630,262.60
Hangar land	70,000.00	
Hangar building	355,000.00	
Building improvements	<u>15,458.32</u>	<u>440,458.32</u>
Total interest in real estate and equipment		3,707,508.92
Cash in First Interstate Bank		13,429.77
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 - Gill's Engines		6,351.37
Paine Webber Investments		
Cash	76,098.32	
Certificates of deposit	<u>63,000.00</u>	139,098.32
Treasury Bills		241,502.78
Due from Estate of William P. Lear (including \$795,000 paid to Internal Revenue Service)		907,791.90
Investment in and notes receivable from Silver Lake Water Distribution Company		1,129,352.10
Investment in Leareno Development Company		209,052.40
Investment in Learavia - 500 shares of stock		500.00
Due to Leareno Development Company		<u>(26,555.77)</u>
INVENTORY CHARGEABLE TO THE TRUSTEES AS OF DECEMBER 31, 1990		<u>\$6,574,031.79</u>

William P. Lear Family Trust

ASSETS TRANSFERRED FROM W.P. LEAR ESTATE

Schedule 2

December 31, 1991

(See accountants' compilation report)

Valley Bank of Nevada	
December 3, 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
Aerocar, Inc. - 10 shares	-
Laser Technology - 5 shares	-
Tax Specialties, Inc. - 1,500 shares	-
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	4,570.61
Basis of royalty interest in aircraft produced by Bombardier	-
Total transferred	<u>\$ 2,270,066.13</u>

William P. Lear Family Trust

SCHEDULE OF INCOME AND EXPENSE

Schedule 3

For the year ended December 31, 1991
(See accountants' compilation report)

Income

Interest from banks	\$ 15,496.31
Interest from Silver Lake Water	21,247.35
Interest from investments	8,746.07
Interest from Gill note receivable	469.34
Rental income	16,911.44
Property sale - Lewis Homes No. 1	64,092.52
Property sale - Lewis Homes No. 2	90,954.95
Property sale - Airport Authority	<u>664,676.11</u>

Total net income 882,594.09

Expense

Trustee fees	72,000.00
Trust's legal fees	14,134.17
Leareno salaries	30,147.50
Property taxes	41,179.86
Accounting and consulting fees	16,780.00
Insurance	10,706.00
Repairs and maintenance	9,211.00
Utilities	10,361.00
Other costs - Leareno Development	35,518.23
Depreciation	16,619.56
Loss - North Valley Homes notes	186,000.00
Miscellaneous	<u>166.30</u>

Total expenses 442,823.62

NET INCOME FOR 1991 \$ 439,770.47

William P. Lear Family Trust

EQUITY ADJUSTMENTS

Schedule 4

For the year ended December 31, 1991
(See accountants' compilation report)

Setup depreciation claimed in prior years for tax purposes:	
Hangar buildings	\$(264,451.35)
Other buildings	(324,780.91)
Furniture and fixtures	(486.35)
Reflect Canadair advances made prior to May 14, 1978, included as receivables	151,900.00
Record amounts advanced by Moya Olsen Lear to Trust A - not repaid	(60,482.61)
Record advances to Learavia Corp. by Trust A	(6,566.23)
Reduce the value of Learenos stock by 50% interest owned by Moya Olsen Lear	(37,500.00)
Write-off loans made to Learavia Corp. not collectible and deducted from taxes in prior years - net of advances	(1,780,031.77)
Record tax basis of Capistrano Industrial Park Partnership	<u>(52,968.20)</u>
	<u>\$(2,375,367.42)</u>

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 5

(1 of 2)

December 31, 1991

(See accountants' compilation report)

Undivided one-half interest in land and buildings		
near Reno/Stead Airport, Washoe County, Nevada		
Remaining portion (approximately 1,035.35 acres of vacant land)		\$2,515,965.75
Remaining portion (approximately 35.30 acres of M-1 land and small buildings)		
Land	\$ 232,336.00	
Buildings	328,000.00	
Building improvements	9,326.60	
Less: accumulated depreciation	<u>(334,809.73)</u>	234,852.87
Land development costs		2,610.51
Furniture and fixtures	486.35	
Less: accumulated depreciation	<u>(486.35)</u>	-
Cash in banks		
First Interstate Bank	103,342.61	
Valley Bank of Nevada	174,168.28	
Valley Bank certificate of deposit	<u>101,454.79</u>	378,965.68
Paine Webber investments		
Money market account	82,784.39	
Certificates of deposit	<u>10,000.00</u>	92,784.39
Notes receivable		
Gill's Engines	2,667.63	
North Valley Homes (in bankruptcy)	<u>2,162.66</u>	4,830.29
Investment in and notes receivable from		
Silver Lake Water Distribution Company		1,269,270.70
Investment in Leareno Development Company		
		171,552.40
Miscellaneous stocks		
Learavia - 500 shares	500.00	
Incline Lake Corp. - 1,250 shares	12,500.00	
First Commercial Title - 39 shares	1,950.00	
Aerocar - 10 shares	-	
Laser Technology - 5 shares	-	
Tax Specialties, Inc. - 1,500 shares	<u>-</u>	14,950.00

William P. Lear Family Trust

INVENTORY OF ASSETS

Schedule 5

(2 of 2)

December 31, 1991

(See accountants' compilation report)

Miscellaneous assets and obligations

Oil and gas properties	\$ 4,570.61	
Note receivable - Leareno Development	5,000.00	
Due from Miami Oil Company	13,920.45	
Tax basis investment in Capistrano Industrial Park Partnership	(52,968.20)	
Net due to Moya Olsen Lear for advances made in 1979	(56,864.79)	
Amounts advanced to Trust by Leareno Development	(53,943.59)	
Basis of royalty interest in aircraft produced by Bombardier	<u>-</u>	\$ <u>(140,285.52)</u>
		<u>\$4,545,497.07</u>