

Fox & Company



Certified Public Accountants

ACCOUNTANTS' REVIEW REPORT

Co-Trustees  
William P. Lear Family Trust "A"  
Reno, Nevada

We have reviewed the accompanying second interim trust accounting for the period March 9, 1983 through March 8, 1984 and the related statement of unpaid claims at March 8, 1984, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of William P. Lear Family Trust "A".

A review consists principally of inquiries of trust personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As disclosed in Note 1 to the trust accounting, the Trust's policy is to prepare its financial statements without accruing interest income receivable or interest expense payable. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the basis of accounting outlined above and in Note 1 to the trust accounting.

*Fox & Company*

Reno, Nevada  
May 9, 1984

EXHIBIT A

A member of  
Fox Moore International

WILLIAM P. LEAR FAMILY TRUST "A"  
 SECOND INTERIM TRUST ACCOUNTING  
 March 9, 1983 through March 8, 1984 (after bifurcation)

Total deductions from Trust principal before bifurcation		<u>66,284.47</u>
Total trust deficit before bifurcation to Trust B		(288,399.56)
After bifurcation of Trust, to Trust B:		
Assets transferred to Trust B:		
Notes receivable, LearAvia Corp.	1,786,598.00	
Leareno Development Co. stock, 75,000 shares, \$1 par value	75,000.00	
Cash in bank, Nevada National Bank of Nevada	<u>10.79</u>	
	<u>1,861,608.79</u>	
Less liabilities assumed by Trust B:		
Notes payable, Estate of William P. Lear	1,786,598.00	
Notes payable, Moya Olsen Lear	60,482.61	
Unpaid claims (see attachment 1)	296,861.51	
Advances from LearAvia Corp.	<u>6,566.23</u>	
	<u>2,150,508.35</u>	
Excess of liabilities assumed over assets transferred		<u>288,899.56</u>
Redesignation of promissory notes representing funds received by LearAvia Corp. from Moya Olsen Lear:		
Notes receivable, LearAvia Corp.	2,266,598.00	
Notes payable, Moya Olsen Lear	<u>(2,266,598.00)</u>	
	<u>-</u>	
Assets of Trust A on hand as of March 8, 1984 consisting of LearAvia Corp. stock, 500 shares, \$1 par value		<u>\$ 500.00</u>

Note (1) No accrued interest is shown. Interest due will be calculated at the appropriate time using information from the logs of Notes Payable.

The accompanying accountants' review report should be read with this interim trust accounting.

EXHIBIT A

WILLIAM P. LEAR FAMILY TRUST "A"  
SECOND INTERIM TRUST ACCOUNTING

ATTACHMENT 1 - STATEMENT OF UNPAID CLAIMS  
March 8, 1984

Legal expense:

Shook Hardy & Bacon:

For period October 1, 1979 to May 30, 1983	\$ 99,031.89
For period June 1, 1983 to September 6, 1983	<u>13,615.40</u>
	<u>112,647.29</u>

Vargas & Bartlett:

For period October 15, 1979 to May 31, 1983	52,258.49
For period June 1, 1983 to February 29, 1984	<u>12,439.36</u>
	<u>64,697.85</u>

Total legal expense

\$177,345.14

Administrative expense:

Peter Bank, CPA:

For period through August 23, 1983	160.00
For period August 24, 1983 to October 21, 1983	<u>430.00</u>
	<u>590.00</u>

Fox & Company, CPAs:

For period through August 23, 1983	1,150.00
For period August 24, 1983 to March 8, 1984	<u>1,900.00</u>
	<u>3,050.00</u>

LearAvia Corp. reimbursement for funds advanced  
for travel expense, accounting services,  
postage, telephone and express:

For period through August 23, 1983	1,231.59
For period August 24, 1983 to March 8, 1984	<u>566.60</u>
	<u>1,798.19</u>

Travel expense:

F. Jabara for period through August 23, 1983	356.50
M. Weilenmann for period through August 23, 1983	<u>130.45</u>
	<u>486.95</u>

Leareno Development, Inc., postage, copies,  
current period

7.75

Trustee fees:

For period May 14, 1978 to September 14, 1982 as approved by court order August 23, 1983	96,000.00
For period September 15, 1982 to July 14, 1983	11,060.20
For period July 15, 1983 to August 23, 1983	2,403.72
For period August 24, 1983 to March 8, 1984	<u>4,119.56</u>
	<u>113,583.48</u>

Total administrative expense

119,516.37

Total unpaid claims

\$296,861.51

The accompanying accountants' review report  
should be read with this interim trust accounting.

EXHIBIT B

FILED

1 No. 78-2800  
2 Dept. No. 2

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JUDI BAILEY, CLERK

BY J. S. Ashe  
DEPUTY

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6 IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA  
7 IN AND FOR THE COUNTY OF WASHOE

8  
9

IN THE MATTER OF THE ESTATE

10

OF

INTERMEDIATE ACCOUNT AND  
REPORT OF TRUSTEES OF  
TRUST A OF LEAR FAMILY TRUST

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12

WILLIAM POWELL LEAR, also  
known as WILLIAM P. LEAR,  
W. P. LEAR, and BILL LEAR,

13

Deceased.

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SAMUEL H. AULD, FRAN D. JABARA and MILTON L.

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WEILENMANN, duly appointed, qualified and acting Trustees of  
Trust A of the LEAR FAMILY TRUST, dated March 9, 1978, present  
and file herewith their Intermediate Account and Report of the  
Trustees of Trust A of Lear Family Trust for the period from  
March 9, 1983, to and including March 8, 1984, and respectfully  
show:

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I.

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Trust and Trustee

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The decedent and MOYA LEAR on March 9, 1978, appointed  
SAMUEL H. AULD, FRAN D. JABARA and MILTON L. WEILENMANN as  
Trustees of the LEAR FAMILY TRUST.

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II.

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Accounting

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Attached hereto and by reference made a part hereof,  
is a full, true and correct statement of the Intermediate  
Account of the Trust Estate from March 9, 1983, to and including

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32

1 March 8, 1984:

2 1. As to the Trust Income, the accounting shows the  
3 following facts:

4 (a) At the beginning of the accounting period, March  
5 9, 1983, there was no Trust Income on hand.

6 (b) There was no Trust Income received during the  
7 accounting period.

8 (c) No Trust Income was paid out during the aforesaid  
9 accounting period.

10 (d) At the end of the accounting period, there was no  
11 Trust Income on hand.

12 2. As to the Trust Principal, the accounting shows  
13 the following facts:

14 (a) The Trust Principal, invested or uninvested, on  
15 hand at the beginning of the accounting period, March 9,  
16 1983, reflected a value of -\$282,115.09 and reflected an  
17 approximate market value of -\$282,115.09 (Exhibit "A").

18 (b) The additions to the Trust Principal during the  
19 aforesaid accounting period, together with the dates and  
20 the source of said acquisitions, amounted to \$60,000.00,  
21 reduction of unpaid trustees' fees and \$288,899.56 which is  
22 the excess liabilities assumed over assets transferred to  
23 Trust B.

24 (c) The investments collected, sold or charged off  
25 during the aforesaid accounting period amount to \$500.00  
26 (distribution of community property to MOYA OLSEN LEAR, 500  
27 shares of LearAvia Corp. stock).

28 (d) No investments were made during the aforesaid  
29 accounting period.

30 (e) All the deductions made from the Trust Principal  
31 during the aforesaid accounting period, together with the  
32 date and purpose of each, amounted to \$65,784.47 (Exhibit

1 "A").

2 (f) The itemized Trust Principal, invested or  
3 uninvested, on hand at the end of the aforesaid accounting  
4 period, reflected a value of \$500.00 and reflected an  
5 approximate market value of \$500.00 (Exhibit "A").

6 3. Exhibit "A" shows a recapitulation of the totals  
7 of the receipts and disbursements of income and principal.

8 4. Exhibit "A" shows a recapitulation of cash on hand  
9 for Trust Income showing a total cash on hand in the Income  
10 Account of "None".

11 5. Exhibit "A" shows a recapitulation of cash on hand  
12 for Trust Principal, showing a total cash on hand in the  
13 Principal Cash Account of "None".

14 6. Exhibit "A" shows a recapitulation of the Trust  
15 Principal and Assets, reflecting the carrying value and the  
16 approximate market value.

17 7. Exhibit "B" shows an itemization of unpaid  
18 Creditors Claims amounting to \$296,861.51.

19 III.

20 Sale or Purchase of Trust Property

21 At no time during the aforesaid accounting period was  
22 any seller or any purchaser from the Trustees of the trust  
23 property, at the time of such sale or purchase, a relative,  
24 partner, employer, employee, or business associate, as set for  
25 in NRS 165.040(e).

26 IV.

27 Vouchers

28 The account is accompanied by a report of FOX &  
29 COMPANY, Certified Public Accounts, Reno, Nevada, who will  
30 testify as to the expenditures of the Trustees, that all  
31 expenditures of \$20.00 or more made by the Trustees during the  
32 accounting period are supported by vouchers, and that, pursuant

1 to NRS 165.090, it is not necessary to produce or file vouchers  
2 in Court.

3 V.

4 Status of the Trust Estate

5 The attention of the Court is directed to the  
6 following facts:

7 1. The Trustees have complied with the provisions set  
8 forth in the Trust Agreement in every respect, as evidenced by  
9 this Petition and the exhibits attached hereto.

10 2. By order of the Court the LEAR FAMILY TRUST was  
11 bifurcated into Trust A and Trust B. The only assets remaining  
12 in Trust A for purposes of administration are the shares of  
13 LearAvia Corp.

14 3. This petition is made in compliance with the Order  
15 of this Court entered August 23, 1983, which provides, in  
16 pertinent part:

17 "(b) The Trustees of Trust A and of Trust  
18 B shall be required to submit annual  
19 accountings to the Probate Court for approval  
20 in accordance with the provisions of N.R.S.  
21 165.030 through 165.120; and

22 "(c) The Probate Court shall approve all  
23 Trustee fee requests in accordance with the  
24 provisions more fully set forth above." (Page  
25 18)

26 VI.

27 Trustees' Compensation

28 The Trustees, SAMUEL H. AULD, FRAN D. JABARA and  
29 MILTON L. WEILENMANN are entitled to a reasonable compensation  
30 for the services rendered in the administration of the Trust  
31 Estate. A reasonable compensation for such services rendered is  
32 the sum of \$17,583.48, which is based upon actual time spent by  
the Trustees in accordance with detailed billings attached  
hereto as Exhibit "C". This amount should be paid by the  
Executor or Trustees of Trust B and said payments should be

1 ordered by this Court. Said compensation has not been paid.

2 VII.

3 Attorney's Fees

4 The law firm of VARGAS & BARTLETT, during the  
5 aforesaid accounting period, have rendered and now is rendering  
6 legal services to the Trustees Trust A in the preparation of  
7 this account, and such other and necessary services in  
8 connection with this Trust Estate during the accounting period,  
9 and said firm is entitled to a fair and reasonable compensation  
10 from the Trust Estate for said services, and a reasonable fee  
11 for such services is the sum of \$12,439.36.

12 VIII.

13 Names and Addresses of  
14 Beneficiaries of the Trust

15 The names and addresses of the beneficiaries under the  
16 trust of WILLIAM P. LEAR, deceased, so far as known to the  
17 Trustees are as follows:

18	<u>NAME AND ADDRESS</u>	<u>AGE</u>
19	David Richard Lear 10750 Silver Spur Drive 20 Reno, Nevada 89506	Over 21
21	Valentina Lear Jackson Wyoming Foundry Studios 22 Via Montegiorre 151 55040 Capezzeno Pianore 23 (Lucca) Italy	Over 21
24	Shanda Lear Bertelli Via Della Bolle 8 25 6648 Minusio Locarno, Switzerland	Over 21
26	William P. Lear, Jr. 27 26946 Dezehara Way Los Altos Hills, California 94022	Over 21
28	Pat Lear 29 21801 Burbank Boulevard #99 Woodland Hills, California 91367	Over 21

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1 Children of John Olsen Lear:

2 Moya Lear Over 18  
3 Jill Danielle Lear  
4 c/o Marcelle West  
5 612 El Cerco  
6 Pacific Palisades, California  
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8 Allison Lear Under 18  
9 Jacqueline Lear  
10 c/o John Lear  
11 4033 Acapulco  
12 Las Vegas, Nevada 89121  
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14 Joy P. Surbey Over 21  
15 2517 Pepperwood  
16 Camarillo, California 93010  
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18 Mary Louise Ellenberger Over 21  
19 6009 Clear Spring Road  
20 Townson, Maryland 21212

21 WHEREFORE, the Trustees pray for an Order of this  
22 Court as follows:

23 1. The Second Intermediate Account and Report of the  
24 Trustees of Trust A of the LEAR FAMILY TRUST be settled, allowed  
25 and approved in all respects as filed;

26 2. All the acts and proceedings of the Trustees  
27 during this Intermediate Accounting, as herein set forth, be  
28 approved and confirmed;

29 3. The Executor or Trustees of Trust B be authorized  
30 and directed to pay to the Trustees of Trust A the sum of  
31 \$17,583.48 as reasonable compensation for their services during  
32 and before the aforesaid accounting period, and that the same be  
allocated as set forth in the petition;

33 4. The Executor or Trustees of Trust B be authorized  
34 and directed to pay to the law firm of VARGAS & BARTLETT, the  
35 sum of \$12,439.36 as reasonable compensation for its legal  
36 services rendered herein as attorneys for the Trustees and the  
37 Trust Estate and that the same be allocated as set forth in the  
38 petition herein; and

39 5. For such further orders as the Court deems proper

1 in the premises.

2 DATED this 11<sup>th</sup> day of May, 1984.

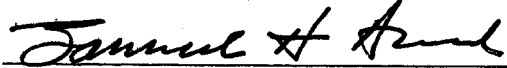
3 VARGAS & BARTLETT

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5 By Linda A. Bowman  
6 LINDA A. BOWMAN  
7 201 West Liberty Street  
8 P. O. Box 281  
9 Reno, Nevada 89504  
10 Attorneys for Trustees

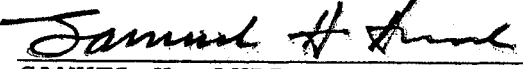
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DATED this 10th day of May, 1984.

  
SAMUEL H. AULD, Trustee

Under penalties of perjury, the undersigned declares that he is the Trustee named in the foregoing Second Intermediate Account and Report of Trustees of William P. Lear and Moya Olsen Lear Trust and knows the contents thereof; that the pleading is true of his own knowledge, except as to those matters state on information and belief, and that as to such matters he believes it to be true.

  
SAMUEL H. AULD

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DATED this 10 day of May, 1984.

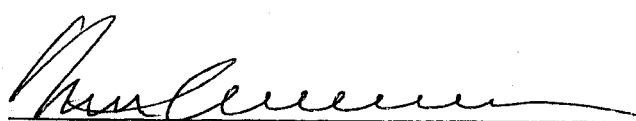
*Fran Jabara*  
FRAN D. JABARA Trustee

<sup>708</sup> Under penalties of perjury, the undersigned declares that  
he is the Trustee named in the foregoing Second Intermediate  
Account and Report of Trustees of William P. Lear and Moya Olsen  
Lear Trust and knows the contents thereof; that the pleading is  
true of <sup>his</sup> <sup>308</sup> her own knowledge, except as to those matters stated on  
information and belief, and that as to such matters <sup>709</sup> he believes  
it to be true.

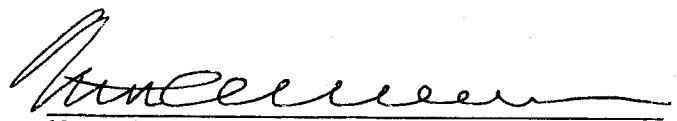
*Fran Jabara*  
FRAN D. JABARA

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DATED this 10th day of May, 1984.

  
MILTON L. WEILENMANN, Trustee

Under penalties of perjury, the undersigned declares that he is the Trustee named in the foregoing Second Intermediate Account and Report of Trustees of William P. Lear and Moya Olsen Lear Trust and knows the contents thereof; that the pleading is true of his own knowledge, except as to those matter stated on information and belief, and that as to such matters he believes it to be true.

  
MILTON L. WEILENMANN