SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934

MASLAND CORPORATION
(NAME OF SUBJECT COMPANY)

PA ACQUISITION CORP.
LEAR CORPORATION
(BIDDERS)

COMMON STOCK, PAR VALUE $.01 PER SHARE
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
(TITLE OF CLASS OF SECURITIES)

574806105

(CUSIP NUMBER OF CLASS OF SECURITIES)

JAMES H. VANDENBERGHE
21557 TELEGRAPH ROAD
SOUTHFIELD, MICHIGAN 48034
(810) 746-1500
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSONS AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

Copy to:

JOHN L. MACCARTHY, ESQ.
WINSTON & STRAWN
35 WEST WACKER DRIVE
SUITE 4200
CHICAGO, ILLINOIS 60601
(312) 558-5600

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee
$384,865,636.94	$76,973.12

* Estimated solely for purposes of calculating the amount of filing fee. The amount assumes the purchase of 15,473,597 shares of Common Stock, par value $.01 per share of the Subject Company (together with the associated preferred stock purchase rights, the "Shares"), comprised of (i) the 13,590,393 Shares that were outstanding as of May 23, 1996 and (ii) 1,883,204 Shares that would be issued assuming the exercise as of May 23, 1996 of all the then outstanding stock options and warrants to acquire Shares pursuant to the Subject Company's 1991 Stock Purchase and Option Plan, 1993 Stock Option Incentive Plan and Non-Employee Director Stock Option Plan (the "Stock Option Shares"), at a price per Share of $26.00 in cash, less $17,447,885.06 representing the number of Stock Option Shares multiplied by an average exercise price of $9.265 applicable to the stock options and warrants relating to the Stock Option Shares.

/ / Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

AMOUNT PREVIOUSLY PAID: NONE FILING PARTY: N/A
FORM OR REGISTRATION NO.: N/A DATE FILED: N/A

14D-1

CUSIP No. 574806105

1	NAME OF REPORTING PERSONS: S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON PA Acquisition Corp.
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) / / (b) / /
3	SEC USE ONLY
4	SOURCE OF FUNDS BK, AF
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f) / /
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware
7	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 230,771*
8	CHECK IF THE AGGREGATE AMOUNT IN ROW (7) INCLUDES CERTAIN SHARES / /
9	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7) APPROXIMATELY Approximately 1.7%*
10	TYPE OF REPORTING PERSON CO

* See footnote on following page.

14D-1

CUSIP No. 574806105

1	NAME OF REPORTING PERSONS: S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS LEAR CORPORATION (13-3386776)	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) / / (b) / /
3	SEC USE ONLY	
4	SOURCE OF FUNDS BK	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	
7	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 230,771*	
8	CHECK IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES	/ /
9	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (7) APPROXIMATELY Approximately 1.7%*	
10	TYPE OF REPORTING PERSON CO	

*On May 23, 1996, Lear Corporation ("Parent") and PA Acquisition Corp., a wholly-owned subsidiary of Parent (the "Purchaser"), entered into certain agreements (collectively, the "Stockholders Agreement") with William J. Branch, Larry W. Owen and Darrell F. Sallee (collectively, the "Stockholders") pursuant to which the Stockholders have agreed, among other things, to validly tender (and not to withdraw) pursuant to the Purchaser's tender offer all of the Shares beneficially owned by them (representing an aggregate of 230,771 Shares, or approximately 1.7% of the Shares outstanding as of May 23, 1996). Pursuant to the Stockholders Agreement, each of the Stockholders has also constituted Parent or its nominee as his attorney and proxy to vote, and has agreed to grant a consent or approval in respect of, the Shares subject to the Stockholders Agreement (i) in favor of the Merger and the Merger Agreement (each as defined in the Offer to Purchase (as defined below)) and (ii) against certain transactions involving Masland Corporation, other than the transactions contemplated by the Merger Agreement. The Stockholders Agreement is described more fully in Section 12 of the Offer to Purchase dated May 30, 1996 of Parent and the Purchaser (the "Offer to Purchase").

TENDER OFFER

This Tender Offer Statement on Schedule 14D-1 relates to the offer by PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation ("Parent"), to purchase all of the outstanding shares of Common Stock, par value $.01 per share (the "Common Stock"), of Masland Corporation, a Delaware corporation (the "Company"), including the associated rights (the "Rights" and, together with the Common Stock, the "Shares") to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company (or other securities) issued pursuant to the Rights Agreement, dated as of November 16, 1995, as amended, between the Company and Mellon Securities Trust Company, as Rights Agent, at a price of $26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated May 30, 1996 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements hereto or thereto, collectively constitute the "Offer"), which are attached hereto as Exhibits (a)(1) and (a)(2), respectively. The item numbers and responses thereto below are in accordance with the requirements of Schedule 14D-1.

ITEM 1. SECURITY AND SUBJECT COMPANY.

(a) The name of the subject company is Masland Corporation, a Delaware corporation, which has its principal executive offices at 50 Spring Road, Carlisle, Pennsylvania 17013.

(b) The exact title of the class of equity securities being sought in the Offer is the Common Stock, par value $.01 per share, including the associated Rights, of the Company. The information set forth under "Introduction" in the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 ("Price Range of the Shares; Dividends") of the Offer to Purchase is incorporated herein by reference.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(d) and (g) This Statement is being filed by the Purchaser and Parent. The information set forth in "Introduction" and Section 9 ("Certain Information Concerning the Purchaser and Parent") of, and Schedule I ("Information Concerning the Directors and Executive Officers of Parent and the Purchaser") to, the Offer to Purchase is incorporated herein by reference.

(e)-(f) Neither the Purchaser nor Parent nor, to their knowledge any of the persons listed in Schedule I ("Information Concerning the Directors and Executive Officers of Parent and the Purchaser") to the Offer to Purchase, has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

(a) None.

(b) The information set forth in "Introduction," Section 9 ("Certain Information Concerning the Purchaser and Parent"), Section 11 ("Background of the Offer") and Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement; The Stockholders Agreement; The Termination, Consulting and Noncompete Agreement; The Employment Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a)-(b) The information set forth in Section 10 ("Source and Amount of Funds") of the Offer to Purchase is incorporated herein by reference.

(c) Not applicable.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

(a)-(c) The information set forth in "Introduction," Section 6 ("Price Range of the Shares; Dividends"), Section 11 ("Background of the Offer"), Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement; The Stockholders Agreement; The Termination, Consulting and Noncompete Agreement; The Employment Agreement") and Section 13 ("Dividends and Distributions") of the Offer to Purchase is incorporated herein by reference.

(f)-(g) The information set forth in Section 7 ("Effect of the Offer on the Market for the Shares; Stock Quotation; Exchange Act Registration; Margin Regulations") of the Offer to Purchase is incorporated herein by reference.

ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a)-(b) The information sct forth in "Introduction," Section 9 ("Certain Information Concerning the Purchaser and Parent") and Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement; The Stockholders Agreement; The Termination, Consulting and Noncompete Agreement; The Employment Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

The information set forth in "Introduction," Section 9 ("Certain Information Concerning the Purchaser and Parent"), Section 11 ("Background of the Offer") and Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement; The Stockholders Agreement; The Termination, Consulting and Noncompete Agreement; The Employment Agreement") of the Offer to Purchase is incorporated herein by reference.

ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

The information set forth in "Introduction," Section 10 ("Source and Amount of Funds") and Section 16 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

The information set forth in Section 9 ("Certain Information Concerning the Purchaser and Parent") of the Offer to Purchase is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

(a) The information set forth in Section 12 ("Purpose of the Offer and the Merger; Plans for the Company; The Merger Agreement; The Stockholders Agreement; The Termination, Consulting and Noncompete Agreement; The Employment Agreement") of the Offer to Purchase is incorporated herein by reference.

(b)-(c) The information set forth in Section 15 ("Certain Legal Matters") of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth in Section 7 ("Effect of the Offer on the Market for the Shares; Stock Quotation; Exchange Act Registration; Margin Regulations"), Section 10 ("Source and Amount of Funds") and Section 15 ("Certain Legal Matters") of the Offer to Purchase is incorporated herein by reference.

(e) Not applicable

(f) The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2), respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(1) Offer to Purchase dated May 30, 1996.

(a)(2) Letter of Transmittal.

(a)(3) Notice of Guaranteed Delivery.

(a)(4) Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.

(a)(5) Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.

(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.

(a)(7) Form of Summary Advertisement dated May 30, 1996.

(a)(8) Text of Press Release, dated May 24, 1996, issued by the Company and Parent.

(a)(9) Text of Press Release, dated May 30, 1996, issued by Parent.

(b)(1) Credit Agreement, dated as of August 17, 1995, among Parent, the financial institutions party thereto, Chemical Bank, as Administrative Agent, and the Managing Agents, Co-Agents and Lead Managers named therein, as amended.

(c)(1) Agreement and Plan of Merger, dated as of May 23, 1996, by and among Parent, the Purchaser and the Company.

(c)(2) Stockholders Agreement, dated as of May 23, 1996, among Parent, the Purchaser, William J. Branch, Larry W. Owen and Darrell F. Sallee.

(c)(3) Confidentiality and Standstill Agreement, dated as of March 14, 1996, between and among the Company, and its subsidiaries, and Parent, and its subsidiaries.

(c)(4) Agreement to Negotiate Exclusively, dated as of May 2, 1996, by and between Parent and the Company.

(c)(5) Termination, Consulting and Noncompete Agreement, dated May 29, 1996, among Parent, the Purchaser and William J. Branch.

(c)(6) Employment agreement, dated as of May 29, 1996, between the Company and Dr. Frank J. Preston.

(d) None.

(e) Not applicable.

(f) None.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: May 30, 1996

PA ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: Executive Vice President and Chief Financial Officer

LEAR CORPORATION

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NUMBER		EXHIBIT NAME
99.1(a)	--	Offer to Purchase dated May 30, 1996.
99.2(a)	--	Letter of Transmittal.
99.3(a)	--	Notice of Guaranteed Delivery.
99.4(a)	--	Letter to Brokers, Dealers, Banks, Trust Companies and Other Nominees.
99.5(a)	--	Letter to Clients for use by Brokers, Dealers, Banks, Trust Companies and Other Nominees.
99.6(a)	--	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
99.7(a)	--	Form of Summary Advertisement dated May 30, 1996.
99.8(a)	--	Text of Press Release, dated May 24, 1996, issued by the Company and Parent.
99.9(a)	--	Text of Press Release, dated May 30, 1996, issued by Parent.
99.1(b)	--	Credit Agreement, dated as of August 17, 1995, among Parent, the financial institutions party thereto, Chemical Bank, as Administrative Agent, and the Managing Agents, Co-Agents and Lead Managers named therein, as amended.
99.1(c)	--	Agreement and Plan of Merger, dated as of May 23, 1996, by and among Parent, the Purchaser and the Company.
99.2(c)	--	Stockholders Agreement, dated as of May 23, 1996, among Parent, the Purchaser, William J. Branch, Larry W. Owen and Darrell F. Sallee.
99.3(c)	--	Confidentiality and Standstill Agreement, dated as of March 14, 1996, between and among the Company, and its subsidiaries, and Parent, and its subsidiaries.
99.4(c)	--	Agreement to Negotiate Exclusively, dated as of May 2, 1996, by and between Parent and the Company.
99.5(c)	--	Termination, Consulting and Noncompete Agreement, dated May 29, 1996, among Parent, the Purchaser and William J. Branch.
99.6(c)	--	Employment agreement, dated as of May 29, 1996, between the Company and Dr. Frank J. Preston.
99.1(d)	--	None.
99.1(e)	--	Not applicable.
99.1(f)	--	None.

EXHIBIT 99.1(a)

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF

MASLAND CORPORATION
AT
$26.00 NET PER SHARE
BY

PA ACQUISITION CORP.
A WHOLLY-OWNED SUBSIDIARY OF

LEAR CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996, UNLESS THE OFFER IS EXTENDED.

THE BOARD OF DIRECTORS OF MASLAND CORPORATION (THE "COMPANY") HAS UNANIMOUSLY APPROVED THE OFFER AND THE MERGER REFERRED TO HEREIN AND DETERMINED THAT THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY AND RECOMMENDS THAT STOCKHOLDERS OF THE COMPANY ACCEPT THE OFFER.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF SHARES WHICH REPRESENTS AT LEAST A MAJORITY OF THE NUMBER OF SHARES OUTSTANDING ON A FULLY DILUTED BASIS ON THE DATE OF PURCHASE AND (2) LENDERS HOLDING MORE THAN 50% OF THE AGGREGATE OUTSTANDING INDEBTEDNESS UNDER PARENT'S EXISTING CREDIT AGREEMENT HAVING AGREED TO AMEND SUCH CREDIT AGREEMENT TO PERMIT THE CONSUMMATION OF THE OFFER AND THE MERGER. SEE SECTIONS 12 AND 14.

IMPORTANT

Any stockholder desiring to tender all or any portion of such stockholder's Shares (as defined herein) should either (1) complete and sign the Letter of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letter of Transmittal and mail or deliver the certificate(s) representing tendered Shares, and any other required documents, to the Depositary or tender such Shares pursuant to the procedure for book-entry transfer set forth in Section 3 or (2) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. A stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such stockholder desires to tender such Shares.

A stockholder who desires to tender Shares and whose certificates representing such Shares are not immediately available or who cannot comply with the procedures for book-entry transfer on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in Section 3.

Questions and requests for assistance may be directed to the Information Agent or to the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other related materials may be obtained from the Information Agent or from brokers, dealers, commercial banks and trust companies.

The Dealer Manager for the Offer is:

CHASE SECURITIES INC.

May 30, 1996

TABLE OF CONTENTS

TO HOLDERS OF COMMON STOCK OF
MASLAND CORPORATION:

INTRODUCTION

PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all outstanding shares of Common Stock, par value $.01 per share (the "Common Stock"), of Masland Corporation, a Delaware corporation (the "Company"), including the associated rights (the "Rights" and together with the Common Stock, the "Shares") to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company (or other securities) issued pursuant to the Rights Agreement, dated as of November 16, 1995, as amended (the "Rights Agreement"), between the Company and Mellon Securities Trust Company, as Rights Agent, at a purchase price of $26.00 per Share, net to the seller in cash (the "Offer Price"), upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with any amendments or supplements hereto or thereto, collectively constitute the "Offer").

Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares pursuant to the Offer. The Purchaser will pay all fees and expenses of Chase Securities Inc. ("Chase"), which is acting as Dealer Manager (the "Dealer Manager"), Bankers Trust Company, which is acting as the Depositary (the "Depositary"), and D.F. King & Co., Inc., which is acting as Information Agent (the "Information Agent"), incurred in connection with the Offer. See Section 16.

The Board of Directors of the Company has unanimously approved the Offer and the Merger (as defined below) and determined that the Offer and the Merger are fair to and in the best interests of the stockholders of the Company and recommends that the Company's stockholders accept the Offer.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE (AS DEFINED BELOW) A NUMBER OF SHARES WHICH REPRESENTS AT LEAST A MAJORITY OF THE NUMBER OF SHARES OUTSTANDING ON A FULLY DILUTED BASIS ON THE DATE OF PURCHASE (THE "MINIMUM CONDITION") AND (2) LENDERS (AS DEFINED BELOW) HOLDING MORE THAN 50% OF THE AGGREGATE OUTSTANDING INDEBTEDNESS UNDER PARENT'S EXISTING CREDIT AGREEMENT HAVING AGREED TO AMEND SUCH CREDIT AGREEMENT TO PERMIT THE CONSUMMATION OF THE OFFER AND THE MERGER (THE "CREDIT AGREEMENT WAIVER CONDITION"). SEE SECTIONS 12 AND 14.

The Offer is being made pursuant to the Agreement and Plan of Merger dated as of May 23, 1996 (the "Merger Agreement"), by and among Parent, the Purchaser and the Company pursuant to which, following the later of the Expiration Date and the satisfaction or waiver of certain conditions, the Purchaser will be merged with and into the Company (the "Merger"). In the Merger, each outstanding Share (other than Shares then held, directly or indirectly, by Parent, the Purchaser or any subsidiary of Parent, the Purchaser or the Company or held in the Company's treasury and other than Shares held by stockholders, if any, who perfect their appraisal rights under Delaware law) will be converted into the right to receive $26.00, or any higher price per Share paid pursuant to the Offer, without interest thereon, in cash (the "Merger Consideration") and the Company will become a wholly-owned subsidiary of Parent. See Section 12.

Concurrently with the execution of the Merger Agreement, Parent and the Purchaser entered into an agreement, dated as of May 23, 1996 (the "Stockholders Agreement"), with certain members of senior management of the Company (the "Stockholders") owning, in the aggregate, 230,771 (or approximately 1.7%) of the outstanding Shares. Pursuant to the Stockholders Agreement, the Stockholders have agreed, among other things, to validly tender pursuant to the Offer and not withdraw all Shares which are beneficially owned by them.

Based on the representations and warranties of the Company contained in the Merger Agreement, as of May 23, 1996: (i) 13,590,393 Shares were outstanding; and (ii) 1,883,204 Shares were reserved for issuance upon the exercise of the stock options and warrants to acquire Common Stock (collectively, the "Stock

Options") issued pursuant to the Company's 1991 Stock Purchase and Option Plan, 1993 Stock Option Incentive Plan and Non-Employee Director Stock Option Plan.

Based on the foregoing, the Minimum Condition will be satisfied if 7,736,799 Shares are validly tendered and not withdrawn prior to the Expiration Date. Because the Stockholders own an aggregate of 230,771 Shares and are required to tender (and not withdraw) such Shares pursuant to the Offer, the Minimum Condition will be satisfied by the tender of at least 7,506,028 Shares held by persons other than the Stockholders. The number of Shares required to be validly tendered and not withdrawn in order to satisfy the Minimum Condition will increase to the extent additional Shares are deemed to be outstanding on a fully diluted basis under the Merger Agreement. For purposes of the Merger Agreement, "on a fully diluted basis" means, as of any date, the number of Shares outstanding, together with Shares the Company is then required to issue pursuant to obligations outstanding at that date under employee stock option or other benefit plans or otherwise (assuming all options and other rights to acquire Shares are fully vested and exercisable and all Shares issuable at any time have been issued), including without limitation, pursuant to the Stock Options.

Parent is seeking the written consent of Lenders (as defined below) holding more than 50% of the aggregate outstanding indebtedness (the "Requisite Lenders") under Parent's existing $1.475 billion Credit Agreement, dated August 17, 1995, as amended (the "Credit Agreement"), to an amendment of such Credit Agreement to permit the consummation of the Offer and the Merger (the "Credit Agreement Waiver"). The Offer is conditioned upon, among other things, the Requisite Lenders having entered into the Credit Agreement Waiver. See Section 10 for a description of the Credit Agreement, the Credit Agreement Waiver and Parent's plans for financing the Offer and the Merger.

The consummation of the Merger is subject to the satisfaction or waiver of a number of conditions, including, if required, the approval of the Merger by the requisite vote or consent of the stockholders of the Company. Under the General Corporation Law of the State of Delaware (the "Delaware Law"), the stockholder vote necessary to approve the Merger will be the affirmative vote of at least a majority of the outstanding Shares, including Shares held by the Purchaser and its affiliates. Accordingly, if the Purchaser acquires a majority of the outstanding Shares, the Purchaser will have the voting power required to approve the Merger without the affirmative vote of any other stockholders of the Company. Furthermore, if the Purchaser acquires at least 90% of the outstanding Shares pursuant to the Offer or otherwise, the Purchaser would be able to effect the Merger pursuant to the "short-form" merger provisions of Section 253 of the Delaware Law, without prior notice to, or any action by, any other stockholder of the Company. In such event, the Purchaser intends to effect the Merger as promptly as practicable following the purchase of Shares in the Offer. See Section 12.

The Merger Agreement and the Stockholders Agreement are more fully described in Section 12.

The Rights. The Company has distributed one Right for each outstanding share of Common Stock pursuant to the Rights Agreement. Based on the information disclosed by the Company in the Merger Agreement and in the Schedule 14D-9, in connection with the Company's entering into the Merger Agreement, on May 23, 1996 the Company amended the Rights Agreement so that (i) the Rights Agreement shall not be applicable to the purchase of the Shares pursuant to the Offer or the Merger or the consummation of the other transactions contemplated by the Merger Agreement and (ii) none of Parent, the Purchaser or any of their affiliates will be deemed to be an "Acquiring Person" (as defined in the Rights Agreement) by reason of the transactions provided for in the Merger Agreement and the Stockholders Agreement. If the Rights Agreement had not been so amended and if the Offer, the Merger Agreement or the Stockholders Agreement or any of the respective transactions contemplated thereby had resulted in Parent or the Purchaser being deemed "Acquiring Persons" (as defined in the Rights Agreement), a distribution to the Company's stockholders (other than Parent and the Purchaser) of Rights certificates separate from the Common Stock might have been effected pursuant to the Rights Agreement.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

THE OFFER

1. TERMS OF THE OFFER

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), the Purchaser will accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not withdrawn in accordance with Section 4. The term "Expiration Date" means 12:00 Midnight, New York City time, on Wednesday, June 26, 1996, unless and until the Purchaser (subject to the terms of the Merger Agreement) shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

In the Merger Agreement the Purchaser and Parent have agreed that, except as otherwise required by law, they will not, without the prior consent of the Company, extend the Offer, except that, without the consent of the Company, the Purchaser may extend the Expiration Date of the Offer for up to ten business days after the initial Expiration Date or for longer periods in each case in the event that at the Expiration Date any condition to the Offer shall not have been satisfied or earlier waived. As used in this Offer to Purchase, "business day" has the meaning set forth in Rule 14d-1 under the Exchange Act.

In addition, the Purchaser and Parent have agreed in the Merger Agreement that, among other things, they will not, without the consent of the Company, (i) decrease the Offer Price or change the form of consideration payable in the Offer, (ii) decrease the number of Shares sought in the Offer, (iii) amend or waive satisfaction of the Minimum Condition or (iv) impose conditions to the Offer in addition to the conditions set forth in Section 14 or amend any other term of the Offer in any manner adverse to the holders of Shares.

Subject to the terms of the Merger Agreement and the Stockholders Agreement and the applicable rules and regulations of the Securities and Exchange Commission (the "Commission"), the Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events or facts set forth in Section 14 hereof shall have occurred or shall have been determined by the Purchaser to have occurred, (i) to extend the period of time during which the Offer is open, and thereby delay acceptance for payment of, and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary and (ii) to amend the Offer in any other respect by giving oral or written notice of such amendment to the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE OFFER PRICE FOR TENDERED SHARES, WHETHER OR NOT THE PURCHASER EXERCISES ITS RIGHT TO EXTEND THE OFFER.

If by 12:00 Midnight, New York City time, on Wednesday, June 26, 1996 (or any other date or time then set as the Expiration Date), any or all conditions to the Offer have not been satisfied or waived, the Purchaser reserves the right (but shall not be obligated), subject to the terms and conditions contained in the Merger Agreement and the Stockholders Agreement and to the applicable rules and regulations of the Commission, to (i) terminate the Offer and not accept for payment or pay for any Shares and return all tendered Shares to tendering stockholders, (ii) waive all the unsatisfied conditions and, subject to complying with the terms of the Merger Agreement and the Stockholders Agreement and the applicable rules and regulations of the Commission, accept for payment and pay for all Shares validly tendered prior to the Expiration Date and not theretofore withdrawn, (iii) extend the Offer and, subject to the right of stockholders to withdraw Shares until the Expiration Date, retain the Shares that have been tendered during the period or periods for which the Offer is extended or (iv) amend the Offer.

There can be no assurance that the Purchaser will exercise its right to extend the Offer. Any extension, waiver, amendment or termination will be followed as promptly as practicable by public announcement. In the case of an extension, Rule 14e-1(d) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires that the announcement be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date in accordance with the public announcement requirements of Rule 14d-4(c) under the Exchange Act. Subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that any material change in the information published, sent or given to stockholders in connection with the Offer be promptly disseminated to stockholders in a

manner reasonably designed to inform stockholders of such change) and without limiting the manner in which the Purchaser may choose to make any public announcement, the Purchaser will not have any obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

If the Purchaser extends the Offer or if the Purchaser (whether before or after its acceptance for payment of Shares) is delayed in its acceptance for payment of or payment for Shares or it is unable to pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer, the Depositary may retain tendered Shares on behalf of the Purchaser, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to withdrawal rights as described in Section 4. However, the ability of the Purchaser to delay the payment for Shares that the Purchaser has accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires that a bidder pay the consideration offered or return the securities deposited by or on behalf of holders of securities promptly after the termination or withdrawal of such bidder's offer.

If the Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer (including a waiver of the Minimum Condition, with the Company's consent, or a waiver of the Credit Agreement Waiver Condition), the Purchaser will disseminate additional tender offer materials and extend the Offer to the extent required by Rules 14d-4(c), 14d-6(d) and 14e-1 under the Exchange Act. The minimum period during which an offer must remain open following material changes in the terms of the offer or information concerning the offer, other than a change in price or a change in the percentage of securities sought, will depend upon the facts and circumstances then existing, including the relative materiality of the changed terms or information. With respect to a change in price or a change in the percentage of securities sought, a minimum period of 10 business days is generally required to allow for adequate dissemination to stockholders.

Consummation of the Offer is conditioned upon satisfaction of the Minimum Condition, the Credit Agreement Waiver Condition, the expiration or termination of all waiting periods imposed by the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the regulations thereunder (the "HSR Act"), and the other conditions set forth in Section 14. Subject to the terms and conditions contained in the Merger Agreement and the Stockholders Agreement, the Purchaser reserves the right (but shall not be obligated) to waive any or all such conditions.

The Company has provided the Purchaser its lists of stockholders and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed by the Purchaser to record holders of Shares, and will be furnished by the Purchaser to brokers, dealers, banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR SHARES

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the Purchaser will accept for payment and will pay for all Shares validly tendered prior to the Expiration Date and not properly withdrawn in accordance with Section 4, promptly after the Expiration Date. Any determination concerning the satisfaction or waiver of such terms and conditions will be within the sole discretion of the Purchaser, and such determination will be final and binding on all tendering stockholders. See Sections 1 and 14. The Purchaser expressly reserves the right, in its sole discretion, to delay acceptance for payment of, or payment for, Shares in order to comply in whole or in part with any applicable law, including, without limitation, the HSR Act. Any such delays will be effected in compliance with Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after the termination or withdrawal of the Offer).

Parent filed a Notification and Report Form with respect to the Offer under the HSR Act on May 24, 1996. The waiting period under the HSR Act with respect to the Offer will expire at 11:59 p.m., New York City time, on the 15th day after such date (anticipated to be June 8, 1996, unless early termination of the

waiting period is granted). In addition, the Antitrust Division of the Department of Justice (the "Antitrust Division") or the Federal Trade Commission (the "FTC") may extend the waiting period by requesting additional information or documentary material from Parent. If such a request is made, such waiting period will expire at 11:59 p.m., New York City time, on the 10th day after substantial compliance by Parent with such request. See Section 15 hereof for additional information concerning the HSR Act and the applicability of the antitrust laws to the Offer.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares or timely confirmation (a "Book-Entry Confirmation") of the book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company or the Philadelphia Depository Trust Company (each a "Book-Entry Transfer Facility" and, collectively, the "Book-Entry Transfer Facilities") pursuant to the procedures set forth in Section 3, (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined below) in connection with a book-entry transfer, and (iii) any other documents required by the Letter of Transmittal. The per Share consideration paid to any stockholder pursuant to the Offer will be the highest per Share consideration paid to any other stockholder pursuant to the Offer.

The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Shares which are the subject of such Book-Entry Confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Purchaser may enforce such agreement against such participant.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered to the Purchaser and not withdrawn as, if and when the Purchaser gives oral or written notice to the Depositary of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting payment to tendering stockholders. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

If the Purchaser is delayed in its acceptance for payment of or payment for Shares or is unable to accept for payment or pay for Shares pursuant to the Offer for any reason, then, without prejudice to the Purchaser's rights under the Offer (but subject to compliance with Rule 14e-1(c) under the Exchange Act, which requires that a tender offeror pay the consideration offered or return the tendered securities promptly after the termination or withdrawal of a tender offer), the Depositary may, nevertheless, on behalf of the Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent tendering stockholders are entitled to exercise, and duly exercise, withdrawal rights as described in Section 4.

If any tendered Shares are not purchased pursuant to the Offer because of an invalid tender or otherwise, certificates for any such Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares delivered by book-entry transfer of such Shares into the Depositary's account at a Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3, such Shares will be credited to an account maintained at the appropriate Book-Entry Transfer Facility), as promptly as practicable after the expiration or termination of the Offer.

The Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to Parent, or to one or more direct or indirect wholly-owned subsidiaries of Parent, the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. PROCEDURE FOR TENDERING SHARES

Valid Tender. For Shares to be validly tendered pursuant to the Offer, a properly completed and duly executed Letter of Transmittal (or facsimile thereof), together with any required signature guarantees, or an Agent's Message in connection with a book-entry delivery of Shares, and any other documents required by the Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date. In addition, either (i) certificates for tendered Shares must be received by the Depositary along with the Letter of Transmittal at one of such addresses or such Shares must be tendered pursuant to the procedure for book-entry transfer set forth below (and a Book-Entry Confirmation received by the Depositary), in each case prior to the Expiration Date, or (ii) the tendering stockholder must comply with the guaranteed delivery procedure set forth below.

Book-Entry Transfer. The Depositary will establish an account with respect to the Shares at each Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in any of the Book-Entry Transfer Facilities' systems may make book-entry delivery of Shares by causing a Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at a Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry at a Book-Entry Transfer Facility, the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in connection with a book-entry transfer, and any other required documents, must, in any case, be transmitted to, and received by, the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date, or the tendering stockholder must comply with the guaranteed delivery procedure described below. DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH SUCH BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

THE METHOD OF DELIVERY OF SHARES, THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. SHARES WILL BE DEEMED DELIVERED ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Signature Guarantees. No signature guarantee is required on the Letter of Transmittal if (i) the Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section, includes any participant in any of the Book-Entry Transfer Facilities' systems whose name appears on a security position listing as the owner of the Shares) of Shares tendered therewith and such registered holder has not completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the Letter of Transmittal or (ii) such Shares are tendered for the account of a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of a recognized Medallion Program approved by The Securities Transfer Association, Inc. (such member, an "Eligible Institution"). In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See Instructions 1 and 5 to the Letter of Transmittal. If the certificates for Shares are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for Shares not tendered or not accepted for payment are to be returned to a person other than the registered holder of the certificates surrendered, the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name or names of the registered holders or owners appear on the certificates, with the signatures on the certificates or stock powers guaranteed as described above. See Instruction 5 to the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's certificates for Shares are not immediately available or the procedure for book-entry transfer

cannot be completed on a timely basis or time will not permit all required documents to reach the Depositary prior to the Expiration Date, such stockholder's tender may be effected if all the following conditions are met:

(1) such tender is made by or through an Eligible Institution;

(2) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Purchaser herewith, is received by the Depositary, as provided below, prior to the Expiration Date; and

(3) the certificates for all tendered Shares, in proper form for transfer (or a Book-Entry Confirmation with respect to all such Shares), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal, are received by the Depositary within three trading days after the date of execution of such Notice of Guaranteed Delivery. A "trading day" is any day on which the Nasdaq National Market (the "Nasdaq National Market") operated by the National Association of Securities Dealers, Inc. (the "NASD") is open for business.

The Notice of Guaranteed Delivery may be delivered by hand to the Depositary or transmitted by telegram, facsimile transmission or mail to the Depositary and must include a signature guarantee by an Eligible Institution in the form set forth in such Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (i) certificates for the Shares or a Book-Entry Confirmation with respect to such Shares, (ii) a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message, and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates for Shares or Book-Entry Confirmations with respect to Shares are actually received by the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

The valid tender of Shares pursuant to one of the procedures described above will constitute a binding agreement between the tendering stockholder and the Purchaser upon the terms and subject to the conditions of the Offer, including the tendering stockholder's representation and warranty that the tender of such Shares complies with Rule 14e-4 under the Exchange Act.

Backup Withholding. In order to avoid "backup withholding" of Federal income tax on payments of cash pursuant to the Offer, a stockholder surrendering Shares in the Offer must, unless an exemption applies, provide the Depositary with such stockholder's correct taxpayer identification number ("TIN") on a Substitute Form W-9 and certify under penalties of perjury that such TIN is correct and that such stockholder is not subject to backup withholding. If a stockholder does not provide its correct TIN or fails to provide the certifications described above, the Internal Revenue Service (the "IRS") may impose a penalty on such stockholder and payment of cash to such stockholder pursuant to the Offer may be subject to backup withholding of 31%. All stockholders surrendering Shares pursuant to the Offer should complete and sign the main signature form and the Substitute Form W-9 included as part of the Letter of Transmittal to provide the information and certification necessary to avoid backup withholding (unless an applicable exemption exists and is proved in a manner satisfactory to the Purchaser and the Depositary). Certain stockholders (including, among others, all corporations and certain foreign individuals and entities) are not subject to backup withholding. Noncorporate foreign stockholders should complete and sign the main signature form and a Form W-8, Certificate of Foreign Status, a copy of which may be obtained from the Depositary, in order to avoid backup withholding. See Instruction 9 to the Letter of Transmittal.

Appointment. By executing the Letter of Transmittal, the tendering stockholder will irrevocably appoint designees of the Purchaser as such stockholder's attorneys-in-fact and proxies in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by the Purchaser and with

respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares on or after May 23, 1996. All such proxies shall be considered coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, the Purchaser accepts for payment Shares tendered by such stockholder as provided herein. Upon such acceptance for payment, all prior powers of attorney, proxies and consents given by such stockholder with respect to such Shares or other securities or rights will, without further action, be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given (and, if given, will not be deemed effective). The designees of the Purchaser will thereby be empowered to exercise all voting and other rights with respect to such Shares and other securities or rights in respect of any annual, special or adjourned meeting of the Company's stockholders, actions by written consent in lieu of any such meeting or otherwise, as they in their sole discretion deem proper. The Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon the Purchaser's acceptance for payment of such Shares, the Purchaser must be able to exercise full voting and other rights with respect to such Shares and other securities or rights, including voting at any meeting of stockholders then scheduled.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by the Purchaser, in its sole discretion, which determination will be final and binding. The Purchaser reserves the absolute right to reject any or all tenders determined by it not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of the Purchaser's counsel, be unlawful. The Purchaser also reserves the absolute right to waive any defect or irregularity in any tender with respect to any particular Shares, whether or not similar defects or irregularities are waived in the case of other Shares. No tender of Shares will be deemed to have been validly made until all defects or irregularities relating thereto have been cured or waived. None of the Purchaser, Parent, the Depositary, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

4. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section 4, tenders of Shares are irrevocable. Shares tendered pursuant to the Offer may be withdrawn pursuant to the procedures set forth below at any time prior to the Expiration Date and, unless theretofore accepted for payment and paid for by the Purchaser pursuant to the Offer, may also be withdrawn at any time after July 28, 1996 (or such later date as may apply in case the Offer is extended).

For a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase and must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from the name of the person who tendered the Shares. If certificates for Shares have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and, unless such Shares have been tendered by an Eligible Institution, the signatures on the notice of withdrawal must be guaranteed by an Eligible Institution. If Shares have been delivered pursuant to the procedures for book-entry transfer set forth in Section 3, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares and otherwise comply with such Book-Entry Transfer Facility's procedures. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 at any time prior to the Expiration Date.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser in its sole discretion, which determination will be final and binding. None of the Purchaser, Parent, the Depositary, the Information Agent, the Dealer Manager or any other person will be

under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

THE SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES SET FORTH BELOW IS FOR GENERAL INFORMATION ONLY AND IS BASED ON THE LAW AS CURRENTLY IN EFFECT. THE TAX TREATMENT OF EACH STOCKHOLDER WILL DEPEND IN PART UPON SUCH STOCKHOLDER'S PARTICULAR SITUATION. SPECIAL TAX CONSEQUENCES NOT DESCRIBED HEREIN MAY BE APPLICABLE TO PARTICULAR CLASSES OF TAXPAYERS, SUCH AS FINANCIAL INSTITUTIONS, TAX-EXEMPT ORGANIZATIONS, INSURANCE COMPANIES, BROKER-DEALERS, PERSONS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES AND STOCKHOLDERS WHO ACQUIRED THEIR SHARES THROUGH THE EXERCISE OF ANY EMPLOYEE STOCK OPTION OR OTHERWISE AS COMPENSATION. ALL STOCKHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OFFER AND THE MERGER TO THEM, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN INCOME AND OTHER TAX LAWS.

The receipt of cash pursuant to the Offer or the Merger will be a taxable transaction for Federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and may also be a taxable transaction under applicable state, local or foreign income or other tax laws. Generally, for Federal income tax purposes, a tendering stockholder will recognize gain or loss in an amount equal to the difference between the cash received and the stockholder's adjusted tax basis in the Shares tendered by the stockholder and purchased pursuant to the Offer or the Merger, as the case may be. Gain or loss generally will be calculated separately for each block of Shares tendered and purchased pursuant to the Offer, or cancelled pursuant to the Merger, as the case may be. For Federal income tax purposes, such gain or loss will be a capital gain or loss if the Shares are a capital asset in the hands of the stockholder, and a long-term capital gain or loss if the stockholder's holding period is more than one year as of the date of the sale of the Shares or the effective date of the Merger, as the case may be.

6. PRICE RANGE OF THE SHARES; DIVIDENDS

According to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1995 (the "Company Form 10-K"), the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 1996 and information supplied to the Purchaser by the Company, the Shares are traded on the Nasdaq National Market under the trading symbol "MSLD". During the first two quarters of fiscal 1996, the Company declared and paid quarterly cash dividends to holders of Shares of $.05 per Share, and on May 9, 1996, the Company declared a cash dividend of $.05 per share payable on June 7, 1996 to holders of record on May 24, 1996. During each quarter of fiscal 1995, the Company declared and paid quarterly cash dividends to holders of Shares of $.05 per Share, aggregating approximately $2.7 million for the year. The following table sets forth, for the periods indicated, the high and low bid prices per Share on the Nasdaq National Market. The information set forth in this Section regarding the Company is entirely taken from or based upon public

information and neither Parent nor the Purchaser assume responsibility for the accuracy or completeness of the information.

	HIGH	LOW
FISCAL 1994:		
Second Quarter (since November 3, 1993)(1)	$20 3/4	$15 3/8
Third Quarter	23 3/8	18 1/8
Fourth Quarter	20 1/8	15 1/2
FISCAL 1995:		
First Quarter	$17 5/8	$13 3/4
Second Quarter	16 3/4	11 5/8
Third Quarter	16	11 1/2
Fourth Quarter	14 3/4	11 7/8
FISCAL 1996:		
First Quarter	$15 3/4	$12 1/4
Second Quarter	15 1/4	13 1/4
Third Quarter	19 3/8	13 3/8
Fourth Quarter (through May 29, 1996)	26 1/8	17 1/2

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(1) The Company completed an initial public offering of its Common Stock on November 3, 1993.

On May 23, 1996, the last full trading day before the public announcement of the execution of the Merger Agreement and the Purchaser's intention to acquire the Shares pursuant to the Offer, the closing bid per Share on the Nasdaq National Market was $24 1/4. On May 29, 1996, the last full trading day before the commencement of the Offer, the closing bid per Share on the Nasdaq National Market was $25 5/8. STOCKHOLDERS ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR THE SHARES.

7. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES; STOCK QUOTATION; EXCHANGE ACT REGISTRATION; MARGIN REGULATIONS

Market for the Shares. The purchase of Shares pursuant to the Offer will reduce the number of holders of Shares and the number of Shares that might otherwise trade publicly and could adversely affect the liquidity and market value of the remaining Shares, if any, held by the public. The Purchaser cannot predict whether the reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for, or marketability of, the Shares or whether such reduction would cause future market prices to be greater or less than the Offer price.

Stock Quotation. The Shares are currently listed and traded on the Nasdaq National Market, which constitutes the principal trading market for the Shares. Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the requirements of the NASD for continued inclusion in the Nasdaq National Market, which require that an issuer have at least 200,000 publicly held shares, held by at least 400 shareholders or 300 shareholders of round lots, with a market value of at least $1,000,000, and have net tangible assets of at least $1,000,000, $2,000,000 or $4,000,000, depending on profitability levels during the issuer's four most recent fiscal years. If these standards are not met, the Shares might nevertheless continue to be included in the NASD's Nasdaq Stock Market (the "Nasdaq Stock Market") with quotations published in the Nasdaq "additional list" or in one of the "local lists," but if the number of holders of the Shares were to fall below 300, or if the number of publicly held Shares were to fall below 100,000 or there were not at least two registered and active market makers for the Shares, the NASD's rules provide that the Shares would no longer be "qualified" for Nasdaq Stock Market reporting and the Nasdaq Stock Market would cease to provide any quotations. Shares held directly or indirectly by directors, officers or beneficial owners of more than 10% of the Shares are not considered as being publicly held for this purpose. According to information provided by the Company, as of May 24, 1996 there were approximately 215 holders of record of Shares and 13,590,393 Shares were outstanding. If, as a result of the purchase of Shares pursuant to the Offer or otherwise, the Shares no longer meet the requirements of the NASD for continued inclusion in

the Nasdaq National Market or in any other tier of the Nasdaq Stock Market and the Shares are no longer included in the Nasdaq National Market or in any other tier of the Nasdaq Stock Market, as the case may be, the market for Shares could be adversely affected.

In the event that the Shares no longer meet the requirements of the NASD for continued inclusion in any tier of the Nasdaq Stock Market, it is possible that the Shares would continue to trade in the over-the-counter market and that price quotations would be reported by other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of Shares remaining at such time, the interests in maintaining a market in Shares on the part of securities firms, the possible termination of registration of the Shares under the Exchange Act, as described below, and other factors.

Exchange Act Registration. The Shares are currently registered under the Exchange Act. Registration of the Shares under the Exchange Act may be terminated upon application of the Company to the Commission if the Shares are neither listed on a national securities exchange nor held by 300 or more holders of record. Termination of registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to its stockholders and to the Commission and would make certain provisions of the Exchange Act no longer applicable to the Company, such as the short-swing profit recovery provisions of Section 16(b) of the Exchange Act, the requirement of furnishing a proxy statement pursuant to section 14(a) of the Exchange Act in connection with stockholders' meetings and the related requirement of furnishing an annual report to stockholders and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 or 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), may be impaired or eliminated. The Purchaser intends to seek delisting of the Shares from the Nasdaq National Market and to cause the Company to apply for termination of registration of the Shares under the Exchange Act as soon after the completion of the Offer as the requirements for such delisting and termination are met.

If registration of the Shares is not terminated prior to the Merger, then the Shares will be delisted from all stock exchanges and the registration of the Shares under the Exchange Act will be terminated following the consummation of the Merger.

Margin Regulations. The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares. Depending upon factors similar to those described above regarding listing and market quotations, it is possible that, following the Offer, the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and therefore could no longer be used as collateral for loans made by brokers.

8. CERTAIN INFORMATION CONCERNING THE COMPANY

The historical information concerning the Company contained in this Offer to Purchase, including financial information, has been taken from or based upon publicly available documents and records on file with the Commission and other public sources. Neither Parent, the Purchaser nor the Dealer Manager assumes any responsibility for the accuracy or completeness of the information concerning the Company contained in such documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information to Parent or the Purchaser.

According to the Company Form 10-K, the Company is a leading global designer and manufacturer of automotive interior acoustic systems and components including carpet and vinyl floor systems, soft-surface interior and luggage compartment trim and dash insulators and other acoustic components which are designed to manage noise and vibration for passenger cars and light trucks. The Company supplies Original Equipment Manufacturers ("OEMs") including Chrysler, Ford and GM; the North American operations of Honda, Isuzu, Mazda, Mitsubishi, Nissan, Nummi, Subaru and Toyota; and the European operations of Nissan, Peugeot and SAAB.

Set forth below is certain selected historical consolidated financial information with respect to the Company and its subsidiaries excerpted or derived from the information contained in the Company Form 10-K and the Company's Quarterly Report on Form 10-Q for the quarter ended March 29, 1996. More comprehensive financial information is included in such reports and other documents filed by the Company with the Commission, and the following summary is qualified in its entirety by reference to such reports and such other documents and all the financial information (including any related notes) contained therein. Such reports and other documents should be available for inspection and copies thereof should be obtainable in the manner set forth below under "Available Information."

MASLAND CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	NINE MONTHS ENDED		YEAR ENDED		
	MARCH 29, 1996	MARCH 31, 1995	JUNE 30, 1995	JULY 1, 1994	JULY 2, 1993
INCOME STATEMENT DATA:					
Revenues	$ 343.4	$ 373.8	$496.6	$ 429.9	$ 353.5
Operating income	26.5	34.2	47.0	45.0	25.8
Interest expense, net	3.0	3.4	4.2	3.7	4.3
Income before provision for income taxes and minority interest in consolidated subsidiaries	23.6	29.6	41.8	40.8	22.0
Net income applicable to common stock	11.8	15.0	21.3	20.5	11.7
Net income per common share	0.85	1.08	1.53	1.47	0.83
BALANCE SHEET DATA (AT END OF PERIOD):					
Working capital	$ 51.2	$ 36.4	$ 38.6	$ 22.3	$ 28.9
Total assets	276.8	226.0	228.0	203.8	197.3
Long-term debt	70.8	40.2	37.0	31.4	50.1
Shareholders' investment	98.8	82.5	88.2	68.5	60.1

To the knowledge of Parent and the Purchaser, the Company does not as a matter of course make public forecasts as to its future financial performance. However, in connection with the preliminary discussions concerning the feasibility of the Offer and the Merger, the Company prepared and furnished Parent with certain financial projections.

The projections presented in the table below (the "Projections") are derived or excerpted from information provided by the Company and are based on numerous assumptions concerning future events. The Projections have not been adjusted to reflect the effects of the Offer or the Merger or the incurrence of indebtedness in connection therewith. The Projections have been prepared utilizing numerous assumptions, including, among others, assumptions relating to unit volumes for the car, mini-van and light truck models served by the Company and the achievement of certain sales growth based on new business. The Company's fiscal year ends on the Friday nearest to June 30 resulting in a 52/53 week year.

MASLAND CORPORATION

CERTAIN PROJECTIONS OF FUTURE OPERATING RESULTS
(DOLLARS IN MILLIONS)

	FISCAL YEARS				
	1996	1997	1998	1999	2000
Revenues	475.3	543.1	624.6	711.1	769.8
Net income	20.5	35.0	45.0	56.7	66.8

THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO COMPLYING WITH PUBLISHED GUIDELINES OF THE COMMISSION AND ARE INCLUDED HEREIN ONLY BECAUSE SUCH INFORMATION WAS PROVIDED TO PARENT. THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TO COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE COMMISSION OR THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS REGARDING PROJECTIONS AND FORECASTS. THE PROJECTIONS REFLECT NUMEROUS ASSUMPTIONS, ALL MADE BY MANAGEMENT OF THE COMPANY, WITH RESPECT TO INDUSTRY PERFORMANCE, GENERAL BUSINESS, ECONOMIC, MARKET AND FINANCIAL CONDITIONS AND OTHER MATTERS, ALL OF WHICH ARE DIFFICULT TO PREDICT, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL AND NONE OF WHICH WERE SUBJECT TO APPROVAL BY PARENT OR THE PURCHASER. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE ASSUMPTIONS MADE IN PREPARING THE PROJECTIONS WILL PROVE ACCURATE, AND ACTUAL RESULTS MAY BE MATERIALLY GREATER OR LESS THAN THOSE CONTAINED IN THE PROJECTIONS. THE INCLUSION OF THE PROJECTIONS HEREIN SHOULD NOT BE REGARDED AS AN INDICATION THAT ANY OF PARENT, THE PURCHASER, THE COMPANY OR THEIR RESPECTIVE FINANCIAL ADVISORS CONSIDERED OR CONSIDER THE PROJECTIONS TO BE A RELIABLE PREDICTION OF FUTURE EVENTS, AND THE PROJECTIONS SHOULD NOT BE RELIED UPON AS SUCH. NEITHER PARENT, THE PURCHASER, THE COMPANY NOR THEIR RESPECTIVE FINANCIAL ADVISORS ASSUME ANY RESPONSIBILITY FOR THE VALIDITY, REASONABLENESS, ACCURACY OR COMPLETENESS OF THE PROJECTIONS. NEITHER PARENT, THE PURCHASER, THE COMPANY NOR ANY OF THEIR FINANCIAL ADVISORS HAS MADE, OR MAKES, ANY REPRESENTATION TO ANY PERSON REGARDING THE INFORMATION CONTAINED IN EITHER THE PROJECTIONS AND NONE OF THEM INTENDS TO UPDATE OR OTHERWISE REVISE THE PROJECTIONS TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROJECTIONS ARE SHOWN TO BE IN ERROR.

Available Information. The Company is subject to the reporting requirements of the Exchange Act and, in accordance therewith, is required to file reports and other information with the Commission relating to its business, financial condition and other matters. Information as of particular dates concerning the Company's directors and officers, their remuneration, options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference facilities of the Commission located at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located in the Citicorp Center, 500 West Madison Street (Suite 1400), Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies should be obtainable, by mail, upon payment of the Commission's customary charges, by writing to the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. Such information should also be available for inspection at the offices of the NASD, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

9. CERTAIN INFORMATION CONCERNING THE PURCHASER AND PARENT

The Purchaser, a Delaware corporation and a wholly-owned subsidiary of Parent, was organized to acquire the Company and has not conducted any unrelated activities since its organization. The principal offices of the Purchaser are located at 21557 Telegraph Road, Southfield, Michigan 48034. All outstanding shares of capital stock of the Purchaser are owned by Parent. Parent is a Delaware corporation with its principal office located at 21557 Telegraph Road, Southfield, Michigan 48034.

Parent is the largest independent supplier of automotive interior systems in the estimated $39 billion global automotive interior systems market and the tenth largest automotive supplier in the world. Parent's principal products include finished automobile and light truck seat systems, interior trim products, such as door panels, armrests and headliners, interior component products such as seat frames and seat covers and various blow molded plastic parts. Parent's present customers include 24 OEMs, the most significant of which are General Motors, Ford, Fiat, Chrysler, Volvo, Saab, Volkswagen, Audi and BMW. As of April 30, 1996, Parent employed approximately 36,000 people in 19 countries and operated 108 manufacturing, research, design, engineering, testing and administration facilities. Parent's Common Stock is traded on the New York Stock Exchange (the "NYSE") under the trading symbol "LEA".

Set forth below is certain selected historical consolidated financial information with respect to Parent and its subsidiaries excepted or derived from Parent's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (the "Parent Form 10-K") and Parent's Quarterly Report on Form 10-Q for the three months ended March 30, 1996 (the "Parent Form 10-Q"), which are incorporated herein by reference, and other documents filed by Parent with the Commission. More comprehensive financial information is included in such reports and other documents filed by Parent with the Commission, and the following summary is qualified in its entirety by reference to such reports and other documents and all the financial information (including any related notes) contained therein. Such reports and other documents should be available for inspection and copies thereof should be obtainable in the manner set forth below under "Available Information."

LEAR CORPORATION

SELECTED CONSOLIDATED FINANCIAL DATA
(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED		YEAR ENDED		
	MARCH 30, 1996	APRIL 1, 1995	DECEMBER 31, 1995	DECEMBER 31, 1994	DECEMBER 31, 1993
OPERATING DATA:					
Net sales	$1,405.8	$1,043.5	$4,714.4	$3,147.5	$1,950.3
Operating income	70.0	47.7	244.8	169.6	79.6
Interest expense, net	24.4	14.2	75.5	46.7	45.6
Income (loss) before income taxes and extraordinary items	42.5	31.4	157.3	114.8	24.8
Extraordinary items(1)	--	--	(2.6)	--	(11.7)
Net income (loss)	25.8	17.0	91.6	59.8	(13.8)
Net income (loss) per share before extraordinary items	.43	.34	1.79	1.26	(.06)
Net income (loss) per share	.43	.34	1.74	1.26	(.39)
BALANCE SHEET DATA (AT END OF PERIOD):					
Current assets	$1,257.9	$ 904.3	$1,207.2	$ 818.3	$ 433.6
Total assets	3,122.2	1,797.9	3,061.3	1,715.1	1,114.3
Current liabilities	1,306.0	956.8	1,276.0	981.2	505.8
Long-term debt	1,033.3	519.9	1,038.0	418.7	498.3
Stockholders' equity	612.5	217.1	580.0	213.6	43.2

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(1) The extraordinary items resulted from the prepayment of debt.

Except as described in this Offer to Purchase, neither the Purchaser nor Parent (together, the "Corporate Entities") or, to the best knowledge of the Corporate Entities, any of the persons listed in Schedule I or any associate or majority-owned subsidiary of the Corporate Entities or any of the persons so listed, beneficially owns any equity security of the Company, and none of the Corporate Entities or, to the best knowledge of the Corporate Entities, any of the other persons referred to above, or any of the respective directors, executive officers or subsidiaries of any of the foregoing, has effected any transaction in any equity security of the Company during the past 60 days.

Except as described in this Offer to Purchase, (1) there have not been any contacts, transactions or negotiations between the Corporate Entities, any of their respective subsidiaries or, to the best knowledge of the Corporate Entities, any of the persons listed in Schedule I, on the one hand, and the Company or any of its directors, officers or affiliates, on the other hand, that are required to be disclosed pursuant to the rules and regulations of the Commission and (2) none of the Corporate Entities or, to the best knowledge of the Corporate Entities, any of the persons listed in Schedule I has any contract, arrangement, understanding or relationship with any person with respect to any securities of the Company.

From time to time Parent and certain of its subsidiaries have engaged in ordinary course business transactions with the Company and expect to engage in such transactions with the Company in the future.

Available Information. Parent is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is obligated to file reports and other information with the Commission relating to its business, financial condition and other matters. Information, as of particular dates, concerning Parent's directors and officers, their remuneration, options granted to them, the principal holders of Parent's securities and any material interest of such persons in transactions with Parent is disclosed in proxy statements distributed to Parent's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the Commission, and copies thereof should be obtainable from the Commission, in the same manner as set forth with respect to information concerning the Company in Section 8. Such material should also be available for inspection at the library of the NYSE, 20 Broad Street, New York, New York 10005.

10. SOURCE AND AMOUNT OF FUNDS

The Purchaser estimates that approximately $395 million will be required to acquire all of the Shares pursuant to the Offer and the Merger and to pay fees and expenses related to the Offer and the Merger. The Purchaser expects to obtain these funds from capital contributions and/or loans from Parent. Such funds, in turn, are expected to be obtained from borrowings under Parent's existing $1.475 billion Credit Agreement, dated August 17, 1995, as amended (the "Credit Agreement"), with Chemical Bank and a syndicate of financial institutions (such financial institutions, including Chemical Bank, the "Lenders").

The Credit Agreement currently prohibits the consummation of the Offer and the Merger. Parent has negotiated with Chemical Bank a form of amendment and consent (the "Credit Agreement Amendment") to the Credit Agreement that would permit the Offer and the Merger. The Credit Agreement Amendment will require the written consent of Lenders holding more than 50% of the aggregate outstanding indebtedness under the Credit Agreement, which consent is currently being sought. The consummation of the Offer is conditioned upon, among other things, the execution of the Credit Agreement Amendment by the requisite Banks.

In addition to the effectiveness of the Credit Agreement Amendment, the obligation of the Lenders to finance the Offer and the Merger under the Credit Agreement is subject to customary conditions, including, among other things, (i) that each of the representations and warranties made by Parent in the Credit Agreement is true and correct in all material respects on each funding date, (ii) that there is no default or event of default under the Credit Agreement on each such date and (iii) there has been no material adverse change in the business, operations, assets or financial condition of Parent and its subsidiaries taken as a whole since the closing date of the Credit Agreement.

Generally, amounts available to be borrowed under the Credit Agreement may be borrowed, repaid and reborrowed. Amounts available to be borrowed under the Credit Agreement will be reduced by $25 million on September 30, 1996, $100 million in the aggregate during 1997, $125 million in the aggregate during 1998, $125 million in the aggregate during 1999, $150 million in the aggregate during 2000 and $100 million on March 30, 2001. The entire unpaid balance under the Credit Agreement will be payable on September 30, 2001.

The Credit Agreement is guaranteed by most of Parent's direct and indirect domestic wholly-owned subsidiaries and secured by (i) a pledge of all of the capital stock of most of Parent's domestic subsidiaries, and a pledge of certain stock of Parent's foreign subsidiaries; (ii) a grant of a security interest in substantially all of the assets of Parent and its domestic subsidiaries, other than certain recently acquired subsidiaries; and (iii) mortgages on certain real property owned by Parent and its domestic subsidiaries. Parent anticipates that upon consummation of the Offer, the capital stock of the Company owned by the Purchaser will be pledged to secure the Credit Agreement. Further, upon consummation of the Merger, Parent anticipates that the Company and each of the Company's material domestic subsidiaries shall guarantee the Credit Agreement and the capital stock of each of the Company's material domestic subsidiaries will be pledged to secure the Credit Agreement.

Borrowings under the Credit Agreement bear interest, at the election of Parent, at (i) the higher of (a) Chemical Bank's prime lending rate and (b) the federal funds rate plus .5% and (ii) the Eurodollar Rate

for eurodollar deposits, plus a margin between .5% and 1.0% depending on the level of a specified financial ratio.

The Credit Agreement contains financial covenants relating to the maintenance of consolidated net worth and consolidated operating profit and ratios of consolidated operating profit to consolidated interest expense. The Credit Agreement also contains restrictive covenants pertaining to the management and operation of Parent and its subsidiaries. The covenants include, among others, significant limitations on indebtedness, guarantees, mergers, acquisitions, fundamental corporate changes, capital expenditures, asset sales, leases, investments, loans, liens, dividends and other stock payments, transactions with affiliates and modifications of debt instruments.

The Credit Agreement provides for events of default customary in facilities of this type, including, among others, (i) failure to make a payment when due; (ii) breach of covenants; (iii) breach of representations or warranties in any material respect when made; (iv) default under any agreement relating to debt for borrowed money in excess of $20.0 million in the aggregate; (v) bankruptcy defaults; (vi) judgments in excess of $5.0 million; and (vii) any loan document ceasing to be in full force and effect.

Parent has agreed to pay Chemical Bank certain financing, agent administration and other fees in connection with the Credit Agreement, which Parent believes to be customary. In addition, the Credit Agreement provides for a commitment fee of 1/5% to 3/8% per annum, depending on the level of a specified financial ratio, on the unused portion of the aggregate commitment under the Credit Agreement.

The foregoing summary description of the Credit Agreement is qualified in its entirety by reference to the copy of the Credit Agreement filed as an exhibit to the Schedule 14D-1, a copy of which may be obtained from the offices of the Commission in the manner set forth with respect to information concerning the Company in Section 8 (except that such information will not be available at the regional offices of the Commission).

It is anticipated that the indebtedness incurred through borrowings under the Credit Agreement will be repaid from funds generated internally by Parent and its subsidiaries, including the Company, and from other sources which may include the proceeds of the private or public sale of debt or equity securities and/or asset dispositions. In addition, Parent has had discussions with certain lenders regarding the establishment of an additional credit facility, under which borrowings would be used to repay indebtedness under the Credit Agreement.

The margin regulations promulgated by the Federal Reserve Board place restrictions on the amount of credit that may be extended for the purposes of purchasing margin stock (including the Shares) if such credit is secured directly or indirectly by margin stock. The Purchaser believes that the financing of the acquisition of the Shares will be in full compliance with the margin regulations.

11. BACKGROUND OF THE OFFER

On January 18, 1996 Kenneth L. Way, the Chairman of the Board and Chief Executive Officer of Parent, met with William J. Branch, the Chairman of the Board of the Company, to discuss a donation to a charitable organization. At that meeting the business and prospects of Parent and the Company were discussed generally as well as the possibility of Parent and the Company working together. As a result of that meeting, in February of 1996, Mr. Branch and Mr. Way agreed to meet on March 1, 1996. At the March 1 meeting, Parent proposed commencing negotiations to acquire the Company. As a result of this meeting, Parent and the Company entered into a Confidentiality and Standstill Agreement dated March 14, 1996 (the "Confidentiality Agreement") pursuant to which the Company agreed to provide Parent with certain information concerning the Company. Parent and the Purchaser have received certain non-public information from the Company under the terms of the Confidentiality Agreement. See Section 8.

On March 27, 1996 Parent informed the Company that based on publicly available information it would value the Company at $20 to $22 per Share. On April 4, 1996 certain members of management of Parent met with certain members of management of the Company to discuss this valuation and related matters. As a result of this meeting and a review of other non-public information concerning the Company, Parent provided the Company with an increased valuation on April 17, 1996 of $22 to $24 per Share.

On April 29 and 30, 1996 certain members of management of Parent and the Company and their respective financial advisors met in New York to further discuss the acquisition of the Company by Parent. At these meetings the Company discussed with Parent the Company's future prospects and potential synergistic benefits of a combination of its operations with those of Parent. After these discussions, Parent indicated that, assuming satisfactory completion of due diligence and approval by Parent's Board of Directors, Parent would be willing to offer from $25.00 to $25.50 per Share for the Company. As a result of these meetings, the Company entered into an agreement with Parent on May 2, 1996 pursuant to which, subject to fiduciary duties to stockholders, the Company agreed to negotiate exclusively with Parent for the acquisition of the Company until May 24, 1996. Following the execution of this agreement, Parent initiated a comprehensive due diligence review of the Company that included reviews of accounting, financial, environmental and other legal matters, plant tours and further management meetings.

On Friday, May 3, 1996 the Company provided Parent with a proposed form of the Merger Agreement. From May 3 through May 23, 1996, Parent, the Company and their respective representatives negotiated the Merger Agreement and Parent and its representatives conducted and completed their due diligence review of the Company.

On May 23, 1996 the Board of Directors of the Company and the Board of Directors of Parent each met to consider the Merger Agreement and the transactions contemplated thereby. After the commencement of the meeting of the Board of Directors of the Company, but prior to the commencement of the meeting of the Board of Directors of Parent, Mr. Branch spoke to Mr. Way and indicated that, because the Company had received a competing offer, if Parent would be willing to increase its offer to $26.00 per Share, he believed that the Board of Directors of the Company would approve the transaction. Thereafter, the Board of Directors of the Company and the Board of Directors of Parent approved the Merger Agreement and the transactions contemplated thereby.

12. PURPOSE OF THE OFFER AND THE MERGER; PLANS FOR THE COMPANY; THE MERGER AGREEMENT; THE STOCKHOLDERS AGREEMENT; THE TERMINATION, CONSULTING AND NONCOMPETE AGREEMENT; THE EMPLOYMENT AGREEMENT

Purpose of the Offer and the Merger

The purpose of the Offer and the Merger is to enable Parent, through the Purchaser, to acquire control of, and the entire equity interest in, the Company. The Offer is intended to facilitate the acquisition of all of the Shares. The purpose of Merger is to acquire all Shares not tendered and purchased pursuant to the Offer, the Stockholders Agreement or otherwise. Parent regards the acquisition of the Company as a strategic opportunity to further expand its product offerings in the global automotive interior market and to create additional growth opportunities.

Plans for the Company

If the Purchaser acquires control of the Company, Parent and the Purchaser intend to conduct a detailed review of the Company and its assets, operations, properties, policies, management and personnel and consider and determine what, if any, changes would be desirable in light of the circumstances which then exist.

Except as noted in this Offer to Purchase, the Purchaser and Parent have no present plans or proposals that would result in an extraordinary corporate transaction, such as a merger, reorganization, liquidation, relocation of operations, or sale or transfer of a material amount of assets, involving the Company or any subsidiary of the Company or any other material changes in the Company's capitalization, dividend policy, corporate structure, business or composition of its management, personnel or Board of Directors.

The Merger Agreement

The following is a summary of the material terms of the Merger Agreement. This summary is not a complete description of the terms and conditions thereof and is qualified in its entirety by reference to the full text thereof, which is incorporated herein by reference and a copy of which has been filed with the

Commission as an exhibit to the Schedule 14D-1. The Merger Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

The Offer. The Merger Agreement provides for the commencement of the Offer, in connection with which Parent and the Purchaser have expressly reserved the right to waive certain conditions of the Offer, but without the prior written consent of the Company, Parent and the Purchaser have agreed not to (i) decrease the Offer Price or change the form of consideration payable in the Offer, (ii) decrease the number of Shares sought pursuant to the Offer, (iii) amend or waive satisfaction of the Minimum Condition, (iv) impose additional conditions to the Offer or amend any other term of the Offer in a manner adverse to the holders of Shares, or (v) extend the expiration date of the Offer (except as required by law and except that the Purchaser may extend the expiration date of the Offer for up to ten (10) business days after the initial expiration date or for longer periods in the event that any condition to the Offer is not satisfied or earlier waived); provided, however, that, except as set forth above, the Purchaser may waive any other condition to the Offer in its sole discretion; and provided, further, that the Offer may be extended in connection with an increase in the consideration to be paid pursuant to the Offer so as to comply with the applicable rules and regulations of the Commission.

Board Representation. The Merger Agreement provides that promptly upon the purchase by the Purchaser of Shares pursuant to the Offer, and from time to time thereafter, Parent or the Purchaser shall be entitled to designate such number of directors, rounded up to the next whole number (but in no event more than one less than the total number of directors on the Board of Directors of the Company (the "Board")) as will give Parent, subject to compliance with Section 14(f) of the Exchange Act, representation on the Board equal to the product of (x) the number of directors on the Board (giving effect to any increase in the number of directors pursuant to the Merger Agreement) and (y) the percentage that such number of Shares so purchased bears to the aggregate number of Shares outstanding (such number being the "Board Percentage"). The Company has agreed, upon request of Parent, to promptly satisfy the Board Percentage by (i) increasing the size of the Board or (ii) using its best efforts to secure the resignations of such number of directors as is necessary to enable Parent's designees to be elected to the Board and to cause Parent's designees promptly to be so elected. Following the election or appointment of Parent's designees pursuant to the Merger Agreement and prior to the Effective Time of the Merger, any amendment or termination of the Merger Agreement, extension for the performance or waiver of the obligations or other acts of Parent or the Purchaser or waiver of the Company's rights thereunder, shall require the concurrence of a majority of the directors of the Company then in office who were directors on the date of the Merger Agreement and who voted to approve the Merger Agreement.

Consideration to be Paid in the Merger. The Merger Agreement provides that subject to the terms and conditions set forth in the Merger Agreement, the Purchaser will be merged with and into the Company, the separate existence of the Purchaser shall cease and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation") under the name "Masland Corporation." Notwithstanding anything to the contrary in the Merger Agreement, the parties to the Merger Agreement may, by mutual consent prior to the date and time of filing of the appropriate certificate of merger (the "Certificate of Merger") with the Secretary of State of Delaware (the "Effective Time"), elect, instead of merging the Purchaser into the Company as hereinabove provided, to merge the Company into the Purchaser. In such event, the parties have agreed to execute an appropriate amendment to the Merger Agreement in order to reflect the foregoing change. In the Merger at the Effective Time, each Share then issued and outstanding, other than Shares then held, directly or indirectly, by Parent, the Purchaser or any subsidiary of Parent, the Purchaser or any subsidiary of Parent, the Purchaser or the Company or held in the Company's treasury and holders who have not voted in favor of the Merger and who have demanded appraisals for such Shares in accordance with the Delaware Law shall be converted into and represent the right to receive the Merger Consideration in cash, without any interest thereon. Each share of the capital stock of the Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable share of Common Stock, par value $.01 per share, of the Company. After the Effective Time, Parent shall be the holder of all outstanding shares of Common Stock of the Company. The Merger Agreement provides that the closing of the Merger shall occur on the later of (x) the day of the

Special Meeting (as such term is defined below), if such Special Meeting is required to be held or (y) the first business day after the day on which the last of the conditions to the Merger set forth in the Merger Agreement is fulfilled or waived (subject to applicable law) or (z) on such other date as Parent and the Company shall agree.

Stock Options. The Merger Agreement provides that, at the Effective Time, each stock option and warrant to acquire Common Stock ("Company Stock Option") issued under the Company's 1991 Stock Purchase and Option Plan, whether or not then exercisable and whether or not then vested, at the election of the optionee, shall be either canceled or assumed and converted by Parent. The Merger Agreement provides that if canceled, then each holder of a canceled option shall be entitled to receive, in consideration for the cancellation of such option, an amount in cash equal to the product of (x) the number of Shares previously subject to such option and (y) the excess, if any, of the Merger Consideration over the exercise price per Share previously subject to such options. The Merger Agreement provides that if assumed, each option shall be amended to be exercisable into Parent's Common Stock (a "Substitute Option"); provided, however, that the excess aggregate value of each option following the substitution and assumption shall be the same as the excess aggregate value of such outstanding option before the substitution and assumption. The Merger Agreement provides that the number of shares of Parent's Common Stock subject to such Substitute Option and the exercise price thereunder shall be computed in compliance with the requirements of Section 424(a) of the Code, except as agreed in writing by Parent and the Company, and such Substitute Option shall not confer any additional rights upon the optionee and shall be subject to substantially all of the other terms and conditions of the original option granted by the Company to which it relates except in the case of an optionee whose employment with the Company or its successor is terminated, other than for cause, within one year following the Effective Time, for whom the exercise period of the vested Substitute Option will be extended to a period of two years. The Merger Agreement provides that at the Effective Time, each Company Stock Option issued under the Company's Non-Employee Directors Stock Option Plan shall be canceled in the manner provided above, and each Company Stock Option issued under the Company's 1993 Stock Option Incentive Plan shall be assumed and converted into a Substitute Option in the manner provided above. The Merger Agreement provides that prior to the Effective Time, the Company shall obtain any consents or elections required or deemed necessary and the original Company Stock Option agreements (i) for cancellation from holders of outstanding Company Stock Options or (ii) to make any amendments to the terms of the Stock Option Plans or Company Stock Option Agreements that are necessary to give effect to the transactions contemplated by the Merger Agreement.

Stockholder Meeting. The Merger Agreement provides that promptly after expiration of the Offer, the Company shall take all action necessary, in accordance with the Delaware Law and its Certificate of Incorporation and By-Laws, to convene a meeting of its Stockholders (the "Special Meeting") as promptly as possible to consider and vote on the Merger Agreement and the Merger. At the Special Meeting, Parent shall vote, or cause to be voted, all of the Shares then owned by Parent (or any subsidiary of Parent) in favor of the Merger Agreement and the Merger.

In the event that Parent and the Purchaser or any other wholly-owned subsidiary of Parent shall acquire in the aggregate at least 90% of the outstanding Shares, the parties to the Merger Agreement agree, at the request of Parent, to take all necessary and appropriate action to cause a merger of the Company and the Purchaser to become effective without a meeting of the stockholders of the Company, in accordance with Section 253 of the Delaware Law.

Representations and Warranties. The Merger Agreement contains various representations and warranties of the parties thereto. These include representations and warranties by the Company with respect to (i) due incorporation, existence, good standing, corporate power and authority or qualifications of the Company and subsidiaries of the Company; (ii) capitalization of the Company, including the number of shares of capital stock of the Company outstanding, the number of shares reserved for issuance on the exercise of options and similar rights to purchase shares; (iii) the only corporation, partnership, joint venture or other entity in which the Company, directly or indirectly, has an equity or other interest of 50% or greater or otherwise controls (the "Subsidiaries") are those named in the Company Form 10-K; (iv) the authorization, execution, delivery and performance of the Merger Agreement and the consummation of transactions contemplated thereby, and the

validity and enforceability thereof; (v) subject to certain exceptions, the absence of consents and approvals necessary for consummation by the Company of the Merger, and the absence, except as disclosed, of any violations, breaches or defaults which would result from compliance by the Company with any provision of the Merger Agreement; (vi) except as set forth in the Company Form 10-K, the absence of pending litigation or violation of any law by the Company which is reasonably likely to have a material adverse effect on the condition (financial or otherwise), results of operations, business, assets or liabilities of the Company and its subsidiaries taken as a whole (a "Company Material Adverse Effect") or which seeks to, or is reasonably likely to delay or prevent the consummation of the Offer or the Merger or any other transactions contemplated by the Merger Agreement; (vii) compliance in all material respects with the Securities Act and the Exchange Act, in connection with the Commission Filings (as defined in the Merger Agreement) filed by the Company with the Commission; (viii) compliance with respect to matters by which the Company or any Subsidiary or any property or asset of the Company or any Subsidiary is bound or affected; (ix) the absence of certain changes and events which would constitute a Company Material Adverse Effect and the Company's conduct of business in the ordinary course of business consistent with past practices; (x) certain employee benefit and ERISA matters; (xi) certain labor matters; (xii) certain matters related to real property; (xiii) certain intellectual property matters; (xiv) certain tax matters; (xv) certain environmental matters; (xvi) each of the Company's Material Contracts (as defined in the Merger Agreement) is in full force and effect and that the Company or each applicable Subsidiary has duly complied in all material respects with the provision of each Material Contract to which it is a party; (xvii) that neither the Company nor any Subsidiary has any liabilities or other obligations which would have been required to be recorded on a balance sheet as of April 30, 1996, or as disclosed in the notes thereto, in accordance with generally accepted accounting principles consistently applied, except for liabilities, obligations or contingencies previously disclosed to Parent and the Purchaser; (xviii) certain matters related to insurance; (xix) receipt of a fairness opinion of Goldman Sachs & Co.; (xx) certain matters relating to affiliate transactions; and (xxi) that the Company has the legal right to use the name "Masland" and each derivative thereof in each jurisdiction where the Company and each Subsidiary conduct business.

Parent and the Purchaser have also made certain representations and warranties, including with respect to (i) due incorporation, existence, good standing, corporate power and authority or qualifications of Parent and the Purchaser; (ii) the authorization, execution, and delivery of the Merger Agreement and the consummation of transactions contemplated thereby, and the validity and enforceability thereof and (iii) assuming that the Credit Agreement Waiver Condition is satisfied, Parent has or will have, prior to the expiration of the Offer, sufficient funds available to purchase all of the Shares outstanding and to pay all related fees and expenses on a fully diluted basis pursuant to the Offer and the Merger Agreement.

Interim Operations. The Company has agreed that during the period from the date of the Merger Agreement to the earlier of the Effective Time or until Parent's designees constitute a majority of the Board under the terms of the Merger Agreement, except as specifically contemplated in the Merger Agreement or otherwise as consented to or approved in writing by Parent, (a) the businesses of the Company and each of the Subsidiaries shall be conducted only in, and the Company and each of the Subsidiaries shall not take any action, except in the ordinary and usual course of business and consistent with past practice; (b) neither the Company nor any of the Subsidiaries shall make or propose any change or amendment in its charter or By-Laws or the Rights Agreement; (c) neither the Company nor any of the Subsidiaries shall (i) issue or sell, or authorize the issuance or sale of, any shares of its capital stock or any of its other securities or issue any securities convertible into or exchangeable for, or options, warrants to purchase, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or enter into any contract, understanding or arrangement with respect to the issuance of, any shares of its capital stock or any of its other securities, or enter into any arrangement or contract with respect to the purchase or voting of shares of its capital stock or adjust, split, combine or reclassify any of its securities, or make any other changes in its capital structure; provided that the Company may issue shares of its Common Stock pursuant to the terms of vested and currently exercisable Company Stock Options upon the exercise of such Common Stock Options or (ii) except as contemplated elsewhere in the Merger Agreement, amend, waive or otherwise modify any of the terms of any Stock Option Plan or Company Stock Option; (d) the Company shall not declare, pay or make any dividend or other distribution or payment with respect to, or purchase, redeem or otherwise acquire any

shares of its capital stock or otherwise make any payments to stockholders in their capacity as stockholders, except for the regular quarterly dividend of $.05 per share declared on May 9, 1996; (e) the Company shall, and shall cause the Subsidiaries to, use all reasonable efforts to preserve intact the business organization of the Company and each of the Subsidiaries, to keep available the services of its and their present officers and key employees, and to preserve the good will of those having business relationships with it and the Subsidiaries; (f) neither the Company nor any of the Subsidiaries shall take any action with respect to the grant of any severance or termination pay (otherwise than pursuant to written plans of the Company or any of the Subsidiaries in effect on the date hereof) or with respect to any increase of benefits payable under its written plans providing for severance or termination pay in effect on the date hereof; (g) neither the Company nor any of the Subsidiaries shall (except for salary increases or other employee benefit arrangements in the ordinary course of business consistent with past practice that do not result in a material increase in benefits or compensation expense to the Company or any Subsidiary or pursuant to collective bargaining agreements as presently in effect) adopt or amend any bonus, profit sharing, compensation, stock option, pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, plan, fund or other arrangement for the benefit or welfare of any Employee (as defined in the Merger Agreement) or increase in any manner the compensation or fringe benefits of any Employee or pay or grant any benefit not required by any existing plan or arrangement; (h) except with respect to transactions between and among the Company and any of the Subsidiaries or the endorsement of negotiable instruments in the ordinary course of its business, neither the Company nor any of the Subsidiaries shall incur or assume any indebtedness for money borrowed (other than borrowings in the ordinary course of business) or guarantee any such indebtedness (other than any guaranty of subsidiary indebtedness in the ordinary course of business) or the obligations of any person; (i) the Company shall not and shall not permit any Subsidiary to pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted, unasserted, contingent or otherwise), other than payment, discharge or satisfaction in the ordinary course of business and consistent with past practices, pursuant to existing contractual arrangements or as required by law; (j) except in the ordinary course of business consistent with past practice or in the case of obsolete or redundant assets, or those requiring replacement, the Company shall not and shall not permit any Subsidiary to sell, lease or otherwise dispose of any of its assets; (k) the Company shall not and shall not permit any Subsidiary to acquire (for cash, shares of stock or other consideration) (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or the assets thereof or any other assets; (l) the Company shall not and shall not permit any Subsidiary to take any action, other than reasonable actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures; (m) the Company shall not and shall not permit any Subsidiary to authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of the Company or any of the Subsidiaries; (n) the Company shall not and shall not permit any Subsidiary to make any material tax elections or settle or compromise any material income tax liability; (o) other than in the ordinary course of business and consistent with past practice, the Company shall not and shall not permit any Subsidiary to waive any material rights or make any payment, direct or indirect, of any material liability of the Company or any of the Subsidiaries before the same comes due in accordance with its terms; (p) the Company shall not and shall not permit any Subsidiary to fail to maintain its existing material insurance coverage in effect or, in the event any such coverage shall be terminated or lapse, to the extent available at reasonable cost, procure substantially similar substitute insurance policies which in all material respects are in at least such amounts and against such risks as are currently covered by such policies; (q) the Company shall not and shall not permit any Subsidiary to enter into any new collective bargaining agreement or any successor collective bargaining agreement; and (r) the Company shall not and shall not permit any Subsidiary to enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

Additional Agreements. The Merger Agreement provides that upon reasonable notice the Company shall, and shall cause each of the Subsidiaries to, afford Parent and the Purchaser and their respective officers, employees and authorized representatives reasonable access during normal business hours throughout the period prior to the Effective Time to all of its properties, books, contracts, commitments, records, tax records and accountants' working papers. Subject to the terms and conditions of the Merger Agreement, the Company, Parent and the Purchaser each have agreed, subject to legal obligations, to use all reasonable efforts

to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate the transactions contemplated by the Merger Agreement.

No Solicitation. The Merger Agreement provides that from and after the date of the Merger Agreement until the termination thereof the Company shall not, and shall cause each of its Subsidiaries and its and their respective officers, directors, employees, representatives, agents and affiliates (including, without limitation, any investment banker, attorney or accountant retained by the Company or any of its Subsidiaries) not to (i) directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing nonpublic information or assistance), any inquiries with respect to or the making of any proposal that constitutes, or may reasonably be expected to lead to any Acquisition Proposal (as defined below), or (ii) enter into or maintain or continue discussions or negotiations with any person or entity in furtherance of such inquires or to obtain an Acquisition Proposal or (iii) agree to endorse any Acquisition Proposal. Notwithstanding the foregoing, nothing contained therein shall prohibit the Board from furnishing information to, or entering into discussions or negotiations with, any person or entity that makes an unsolicited written, bona fide Acquisition Proposal or, after payment of the Termination Fee (as defined below), endorsing such an Acquisition Proposal, if and only to the extent that, (A) the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to its stockholders under applicable law, and (B) prior to taking such action, the Company receives from such person or entity an executed confidentiality agreement on terms no less favorable to the Company than the Confidentiality Agreement (excluding the standstill provisions thereof). For purposes of the Merger Agreement, "Acquisition Proposal" shall mean any of the foregoing (other than the transactions between the Company and Parent and the Purchaser contemplated by the Merger Agreement): (i) any merger, consolidation, share exchange, recapitalization, business combination, or other similar transaction involving the Company or its Subsidiaries (other than business combinations or similar transactions involving only foreign Subsidiaries); (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the assets of the Company and its Subsidiaries, taken as a whole, in a single transaction or series of transactions; (iii) any tender offer or exchange offer for 20% or more of the outstanding shares of capital stock of the Company or the filing of a registration statement under the Securities Act in connection therewith or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing. In the event that the Company receives or becomes aware of any Acquisition Proposal, the Company will promptly notify Parent in writing of such communication, of the identity of the person or entity making such Acquisition Proposal and of the terms and conditions of such Acquisition Proposal; provided, however, that the Company shall not be required to disclose the identity of the person or entity making the Acquisition Proposal or the terms and conditions of such Acquisition Proposal if the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel) determines in good faith that nondisclosure would be necessary for the Board to comply with its fiduciary duties to its stockholders under applicable law.

Fees and Expenses. The Merger Agreement provides if (i) an Acquisition Proposal is made prior to the termination of the Merger Agreement (other than a termination (a) by Parent if the Company has failed to mail the Schedule 14D-9 to its stockholders on or prior to the date on which the Offer has been commenced or failed to include in such Schedule 14D-9 when first mailed to stockholders the approval and recommendations of the Board of the Offer and the Merger required by the Merger Agreement to be included in the Schedule 14D-9 (a "Failure to Mail"); (b) by the Company, if the Board modifies, in a manner adverse to Parent, or withdraws its approval or recommendation of, the Offer or the Merger referred to in the Merger Agreement, so long as the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to stockholders under applicable law (a "Board Modification"); or (c) by Parent if (I) the Board modifies, in a manner adverse to Parent, or withdraws its approval or recommendation of, the Offer or the Merger referred to in the Merger Agreement; (II) the Board shall have recommended or accepted any Acquisition Proposal; (III) the Board shall have resolved to do any of the acts referred to in (I) or (II); (IV) Parent shall request that the Board reaffirm its approval or recommendation of the Offer or the Merger and the Board shall fail to do so within ten business

days after such request; or (V) any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Parent or the Purchaser or any of their respective subsidiaries shall have become the beneficial owner of more than 20% of the outstanding shares other than for purposes of arbitrage, but provided that such termination under (I) and (IV) (or under (III) as it relates to (I) only) above relates to actions of the Board which, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), it has determined in good faith are necessary for the Board to comply with its fiduciary duties to stockholders under applicable law, in which case the effectiveness of such termination may not be prior to the later of (x) the close of business immediately preceding the then scheduled termination date of the Offer or (y) ten days following such modification or withdrawal, and then only if the Board has not reinstated its affirmative recommendation or approval of the Purchaser's Offer or the Merger within such period of time (a "Failure to Reaffirm")), and within nine months of such termination the Company shall have entered into an agreement with respect to, approved, recommended or taken any affirmative action to facilitate, an Acquisition Proposal, or any transaction constituting an Acquisition Proposal is consummated, (ii) the Merger Agreement is terminated pursuant to a Failure to Mail and an Acquisition Proposal exists, or (iii) the Merger Agreement is terminated pursuant to a Board Modification or a Failure to Reaffirm, then the Company shall pay to Purchaser a fee equal to $10,000,000 in cash (the "Termination Fee"). The Termination Fee shall be payable (x) in the case of entering into an agreement with respect to an Acquisition Proposal or the consummation of a transaction constituting an Acquisition Proposal as described in clause (i) above, upon the signing of a definitive agreement relating to such Acquisition Proposal or, if no such agreement is executed, then at the closing (and as a condition to the closing) of such transaction constituting an Acquisition Proposal, (y) upon the occurrence of any other event described in clause (i) above, and (z) within one business day of the termination of this Agreement upon any termination of this Agreement pursuant to a Failure to Mail, a Failure to Reaffirm or a Board Modification.

Except as specifically provided above, the Merger Agreement provides that each party shall bear all expenses incurred by it in connection with the Merger Agreement and the transactions contemplated hereby, including those incident to the negotiation and preparation of the Merger Agreement and to its performance of and compliance with all agreements and conditions contained herein to be performed or complied with by it.

Pursuant to the Merger Agreement, except for the Company's fee engagement letter with Goldman Sachs & Co. dated April 25, 1996, or as previously disclosed by a party to the Merger Agreement in writing to the other parties thereto, no broker, finder or investment banker is entitled to a brokerage, finder's or other fee or commission in connection with the Offer or the Merger or the transactions contemplated by the Merger Agreement. Such fees or other commissions payable by the Company and its Subsidiaries shall not exceed the amount previously disclosed to Parent.

Conditions to the Merger. Pursuant to the Merger Agreement, the obligations of each party to the Merger Agreement to consummate the Merger shall be subject to the fulfillment at or prior to the Effective Time of the following conditions: (i) the approval of the stockholders of the Company as referred to in the Merger Agreement shall have been obtained, if required by applicable law; (ii) any applicable waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have expired or been terminated and any approvals under any applicable Foreign Antitrust Laws shall have been granted; and (iii) no preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction in the United States or by a Governmental Entity (as defined in the Merger Agreement) nor any statute, rule, regulation or executive order promulgated or enacted by any Governmental Entity shall be in effect, which would prevent the consummation of the Merger.

Termination. The Merger Agreement provides that it may be terminated at any time prior to the Effective Time, whether or not it has been approved by the stockholders of the Company, (a) by the mutual written consent of the respective Boards of Directors of the Company and Parent; (b) by Parent or the Company, if the Offer expires or is terminated or withdrawn pursuant to its terms without any Shares being purchased thereunder; provided however, that Parent may not terminate the Merger Agreement pursuant to this section of the Merger Agreement if Parent's termination of, or failure to accept for payment or pay for any Shares tendered pursuant to, the Offer does not follow the failure of one or more of the conditions set forth in

Exhibit A to the Merger Agreement to be satisfied or is otherwise in violation of the terms of the Offer or the Merger Agreement; (c)(i) by Parent prior to the purchase of and payment for any Shares pursuant to the Offer if there has been a material breach of any representation or warranty set forth in the Merger Agreement on the part of the Company and (ii) by the Company prior to the purchase of and payment for any Shares pursuant to the Offer if there has been a material breach of any representation or warranty set forth in the Merger Agreement on the part of Parent or the Purchaser; (d)(i) by Parent if there has been a material breach of any covenant or agreement set forth in the Merger Agreement on the part of the Company, which is incapable of being, or is not, cured (other than by mere disclosure of the breach) within five days after written notice from Parent to the Company, and (ii) by the Company if there has been a material breach of any covenant or agreement set forth in the Merger Agreement on the part of Parent or the Purchaser, which is incapable of being, or is not, cured (other than by mere disclosure of the breach) within five days after written notice from the Company to Parent of such breach; (e) by either Parent or the Company if the Merger has not been consummated on or before October 31, 1996, which date may be extended by the mutual written consent of the Board of Directors of the Company and the Board of Directors of Parent; (f)(i) by the Company if the Offer has not been commenced within the period of time required under the Exchange Act following the date hereof and (ii) by Parent if the Company has failed to mail the Schedule 14D-9 to its stockholders on or prior to the date on which the Offer has been commenced or failed to include in such Schedule 14D-9 when first mailed to stockholders the approval and recommendations of the Board of the Offer and the Merger required by the Merger Agreement to be included in the Schedule 14D-9; (g) by the Company or Parent if any permanent injunction or final nonappealable order, decree or ruling issued by a court of competent jurisdiction within the United States or Governmental Entity is in effect which would prevent the consummation of the Merger; (h) by the Company, if the Board modifies, in a manner adverse to Parent, or withdraws its approval or recommendation of, the Offer or the Merger referred to in the Merger Agreement, so long as the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to stockholders under applicable law; or (i) by Parent if (i) the Board modifies, in a manner adverse to Parent, or withdraws its approval or recommendation of, the Offer or the Merger referred to in the Merger Agreement; (ii) the Board shall have recommended or accepted any Acquisition Proposal; (iii) the Board shall have resolved to do any of the acts referred to in (i) or (ii); (iv) Parent shall request that the Board reaffirm its approval or recommendation of the Offer or the Merger and the Board shall fail to do so within ten business days after such request; or (v) any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Parent or the Purchaser or any of their respective subsidiaries shall have become the beneficial owner of more than 20% of the outstanding shares other than for purposes of arbitrage, but provided that such termination under (i) or (iv) (or under (iii) as it relates to (i) only) above relates to actions of the Board which, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), it has determined in good faith are necessary for the Board to comply with its fiduciary duties to stockholders under applicable law, in which case the effectiveness of such termination may not be prior to the later of (x) the close of business immediately preceding the then scheduled termination date of the Offer or (y) ten days following such modification or withdrawal, and then only if the Board has not reinstated its affirmative recommendation or approval of the Parent's Offer or the Merger within such period of time.

Indemnification. The Merger Agreement provides that after the Effective Time, or such earlier date as Parent acquires control of the Company, Parent shall cause the Surviving Corporation to (i) maintain the Company's current directors' and officers' insurance and indemnification policy or an equivalent policy, subject to terms and conditions no less advantageous, for all directors and officers of the Company on the date of the Merger Agreement, for six years after the Effective Time to cover acts and omissions of directors and officers of the Company occurring at or prior to the Effective Time; provided that Parent shall not be required to pay an annual premium for such insurance in excess of 300% of the last annual premium paid by the Company prior to the date of the Merger Agreement, but in such case Purchaser shall purchase as much coverage as possible for such amount and (ii) maintain in effect for six years after the Effective Time provisions no less favorable to the indemnified parties than those contained in the Certificate of Incorporation

of the Company on the date of the Merger Agreement (which shall be contained in the Certificate of Incorporation of the Surviving Corporation) relating to the rights to indemnification of officers and directors with respect to indemnification for acts and omissions occurring at or prior to the Effective Time.

Waiver and Amendment. The Merger Agreement provides that any of its provisions may be waived at any time by the party which is, or whose stockholders are, entitled to the benefits thereof. The Merger Agreement may not be amended or supplemented at any time, except by an instrument in writing signed on behalf of each party thereto; provided, that after the Merger Agreement has been approved by the stockholders of the Company no such amendment shall reduce the amount or change the form of consideration to be paid to the stockholders of the Company in the Merger or later or change any of the terms or conditions of the Merger Agreement if such alteration or change would adversely affect the stockholders of the Company.

Timing. The exact timing and details of the Merger will depend upon legal requirements and a variety of other factors, including the number of Shares acquired by the Purchaser pursuant to the Offer. Although Parent has agreed to cause the Merger to be consummated on the terms set forth above, there can be no assurance as to the timing of the Merger.

The Stockholders Agreement

The following is a summary of the material terms of the Stockholders Agreement. This summary is not a complete description of the terms and conditions thereof and is qualified in its entirety by reference to the full text thereof which is incorporated herein by reference and a copy of each of which has been filed with the Commission as an exhibit to the Schedule 14D-1. The Stockholders Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

Tender of Shares. Simultaneously with the execution of the Merger Agreement, Parent, the Purchaser and the Stockholders entered into the Stockholders Agreement. Upon the terms and subject to the conditions of such agreement, the Stockholders have severally agreed to validly tender and not to withdraw pursuant to and in accordance with the terms of the Offer, not later than the fifth business day after commencement of the Offer, the respective number of Shares owned beneficially by them as of the date of the Stockholders Agreement as well as Shares acquired thereafter. Each Stockholder further agreed that through the transfer to the Purchaser in the Offer of his or its Shares the Purchaser will acquire good and marketable title to such Shares. The Stockholders Agreement provides that, notwithstanding another provision of the Stockholders Agreement to the contrary, if (x) the Merger Agreement is terminated; (y) the Offer is terminated without the purchase of Shares thereunder or (z) the Minimum Condition is not satisfied (other than by waiver) upon termination of the Offer, within two business days thereof the Shares tendered under the Offer pursuant to the Stockholders Agreement by each Stockholder shall be returned to such Stockholder.

Voting. Each Stockholder has agreed to constitute and appoint Parent, or any nominee of Parent, with full power of substitution, as his or its true and lawful attorney and proxy, for and in his or its name, place and stead, to vote as his or its proxy, at any meeting of the Company's stockholders and to sign such stockholder's name to any written consent of the Company's stockholders with respect to the Shares held of record or beneficially by such stockholder (whether acquired before or after the date of the Stockholders Agreement) (i) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and the Stockholders Agreement and any actions reasonably required in furtherance thereof; (ii) against any action or agreement that would reasonably be expected to result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or the Stockholders Agreement; and (iii) against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or its subsidiaries; (B) a sale, lease or transfer of a material amount of assets of the Company or its subsidiaries, or a reorganization, recapitalization, dissolution or liquidation of the Company or its subsidiaries; (C)(1) any change in a majority of the persons who constitute the Board of Directors of the Company; (2) any change in the present

capitalization of the Company or any amendment of the Company's Certificate of Incorporation or Bylaws; (3) any other material change in the Company's corporate structure or business; or (4) any other action which, in the case of each of the matters referred to in clauses (C)(1), (2), (3) or (4), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage or adversely affect the Merger and the transactions contemplated by the Stockholders Agreement and the Merger Agreement. The Stockholders further agreed to cause his or its Shares to be voted in accordance with the foregoing.

Representations, Warranties, Covenants and Other Agreements. In connection with the Stockholders Agreement, the Stockholders have made certain customary representations, warranties and covenants, including with respect to (i) their ownership of the Shares, (ii) their authority to enter into and perform their obligations under the Stockholders Agreement, (iii) the receipt of requisite governmental consents and approvals, (iv) the absence of liens and encumbrances on and in respect of their Shares, (v) restrictions on the transfer of their Shares, (vi) the solicitation of Acquisition Proposals, and (vii) the waiver of their appraisal rights.

Termination. Other than as provided therein, the Stockholders Agreement terminates by its terms upon the termination of the Merger Agreement in accordance with its terms.

The Termination, Consulting and Noncompete Agreement

Parent, the Company and William J. Branch (the "Covenantor") have entered into a Termination, Consulting and Noncompete Agreement dated May 29 1996 (the "Noncompete Agreement") pursuant to which the Covenantor has agreed to terminate his employment with the Company effective upon consummation of the Offer, and for a period of two years thereafter, subject to earlier termination for cause (as defined in the Noncompete Agreement), to serve as a consultant for 20 days per year to, and not compete with, the Company. Pursuant to the Noncompete Agreement, the Covenantor shall be paid $175,000 per year and will be provided with health and medical benefits during the term of the Noncompete Agreement.

The foregoing is not a complete description of the terms and conditions of the Noncompete Agreement and is qualified in its entirety by reference to the full text thereof which is incorporated herein by reference. A copy of the Noncompete Agreement has been filed with the Commission as an exhibit to the Schedule 14D-1. The Noncompete Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

The Employment Agreement

The Company has entered into an Employment Agreement dated as of May 29, 1996 (the "Employment Agreement") with Dr. Frank J. Preston ("Preston"), the Company's President and Chief Executive Officer. The Employment Agreement has a term of four years, effective upon consummation of the Offer (the "Effective Date"), and is automatically renewed for one additional year on the second anniversary of the Effective Date and each anniversary of the Effective Date thereafter. The Employment Agreement provides for an initial base salary of $275,000 per annum plus certain employee benefits. Pursuant to the Employment Agreement, the Compensation Committee of the Parent's Board of Directors has discretion to increase Preston's base salary and award an annual incentive bonus. In addition, the Employment Agreement provides that, upon consummation of the Merger, Preston's options to purchase 90,000 Shares, which will be converted into options to purchase Parent's Common Stock, will become vested and exercisable.

The Employment Agreement provides that: (i) upon the death of Preston, the Company will pay to his estate or designated beneficiary his full base salary for an additional 12 months and any accrued bonus to the date of death; (ii) upon termination for disability, Preston will receive all compensation payable under the Company's disability and medical plans and programs plus an additional payment from the Company so that the aggregate amount of salary continuation from all sources equals his base salary through the remaining term of the agreement; and (iii) upon termination by the employee for good reason (as defined in the Employment Agreement) or by the Company without cause, the employee will receive his full base salary and bonuses (calculated based on prior bonuses) to the end of the term of the Employment Agreement. If the Employment Agreement is terminated for cause (as defined in the Employment Agreement), or by Preston

other than for good reason, Preston is entitled to receive unpaid salary and benefits, if any, accrued through the effective date of Preston's termination.

The foregoing is not a complete description of the terms and conditions of the Employment Agreement and is qualified in its entirety by reference to the full text thereof which is incorporated herein by reference. A copy of the Employment Agreement has been filed with the Commission as an exhibit to the Schedule 14D-1. The Employment Agreement may be examined, and copies thereof may be obtained, as set forth in Section 8 above.

Other Matters

Appraisal Rights. No appraisal rights are available to holders of Shares in connection with the Offer. However, if the Merger is consummated, holders of Shares will have certain rights under Section 262 of the Delaware Law to dissent and demand appraisal of, and payment in cash for the fair value of, their Shares. Such rights, if the statutory procedures are complied with, could lead to a judicial determination of the fair value (excluding any element of value arising from accomplishment or expectation of the Merger) required to be paid in cash to such dissenting holders for their Shares. Any such judicial determination of the fair value of Shares could be based upon considerations other than in addition to the Offer Price and the market value of the Shares, including asset values and the investment value of the Shares. The value so determined could be more or less than the Offer Price or the Merger Consideration.

If any holder of Shares who demands appraisal under Section 262 of the Delaware Law fails to perfect, or effectively withdraws or loses his right to appraisal, as provided in the Delaware Law, the shares of such holder will be converted into the Merger Consideration in accordance with the Merger Agreement. A stockholder may withdraw his demand for appraisal by delivery to Parent of a written withdrawal of his demand for appraisal and acceptance of the Merger.

Failure to follow the steps required by Section 262 of the Delaware Law for perfecting appraisal rights may result in the loss of such rights.

Going Private Transactions. Rule 13e-3 under the Exchange Act is applicable to certain "going-private" transactions. The Purchaser does not believe that Rule 13e-3 will be applicable to the Merger unless, among other things, the Merger is completed more than one year after termination of the Offer. If applicable, Rule 13e-3 would require, among other things, that certain financial information regarding the Company and certain information regarding the fairness of the Merger and the consideration offered to minority stockholders be filed with the Commission and disclosed to minority stockholders prior to consummation of the Merger.

13. DIVIDENDS AND DISTRIBUTIONS

Pursuant to the terms of the Merger Agreement, the Company is prohibited from taking any of the actions described in the two immediately succeeding paragraphs, and nothing herein shall constitute a waiver by the Purchaser or Parent of any of its rights under the Merger Agreement or a limitation of remedies available to the Purchaser or Parent for any breach of the Merger Agreement, including termination thereof.

If on or after the date of the Merger Agreement, the Company should (a) split, combine, reclassify or otherwise change the Shares or its capitalization, (b) acquire currently outstanding Shares or otherwise cause a reduction in the number of outstanding Shares or other capital stock of the Company or (c) issue or sell additional Shares, shares of any other class of capital stock, other securities or any securities convertible into or exchangeable for, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, other than Shares issued pursuant to the exercise of outstanding Stock Options, then, subject to the provisions of Section 14 below, the Purchaser, in its sole discretion, may make such adjustments as it deems appropriate in the Offer Price and other terms of the Offer, including, without limitation, the number or type of securities offered to be purchased.

If, on or after the date of the Merger Agreement, the Company should declare or pay any cash dividend on the Shares (except for the regular quarterly dividend of $.05 per share of the Common Stock declared by the Company's Board of Directors on May 9, 1996) or other distribution on the Shares, or issue with respect to the Shares any additional Shares, shares of any other class of capital stock, other voting securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the

foregoing, payable or distributable to stockholders of record on a date prior to the transfer of the Shares purchased pursuant to the Offer to the Purchaser or its nominee or transferee on the Company's stock transfer records, then, subject to the provisions of Section 14 below, (a) the Offer Price may, in the sole discretion of the Purchaser, be reduced by the amount of any such cash dividend or cash distribution and (b) the whole of any such noncash dividend, distribution or issuance to be received by the tendering stockholders will (i) be received and held by the tendering stockholders for the account of the Purchaser and will be required to be promptly remitted and transferred by each tendering stockholder to the Depositary for the account of the Purchaser, accompanied by appropriate documentation of transfer, or (ii) at the direction of the Purchaser, be exercised for the benefit of the Purchaser, in which case the proceeds of such exercise will promptly be remitted to the Purchaser. Pending such remittance and subject to applicable law, the Purchaser will be entitled to all rights and privileges as owner of any such noncash dividend, distribution, issuance or proceeds and may withhold the entire Offer Price or deduct from the Offer Price the amount or value thereof, as determined by the Purchaser in its sole discretion.

14. CERTAIN CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), to pay for any Shares tendered, and may postpone the acceptance for payment or, subject to the restriction referred to above, payment for any Shares tendered, and, except as otherwise provided in the Merger Agreement, may amend or terminate the Offer (whether or not any Shares have theretofore been accepted for payment) if, (i) prior to the expiration of the Offer, (A) the condition that there shall be validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares which represents at least a majority of the number of Shares outstanding on a fully diluted basis on the date of purchase shall not have been satisfied (the "Minimum Condition") ("on a fully diluted basis" meaning, as of any date: the number of Shares outstanding, together with Shares the Company is then required to issue pursuant to obligations outstanding at that date under employee stock option or other benefit plans or otherwise (assuming all Stock Options and other rights to acquire Shares are fully vested and exercisable and all Shares issuable at any time have been issued), (B) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer, (C) all material regulatory and related approvals shall not have been obtained on terms reasonably satisfactory to the Purchaser or (D) Lenders holding more than 50% of the aggregate outstanding indebtedness under the Credit Agreement shall have not agreed to amend the Credit Agreement to permit the consummation of the Offer and the Merger (the "Credit Agreement Waiver Condition"), or (ii) at any time after the date of the Merger Agreement and before the time of payment for any such Shares (whether or not any Shares have theretofore been accepted for payment), any of the following conditions exists:

(a) the Purchaser and the Company shall have reached a written agreement that the Purchaser shall amend the Offer to terminate the Offer or postpone payment for Shares pursuant thereto;

(b) there shall be instituted or pending any action or proceeding by any Governmental Entity or before any court or Governmental Entity, (1) challenging the acquisition by Parent or the Purchaser of Shares or otherwise seeking to restrain or prohibit the consummation of the Offer, the Merger or the transactions contemplated by the Merger Agreement, (2) seeking to materially restrict or prohibit Parent's or the Purchaser's ownership or operation of all or a material portion of its or the Company's business or assets, or to compel Parent or the Purchaser to dispose of or hold separate all or a material portion of its or the Company's business or assets, as a result of the Offer or the Merger, which in either case, in the sole judgment of Parent and the Purchaser, might, directly or indirectly, result in the relief sought being obtained or (3) which might result, directly or indirectly, in any of the consequences set forth in clauses (2) through (5) of paragraph (c) below;

(c) there shall have been any statute, rule, executive order, decree, injunction, regulation or other order (whether temporary, preliminary or permanent) enacted, promulgated, entered or issued or deemed

applicable to the Offer or the Merger, by any Governmental Entity or court, which, in the sole judgment of Parent and the Purchaser would, directly or indirectly, (1) materially restrict or prohibit Parent's or the Purchaser's ownership or operation of all or a material portion of its or the Company's business or assets or compel Parent or the Purchaser to dispose of or hold separate all or a material portion of its or the Company's business or assets as a result of the Offer or the Merger, (2) render Parent or the Purchaser unable to purchase or pay for some or all of the Shares pursuant to the Offer or to consummate the Merger, or otherwise prevent consummation of the Offer or the Merger, except for the waiting period provisions of the HSR Act, (3) make such purchase, payment or consummation illegal, (4) impose or confirm material limitations on the ability of Parent or the Purchaser effectively to acquire or hold, or to exercise full rights of ownership of, any Shares purchased by it, including, without limitation, the right to vote any Shares purchased by it on all matters (including the Merger and the Merger Agreement) properly presented to the Company's stockholders, or (5) otherwise result in a Company Material Adverse Effect (as defined in Section 12 under "The Merger Agreement");

(d) there shall have occurred (1) any general suspension of, or limitation on prices for, or trading in, securities on the NYSE, any national securities exchange or in the over-the-counter market, (2) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (3) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, (4) from the date of the Merger Agreement through the date of termination or expiration of the Offer, a decline of at least 25% in the Standard & Poor's 500 Index, or (5) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

(e) there shall have occurred a Company Material Adverse Effect, or the Merger Agreement shall have been terminated in accordance with its terms;

(f) beneficial ownership of 20% or more of the outstanding Shares shall have been acquired by another person or by a "group" as defined in Section 13(d)(3) of the Exchange Act other than for purposes of arbitrage;

(g) any of the representations and warranties of the Company contained in the Merger Agreement shall not be true and correct as of the date of consummation of the Offer as though made on and as of such date, except (i) for changes specifically permitted by the Merger Agreement, (ii) that those representations and warranties which address matters only as of a particular date shall remain true and correct as of such date, and (iii) with respect to those representations and warranties which are not qualified by materiality or a similar qualification, in any case where such failures to be true and correct would not, individually or in the aggregate, have a Company Material Adverse Effect; or

(h) the Company shall not have performed or complied in all material respects with all agreements and covenants required by the Merger Agreement to be performed or complied with by the Company on or prior to the date of consummation of the Offer,

which, in the sole judgment of Parent and the Purchaser in any such case and regardless of the circumstances (including any action by Parent of the Purchaser) giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment of or payment for such Shares.

The foregoing conditions are for the sole benefit of Parent and the Purchaser and may be asserted by Parent and the Purchaser regardless of the circumstances giving rise to any such conditions or may be waived by Parent and the Purchaser in whole or in part at any time and from time to time in the sole discretion of each of Parent and the Purchaser. The failure by Parent or the Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by Parent or the Purchaser concerning the events described herein will be final and binding upon all parties.

15. CERTAIN LEGAL MATTERS

Except as described in this Section 15, based on a review of publicly available filings made by the Company with the Commission and other publicly available information concerning the Company, as well as certain representations made to the Purchaser and Parent in the Merger Agreement by the Company, neither

the Purchaser nor Parent is aware of any license or regulatory permit that appears to be material to the business of the Company and its subsidiaries, taken as a whole, that might be adversely affected by the Purchaser's acquisition of Shares (and the indirect acquisition of the stock of the Company's subsidiaries) as contemplated herein or of any approval or other action by any Governmental Entity that would be required or desirable for the acquisition or ownership of Shares by the Purchaser as contemplated herein. Should any such approval or other action be required or desirable, the Purchaser and Parent currently contemplate that such approval or other action will be sought, except as described below under "State Takeover Laws." While, except as otherwise expressly described in this Section 15, the Purchaser does not presently intend to delay the acceptance for payment of or payment for Shares tendered pursuant to the Offer pending the outcome of any such matter, there can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that failure to obtain any such approval or other action might not result in consequences adverse to the Company's business or that certain parts of the Company's business might not have to be disposed of if such approvals were not obtained or such other actions were not taken or in order to obtain any such approval or other action. If certain types of adverse action are taken with respect to the matters discussed below, the Purchaser could decline to accept for payment or pay for any Shares tendered. See Section 14 for certain conditions to the Offer.

State Takeover Laws. A number of states throughout the United States have enacted takeover statutes that purport, in varying degrees, to be applicable to attempts to acquire securities of corporations that are incorporated or have assets, stockholders, executive offices or places of business in such states. In Edgar v. MITE Corp., the Supreme Court of the United States held that the Illinois Business Takeover Act, which involved state securities laws that made the takeover of certain corporations more difficult, imposed a substantial burden on interstate commerce and therefore was unconstitutional. In CTS Corp. v. Dynamics Corp. of America, however, the Supreme Court of the United States held that a state may, as a matter of corporate law and, in particular, those laws concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without prior approval of the remaining stockholders, provided that such laws were applicable only under certain conditions. Subsequently, a number of Federal courts ruled that various state takeover statutes were unconstitutional insofar as they apply to corporations incorporated outside of the state of enactment.

Section 203 of the Delaware Law. Section 203 of the Delaware Law, in general, prohibits a Delaware corporation such as the Company from engaging in a "Business Combination" (defined to include a variety of transactions, including mergers) with an "Interested Stockholder" (defined generally as a person that is the beneficial owner of 15% or more of the corporation's outstanding voting stock) for a period of three years following the date such person became an Interested Stockholder unless, among other things, prior to the date such person became an Interested Stockholder, the board of directors of the corporation approved either the Business Combination or the transaction that resulted in the stockholder becoming an Interested Stockholder. The Board of Directors of the Company has unanimously approved the Merger Agreement, the Stockholders Agreement and the Purchaser's acquisition of Shares pursuant to the Offer and the Stockholders Agreement. Therefore, Section 203 of the Delaware Law is inapplicable to the Merger.

Neither the Purchaser nor Parent has currently complied with any state takeover statute or regulation. The Purchaser reserves the right to challenge the applicability or validity of any state law purportedly applicable to the Offer or the Merger and nothing in this Offer to Purchase or any action taken in connection with the Offer or the Merger is intended as a waiver of such right. If it is asserted that any state takeover statute is applicable to the Offer or the Merger and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, the Purchaser might be required to file certain information with, or to receive approvals from, the relevant state authorities, and the Purchaser might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in consummating the Offer or the Merger. In such case, the Purchaser may not be obliged to accept for payment or pay for any Shares tendered pursuant to the Offer.

Antitrust. Under the provisions of the HSR Act applicable to the Offer, the acquisition of Shares under the Offer may be consummated following the expiration of a 15-calendar day waiting period following the filing by Parent of a Notification and Report Form with respect to the Offer, unless Parent receives a request for additional information or documentary material from the Antitrust Division or the FTC or unless early

termination of the waiting period is granted. Parent made such filing on May 24, 1996. If, within the initial 15-day waiting period, either the Antitrust Division or the FTC requests additional information or documentary material from Parent concerning the Offer, the waiting period will be extended and would expire at 11:59 p.m., New York City time, on the tenth calendar day after the date of substantial compliance by Parent with such request. Only one extension of the waiting period pursuant to a request for additional information is authorized by the HSR Act. Thereafter, such waiting period may be extended only by court order or with the consent of Parent. In practice, complying with a request for additional information or material can take a significant amount of time. In addition, if the Antitrust Division or the FTC raises substantive issues in connection with a proposed transaction, the parties frequently engage in negotiations with the relevant governmental agency concerning possible means of addressing those issues and may agree to delay consummation of the transaction while such negotiations continue. Expiration or termination of the applicable waiting period under the HSR Act is a condition to the Purchaser's obligation to accept for payment and pay for Shares tendered pursuant to the Offer.

The Merger would not require an additional filing under the HSR Act if the Purchaser owns 50% or more of the outstanding Shares at the time of the Merger or if the Merger occurs within one year after the HSR Act waiting period applicable to the Offer expires or is terminated.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as the Purchaser's proposed acquisition of the Company. At any time before or after the Purchaser's acquisition of Shares pursuant to the Offer, the Antitrust Division or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or the consummation of the Merger or seeking the divestiture of Shares acquired by the Purchaser or the divestiture of substantial assets of the Company or its subsidiaries or Parent or its subsidiaries. Private parties may also bring legal action under the antitrust laws under certain circumstances. There can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, of the results thereof.

Investment Canada Act. According to the Company Form 10-K, the Company conducts certain operations in Canada. The Investment Canada Act (the "ICA") requires that notice of the acquisition of "control" (as defined in the ICA) by "non-Canadians" (as defined in the ICA) of any "Canadian business" (as defined in the ICA) be furnished to Investment Canada, a Canadian Governmental Entity.

The acquisition of Shares by the Purchaser pursuant to the Offer may constitute an indirect acquisition of a "Canadian business" within the meaning of the ICA. The Purchaser intends to file any notice required under the ICA.

Canadian Pre-Merger Notification Requirements. Certain provisions of Canada's Competition Act require pre-notification to the Director of Investigation and Research appointed under the Competition Act (the "Canadian Director") of significant corporate transactions, such as the acquisition of a large percentage of the stock of a public company that has Canadian operations, or a merger or consolidation involving such an entity. Pre-notification is generally required with respect to transactions in which the parties to the transactions and their affiliates have assets in Canada, or annual gross revenues from sales in, from or into Canada, in excess of Cdn. $400 million and which involve the direct or indirect acquisition of an operating business, the value of the assets of which, or the gross revenues from sales in, from or into Canada generated from the assets of which, exceed Cdn. $35 million per year. For transactions subject to the notification requirements, notice must be given 21 days prior to the completion of the transaction depending on the information provided to the Canadian Director. The Canadian Director may waive the waiting period. After the applicable waiting period expires or is waived, the transaction may be completed. If the Canadian Director determines that the proposed transaction prevents or lessens, or is reasonably likely to prevent or lessen, competition substantially in a definable market, the Canadian Director may apply to the Competition Tribunal, a special purpose Canadian tribunal, to, among other things, require the disposition of the Canadian assets acquired in such transaction. The Purchaser intends to file any required notice and information with respect to its proposed acquisition with the Canadian Director and, to the extent necessary, observe the applicable waiting period and/or apply to the Canadian Director for an advance ruling certificate to the effect

that the Offer or the Merger would not prevent or lessen, or be likely to prevent or lessen, competition substantially.

Other Foreign Laws. The Company and certain of its subsidiaries conduct business in several foreign countries where regulatory filings or approvals may be required or desirable in connection with the consummation of the Offer, including the United Kingdom. Certain of such filings or approvals, if required or desirable, may not be made or obtained prior to the expiration of the Offer. The Purchaser is seeking further information regarding the applicability of any such laws and currently intends to take such action as may be required or desirable. If any foreign governmental entity takes any action prior to the completion of the Offer that might have certain adverse effects, the Purchaser will not be obligated to accept for payment or pay for any Shares tendered pursuant to the Offer.

16. FEES AND EXPENSES

Chase is acting as Dealer Manager in connection with the Offer pursuant to a Dealer Manager Agreement dated May 29, 1996 (the "Dealer Manager Agreement"). Parent and the Purchaser have agreed to pay the Dealer Manager a fee of $250,000, payable upon consummation of the Offer, for its services as Dealer Manager in connection with the Offer. In addition, Parent and the Purchaser have agreed to reimburse the Dealer Manager for its out-of-pocket expenses, including the reasonable fees and expenses of its counsel, in connection with the Offer and to indemnify the Dealer Manager and certain related persons against certain liabilities and expenses, including certain liabilities under the Federal securities laws. Parent has also agreed to pay The Cypress Group L.L.C. (the "Cypress Group") a fee of $1.625 million for financial advisory services in connection with the Offer and the Merger, payable upon consummation of the Merger. In addition, Parent has agreed to reimburse the Cypress Group for its reasonable out-of-pocket expenses incurred in providing such services and to indemnify the Cypress Group and certain related persons against certain liabilities and expenses. Two members of the Cypress Group are currently directors of Parent.

The Purchaser has retained D.F. King & Co., Inc. to act as the Information Agent and Bankers Trust Company to serve as the Depositary in connection with the Offer. The Information Agent and the Depositary each will receive reasonable and customary compensation for their services, be reimbursed for certain reasonable out-of-pocket expenses and be indemnified against certain liabilities and expenses in connection therewith, including certain liabilities under the Federal securities laws.

Neither the Purchaser nor Parent will pay any fees or commissions to any broker or dealer or other person (other than the Dealer Manager and the Information Agent) in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, banks and trust companies will be reimbursed by the Purchaser upon request for customary mailing and handling expenses incurred by them in forwarding material to their customers.

17. MISCELLANEOUS

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. Neither the Purchaser nor Parent is aware of any jurisdiction in which the making of the Offer or the tender of Shares in connection therewith would not be in compliance with the laws of such jurisdiction. If the Purchaser or Parent becomes aware of any state law prohibiting the making of the Offer or the acceptance of Shares pursuant thereto in such state, the Purchaser will make a good faith effort to comply with any such state statute or seek to have such state statute declared inapplicable to the Offer. If, after such good faith effort, the Purchaser cannot comply with any such state statute or have such state statute declared inapplicable to the Offer, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction the securities, blue sky or other laws of which require the Offer to be made by a licensed broker or dealer, the Offer is being made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION ON BEHALF OF THE PURCHASER OR PARENT NOT CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

The Purchaser and Parent have filed with the Commission the Schedule 14D-1 pursuant to Rule 14d-3 under the Exchange Act, together with exhibits, furnishing certain additional information with respect to the Offer, and may file amendments thereto. In addition, the Company has filed with the Commission the Schedule 14D-9 pursuant to Rule 14d-9 under the Exchange Act, together with exhibits, setting forth its recommendation with respect to the Offer and the reasons for such recommendation and furnishing certain additional related information. Such Schedules and any amendments thereto, including exhibits, should be available for inspection and copies should be obtainable in the manner set forth in Sections 8 and 9 (except that such material will not be available at the regional offices of the Commission).

PA ACQUISITION CORP.

May 30, 1996

SCHEDULE I

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF PARENT AND THE PURCHASER

The following table sets forth the name, age, business address, citizenship and principal occupation or employment at the present time and during the past five years of each director and executive officer of Parent and the Purchaser. Unless otherwise noted, each such person is a citizen of the United States. In addition, unless otherwise noted, each such person's business address is Lear Corporation, 21557 Telegraph Road, Southfield, Michigan 48034. Directors are indicated with an asterisk.

DIRECTORS AND EXECUTIVE OFFICERS OF PARENT

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Kenneth L. Way*.....	Mr. Way was elected to and has held the position of Chairman of the Board and Chief Executive Officer of Parent since 1988. Prior to this time he served as Corporate Vice President, Automotive Group for Lear Siegler, Inc. ("LSI") since October 1984. During the previous six years, Mr. Way was President of LSI's General Seating Division. Before this position, he was President of LSI's Metal Products Division in Detroit for three years. Other positions held by Mr. Way during his 30 years with LSI include Manufacturing Manager of the Metal Products Division and Manager of Production Control for the Automotive Division in Detroit. Mr. Way also serves as a director of Hayes Wheels International, Inc. Mr. Way is 56 years old.
Robert E. Rossiter*.....	Mr. Rossiter became President of Parent in 1984 and a Director and the Chief Operating Officer of Parent in 1988. He joined LSI in 1971 in the Material Control Department of the Automotive Division, then joined the Metal Products Division of LSI as Production Control Manager, and subsequently moved into sales and sales management. In 1979, he joined the General Seating Division as Vice President of Sales and worked in that position, as well as Vice President of Operations, until 1984. Mr. Rossiter is 50 years old.
James H. Vandenberghe*.....	Mr. Vandenberghe is Executive Vice President, Chief Financial Officer and a Director of Parent. He was appointed Executive Vice President of Parent in 1993 and became a Director in November 1995. Mr. Vandenberghe also served as a Director of Parent from 1988 until the consummation of the merger of Lear Holdings Corporation ("Holdings") into Parent (the "Holdings Merger"). Mr. Vandenberghe previously served as Senior Vice President -- Finance, Secretary and Chief Financial Officer of Parent since 1988. He joined the Automotive Division of LSI in 1973 as a financial analyst and was promoted to positions at the Metal Products Division and the Automotive Group office, and in 1978 was named the Vice President -- Finance for the Plastics Division. In 1983, Mr. Vandenberghe was appointed Vice President -- Finance for the General Seating Division. Prior to 1988, Mr. Vandenberghe had been responsible for project management, United States operations, and international operations of Parent. Mr. Vandenberghe is 46 years old.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
James A. Hollars.....	Mr. Hollars is Senior Vice President and President -- BMW Division of Parent. Previously, he served as Senior Vice President and President -- International Operations since November 1994. He was promoted to this position in November 1995. Prior to serving in that position, he was Senior Vice President -- International Operations of Parent since 1993. He was previously promoted to Vice President -- International upon the sale of LSI's Power Equipment Division to Lucas Industries in 1988. Mr. Hollars joined LSI's Metal Products Division in 1973 as the Manufacturing Manager and later served as Vice President -- Manufacturing for its No-Sag Spring Division. In 1979, he was named President of the Foam Products Division and was subsequently promoted to President at the Anchorlok Division in 1985 and the Power Equipment Division in 1986. Mr. Hollars is 51 years old.
Roger Alan Jackson.....	Mr. Jackson was elected as Senior Vice President -- Human Resources and Corporate Relations of Parent in October 1995. Previously he served as Vice President -- Human Resources for Allen Bradley, a wholly-owned subsidiary of Rockwell International. Mr. Jackson was employed by Rockwell International or its subsidiaries from December 1977 to September 1995. Mr. Jackson is 50 years old.
Frederick F. Sommer.....	Mr. Sommer was elected Senior Vice President and President -- Automotive Industries Division of Parent in August 1995. Previously he served as President of Automotive Industries Holding, Inc. ("AIH") since November 1991 and Chief Executive Officer of AIH. Mr. Sommer also served as Executive Vice President of AIH from October 1990 until November 1991. Prior thereto, he served as Vice President -- Manufacturing and Purchasing of the U.S. subsidiary of Nissan from January 1987 to October 1990. Mr. Sommer is 52 years old.
Gerald G. Harris.....	Mr. Harris is Vice President and President -- GM Division of Parent. He was promoted to this position in November 1994. Prior to serving in this position, he was Vice President and General Manager -- GM Operations since March 1994. Previously, Mr. Harris served as Director -- Ford Business Unit from March 1992 to March 1994, Director of Sales from August 1990 to March 1992 and Sales Manager from January 1989 to August 1990. Mr. Harris has held a variety of managerial positions with Parent and LSI since 1962. Mr. Harris is 62 years old.
Terrance E. O'Rourke.....	Mr. O'Rourke is Vice President and President -- Ford Division of Parent. He was promoted to this position in November 1995. Previously he served as Vice President and President -- Chrysler Division since November 1994. Prior to serving in this position, he was Director -- Strategic Planning since October 1994. Prior to joining Parent, Mr. O'Rourke was employed by Ford Motor Company as Supply Manager -- Climate Control Department from 1992 and Procurement Operations Manager from 1988. Mr. O'Rourke is 49 years old.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Joseph F. McCarthy.....	Mr. McCarthy was elected Vice President, Secretary and General Counsel of Parent in April 1994. Prior to joining Parent, Mr. McCarthy served as Vice President -- Legal and Secretary for both Hayes Wheels International, Inc. and Kelsey-Hayes Company. Prior to joining Hayes Wheels International, Inc. and Kelsey-Hayes Company, Mr. McCarthy was a partner in the law firm of Kreckman & McCarthy from 1973 to 1983. Mr. McCarthy is 52 years old.
Donald J. Stebbins.....	Mr. Stebbins is Vice President, Treasurer and Assistant Secretary of Parent. He joined Parent in June 1992 from Bankers Trust Company, New York, where he was Vice President for four years. Prior to his tenure at Bankers Trust Company, Mr. Stebbins held positions at Citibank, N.A. and The First National Bank of Chicago. Mr. Stebbins is 38 years old.
Gian Andrea Botta*.....	Mr. Botta became a Director of Parent on December 31, 1993 upon consummation of the Holdings Merger. Prior to the Holdings Merger, Mr. Botta was a Director of Holdings since 1993. Mr. Botta has been President of EXOR America Inc., an affiliate of FIMA Finance Management Inc. ("FIMA"), since February 1994 and previously was President of IFINT-USA Inc., an affiliate of FIMA, since 1993 and was Vice President of Acquisitions of IFINT-USA Inc. for more than five years prior thereto. Mr. Botta also serves as a director of ICF Kaiser International, Inc., Constitution Re Inc. and Western Industries Inc., and as a trustee of Corporate Property Investors. Mr. Botta is 43 years old and is a citizen of the Republic of Italy.
Larry W. McCurdy*.....	Mr. McCurdy became a Director of Parent in 1988. Mr. McCurdy was named Executive Vice President, Operations of Cooper Industries in April 1994. Prior to this time, Mr. McCurdy was the President and Chief Executive Officer of Moog Automotive, Inc. since November 1985, and prior thereto President and Chief Operating Officer of Echlin, Inc. ("Echlin"), since August 1983, after serving as Vice President of Finance from February 1983. Prior to joining Echlin, he served in various managerial positions with Tenneco, Inc. He was formerly Chairman of the Board of Directors of the Motor and Equipment Manufacturing Association (MEMA). Mr. McCurdy also serves as a director of Mohawk Industries, Inc., Breed Technologies, Inc. and as a trustee of Millikin University. Mr. McCurdy is 60 years old.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Robert W. Shower*.....	Mr. Shower became a Director of Parent on December 31, 1993 upon consummation of the Holdings Merger. From November 1991 until the Holdings Merger, Mr. Shower was a Director of Holdings. Mr. Shower was appointed Senior Vice President and Chief Financial Officer of Seagull Energy Corporation in March 1992, elected a director in May 1992 and named Executive Vice President in 1994. Prior thereto, he served as Senior Vice President of Finance and Chief Financial Officer at AmeriServ in 1990 and 1991 and as a Managing Director of Corporate Finance with Lehman Brothers Inc. from 1986 to 1990. From 1964 to 1986, Mr. Shower served in a variety of financial executive positions with The Williams Companies, where he was a member of the Board of Directors and Executive Vice President of Finance and Administration from 1977 to 1986. Mr. Shower also serves as a director of Highlands Insurance Group, Inc. Mr. Shower is 58 years old.
David P. Spalding*.....	Mr. Spalding became a Director of Parent in September 1991. Mr. Spalding left Lehman Brothers Inc. to become Vice Chairman of The Cypress Group L.L.C. in 1994. Prior to this time, he was a Managing Director of Lehman Brothers Inc. from February 1991. Previously, he held the position of Senior Vice President of Lehman Brothers Inc. from September 1988 to February 1991. From April 1987 to September 1988, he was Senior Vice President of General Electric Capital Corporation Corporate Finance Group, Inc. Prior to 1987 he was a Vice President of The First National Bank of Chicago. Mr. Spalding is also a director of Parisian, Inc. Mr. Spalding is 42 years old.
James A. Stern*.....	Mr. Stern became a Director of Parent on December 31, 1993 upon consummation of the Holdings Merger. From September 1991 until the Holdings Merger, Mr. Stern was a Director of Holdings. Mr. Stern left Lehman Brothers Inc. to become Chairman of The Cypress Group L.L.C. in 1994. Prior to this time, he was a Managing Director of Lehman Brothers Inc. for more than five years. He is also a director of K&F Industries Inc., Infinity Broadcasting Corporation, R.P. Scherer Corporation and Noel Group, Inc. Mr. Stern is 45 years old.
Alan H. Washkowitz*.....	Mr. Washkowitz became a Director of Parent in 1994. Mr. Washkowitz has been a Managing Director of Lehman Brothers Inc. or its predecessors since 1978. Mr. Washkowitz also serves as a director of K & F Industries, Inc., Illinois Central Corporation and McBrides, Ltd. Mr. Washkowitz is 55 years old.

DIRECTORS AND EXECUTIVE OFFICERS OF THE PURCHASER

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT, MATERIAL OCCUPATIONS, OFFICES OR EMPLOYMENTS HELD DURING PAST FIVE YEARS AND AGE.
Kenneth L. Way.....	Mr. Way has been Chairman and Chief Executive Officer of the Purchaser since May 1996. Mr. Way was elected to and has held the position of Chairman of the Board and Chief Executive Officer of Parent since 1988. Prior to this time he served as Corporate Vice President, Automotive Group for LSI since October 1984. During the previous six years, Mr. Way was President of LSI's General Seating Division. Before this position, he was President of LSI's Metal Products Division in Detroit for three years. Other positions held by Mr. Way during his 30 years with LSI include Manufacturing Manager of the Metal Products Division and Manager of Production Control for the Automotive Division in Detroit. Mr. Way also serves as a director of Hayes Wheels International, Inc. Mr. Way is 56 years old.
James H. Vandenberghe.....	Mr. Vandenberghe has been a President, Executive Vice President and Chief Financial Officer of the Purchaser since May 1996. Mr. Vandenberghe is Executive Vice President, Chief Financial Officer and a Director of Parent. He was appointed Executive Vice President of Parent in 1993 and became a Director in November 1995. Mr. Vandenberghe also served as a Director of Parent from 1988 until the Holdings Merger. Mr. Vandenberghe previously served as Senior Vice President -- Finance, Secretary and Chief Financial Officer of Parent since 1988. He joined the Automotive Division of LSI in 1973 as a financial analyst and was promoted to positions at the Metal Products Division and the Automotive Group office, and in 1978 was named the Vice President -- Finance for the Plastics Division. In 1983, Mr. Vandenberghe was appointed Vice President -- Finance for the General Seating Division. Prior to 1988, Mr. Vandenberghe had been responsible for project management, United States operations, and international operations of Parent. Mr. Vandenberghe is 46 years old.
Joseph F. McCarthy*.....	Mr. McCarthy has been a Director and Vice President, Secretary and General Counsel of the Purchaser since May 1996. Mr. McCarthy was elected Vice President, Secretary and General Counsel of Parent in April 1994. Prior to joining Parent, Mr. McCarthy served as Vice President -- Legal and Secretary for both Hayes Wheels International, Inc. and Kelsey-Hayes Company. Prior to joining Hayes Wheels International, Inc. and Kelsey-Hayes Company, Mr. McCarthy was a partner in the law firm of Kreckman & McCarthy from 1973 to 1983. Mr. McCarthy is 52 years old.
Donald J. Stebbins.....	Mr. Stebbins has been a Vice President, Treasurer and Assistant Secretary of the Purchaser since May 1996. Mr. Stebbins is Vice President, Treasurer and Assistant Secretary of Parent. He joined Parent in June 1992 from Bankers Trust Company, New York, where he was Vice President for four years. Prior to his tenure at Bankers Trust Company, Mr. Stebbins held positions at Citibank, N.A. and The First National Bank of Chicago. Mr. Stebbins is 38 years old.

Manually signed facsimile copies of the Letter of Transmittal will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent or delivered by each stockholder of the Company or such stockholder's broker, dealer, bank, trust company or other nominee to the Depositary at one of its addresses set forth below.

The Depositary for the Offer is:

BANKERS TRUST COMPANY

By Hand/Overnight Courier:
Bankers Trust Company
Corporate Trust & Agency Group
Reorganization Department
Receipt & Delivery Window
123 Washington Street, 1st Floor
New York, NY 10006

By Mail:
Bankers Trust Company
Corporate Trust & Agency Group
Reorganization Department
P.O. Box 1458
Church Street Station
New York, NY 10008-1458

Facsimile Transmission
(for Eligible Institutions only):
(212) 250-6037

Confirm Receipt of Notice of Guaranteed Delivery by Telephone:
(212) 250-6270

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, bank, trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 WATER STREET
NEW YORK, NEW YORK 10005
BANKS AND BROKERS CALL COLLECT: (212) 269-5550
ALL OTHERS CALL TOLL-FREE: (800) 848-3094

The Dealer Manager for the Offer is:

CHASE SECURITIES INC.

270 PARK AVENUE
NEW YORK, NEW YORK 10017
(212) 270-3862
(CALL COLLECT)

EXHIBIT 99.2(a)

LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF

MASLAND CORPORATION
AT
$26.00 NET PER SHARE
PURSUANT TO THE OFFER TO PURCHASE
DATED MAY 30, 1996
BY

PA ACQUISITION CORP.
A WHOLLY-OWNED SUBSIDIARY OF

LEAR CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996, UNLESS THE OFFER IS EXTENDED.

THE DEPOSITARY FOR THE OFFER IS:

BANKERS TRUST COMPANY

By Mail:	By Facsimile Transmission:	By Hand or Overnight Courier:
Bankers Trust Company	(For Eligible Institutions Only)	Bankers Trust Company
Corporate Trust & Agency Group	(212) 250-6037	Corporate Trust & Agency Group
Reorganization Dept.		Reorganization Dept.
P.O. Box 1458	Confirm by Telephone to:	Receipt & Delivery Window
Church Street Station	(212) 250-6270	123 Washington Street, 1st Floor
New York, NY 10008-1458		New York, NY 10006

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST SIGN THIS LETTER OF TRANSMITTAL IN THE APPROPRIATE SPACE THEREFOR PROVIDED BELOW AND COMPLETE THE SUBSTITUTE FORM W-9 SET FORTH BELOW.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be completed by holders of Shares (as defined below) of Masland Corporation (the "Tendering Stockholders") if certificates evidencing Shares ("Certificates") are to be forwarded herewith or, unless an Agent's Message (as defined in the Offer to Purchase (as defined below)) is used, if delivery of Shares is to be made by book-entry transfer to an account maintained by Bankers Trust Company (the "Depositary") at The Depository Trust Company ("DTC") or the Philadelphia Depository Trust Company ("PDTC") (each a "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase (as defined below).

Tendering Stockholders whose Certificates are not immediately available or who cannot deliver either their Certificates for, or a Book-Entry Confirmation (as defined in Section 2 of the Offer to Purchase) with respect to, their Shares and all other required documents to the Depositary prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) may tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 hereof. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.

DESCRIPTION OF SHARES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON THE CERTIFICATE(S))	SHARE CERTIFICATE NUMBER(S)(1)	NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)(1)	NUMBER OF SHARES TENDERED(2)
	TOTAL SHARES		

(1) Need not be completed by holders of Shares delivering Shares by Book-Entry Transfer.
(2) Unless otherwise indicated, it will be assumed that all Shares represented by Certificates delivered to the Depositary are being tendered. See Instruction 4.

/ / CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH A BOOK-ENTRY TRANSFER FACILITY, AND COMPLETE THE FOLLOWING (ONLY PARTICIPANTS IN A BOOK-ENTRY TRANSFER FACILITY MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER).

Name of Tendering Institution:

Check Box of Book-Entry Transfer Facility:

/ / DTC / / PDTC

Account Number: --- Transaction Code Number: ---

/ / CHECK HERE IF SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING. PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY.

Name(s) of Registered Holder(s):

Window Ticket Number (if any):

Date of Execution of Notice of Guaranteed Delivery:

Name of Institution which Guaranteed Delivery:

If delivered by book-entry transfer, check box of Applicable Book-Entry Transfer Facility:

/ / DTC / / PDTC

Account Number: --- Transaction Code Number: ---

NOTE: SIGNATURES MUST BE PROVIDED BELOW.
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

Ladies and Gentlemen:

The undersigned hereby tenders to PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation ("Parent"), a Delaware corporation, the above-described shares of Common Stock, par value $.01 per share (together with the associated rights to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, the "Shares"), of Masland Corporation, a Delaware corporation (the "Company"), at a price of $26.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 30, 1996 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together with the Offer to Purchase (and any amendments or supplements hereto or thereto, collectively) constitute the "Offer"). The undersigned understands that the Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to Parent, or to one or more direct or indirect wholly-owned subsidiaries of Parent, the right to purchase all or any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering holders of the Shares ("Tendering Stockholders") to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of, or payment for, Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms or conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, the Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby and any and all other Shares or other securities issued or issuable in respect of such Shares on or after May 23, 1996 (a "Distribution") and irrevocably constitutes and appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and any Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Certificates evidencing such Shares (and any Distributions), or transfer ownership of such Shares (and any Distributions) on the account books maintained by a Book-Entry Transfer Facility together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Purchaser, upon receipt by the Depositary as the undersigned's agent, of the purchase price with respect to such Shares, (ii) present such Shares (and any Distributions) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any Distributions), all in accordance with the terms and subject to the conditions of the Offer.

The undersigned hereby irrevocably appoints each designee of the Purchaser as the attorney-in-fact and proxy of the undersigned, each with full power of substitution, to the full extent of the undersigned's rights with respect to all Shares tendered hereby and accepted for payment and paid for by the Purchaser (and any Distributions), including, without limitation, the right to vote such Shares (and any Distributions) in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper. All such powers of attorney and proxies, being deemed to be irrevocable, shall be considered coupled with an interest in the Shares tendered herewith. Such appointment will be effective when, and only to the extent that, the Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by the undersigned with respect to such Shares (and any Distributions) will, without further action, be revoked and no subsequent powers of attorneys and proxies may be given with respect thereto (and, if given, will be deemed ineffective). The designees of the Purchaser will, with respect to the Shares (and any Distributions) for which such appointment is effective, be empowered to exercise all voting and other rights of the undersigned with respect to such Shares (and any Distributions) as they in their sole discretion may deem proper. The Purchaser reserves the absolute right to require that, in order for Shares to be deemed validly tendered, immediately upon the acceptance for payment of such Shares, the Purchaser or its designees are able to exercise full voting rights and all other rights which inure to a record and beneficial holder with respect to such Shares (and any Distributions) including voting at any meeting of stockholders then scheduled.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall be binding upon the successors, assigns, heirs, executors, administrators, trustee in bankruptcy, personal and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to

Purchase, this tender is irrevocable, provided that the Shares tendered pursuant to the Offer may be withdrawn prior to their acceptance for payment.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any Distributions) and that, when the same are accepted for payment and paid for by the Purchaser, the Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and that the Shares tendered hereby (and any Distributions) will not be subject to any adverse claim. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or the Purchaser to be necessary or desirable to complete the sale, assignment and transfer of Shares tendered hereby (and any Distributions). In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of the Purchaser any and all Distributions issued to the undersigned on or after May 23, 1996 in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance thereof, the Purchaser shall be entitled to all rights and privileges as owner of any such Distributions and may withhold the entire purchase price or deduct from the purchase price the amount of value thereof, as determined by the Purchaser in its sole discretion.

The undersigned understands that the valid tender of Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute a binding agreement between the undersigned and the Purchaser with respect to such Shares upon the terms and subject to the conditions of the Offer.

The undersigned recognizes that, under certain circumstances set forth in the Offer to Purchase, the Purchaser may not be required to accept for payment any of the Shares tendered hereby or may accept for payment fewer than all of the Shares tendered hereby.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or return any Certificates evidencing Shares not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any Certificates evidencing Shares not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered." In the event that both the "Special Payment Instructions" and the "Special Delivery Instructions" are completed, please issue the check for the purchase price and/or return any such Certificates evidencing Shares not tendered or not accepted for payment (and accompanying documents, as appropriate) in the name(s) of, and deliver such check and/or return such certificates (and accompanying documents, as appropriate) to, the person(s) so indicated. Unless otherwise indicated herein under "Special Payment Instructions," in the case of a book-entry delivery of Shares, please credit the account maintained at the Book-Entry Transfer Facility indicated above with respect to any Shares not accepted for payment. The undersigned recognizes that the Purchaser has no obligation pursuant to the "Special Payment Instructions" to transfer any Shares from the name of the registered holder thereof if the Purchaser does not accept for payment any of the Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if Certificates for Shares not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be issued in the name of someone other than the undersigned, or if Shares delivered by book-entry transfer that are not accepted for payment are to be returned by credit to an account maintained at a Book-Entry Transfer Facility, other than to the account indicated above.

Issue (check appropriate box(es)):
/ / Check to:
/ / Certificate(s) to:

Name

Address

(INCLUDE ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NO.)
(SEE SUBSTITUTE FORM W-9)

/ / Credit unpurchased Shares delivered by book-entry transfer to the Book-Entry Transfer Facility account set forth below:
/ / DTC / / PDTC
(check one)

(DTC/PDTC Account Number)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if Certificates for Shares not tendered or not accepted for payment and/or the check of the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown above.

Mail (check appropriate box(es)):
/ / Check to:
/ / Certificate(s) to:

Name

Address

(INCLUDE ZIP CODE)

(TAX IDENTIFICATION OR SOCIAL SECURITY NO.)

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. Except as otherwise provided below, signatures on this Letter of Transmittal must be guaranteed by a member firm of a registered national securities exchange (registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), by a member firm of the National Association of Securities Dealers, Inc. (the "NASD"), by a commercial bank or trust company having an office or correspondent in the United States or by any other "Eligible Guarantor Institution" (bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc. (each of the foregoing constituting an "Eligible Institution"), unless the Shares tendered hereby are tendered (i) by the registered holder (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) of such Shares who has completed neither the box entitled "Special Payment Instructions" nor the box entitled "Special Delivery Instructions" herein or (ii) for the account of an Eligible Institution. See Instruction 5. If the Certificates are registered in the name of a person other than the signer of this Letter of Transmittal, or if payment is to be made or delivered to, or Certificates evidencing unpurchased Shares are to be issued or returned to, a person other than the registered owner, then the tendered Certificates must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name or names of the registered owner or owners appear on the Certificates, with the signatures on the Certificates or stock powers guaranteed by an Eligible Institution as provided herein. See Instruction 5.

2. Requirements of Tender. This Letter of Transmittal is to be completed by Tendering Stockholders if Certificates evidencing Shares are to be forwarded herewith or if delivery of Shares is to be made pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase. For a Tendering Stockholder to validly tender Shares pursuant to the Offer, either (a) a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in the case of a book-entry delivery of Shares, and any other required documents, must be received by the Depositary at one of its addresses set forth herein on or prior to the Expiration Date and either (i) Certificates for tendered Shares must be received by the Depositary at one of such addresses on or prior to the Expiration Date or (ii) Shares must be delivered pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase and a Book-Entry Confirmation must be received by the Depositary on or prior to the Expiration Date or (b) the Tendering Stockholder must comply with the guaranteed delivery procedures set forth below and in Section 3 of the Offer to Purchase.

Tendering Stockholders whose Certificates are not immediately available or who cannot deliver their Certificates and all other required documents to the Depositary or complete the procedures for book-entry transfer on or prior to the Expiration Date may tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution, (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, must be received by the Depositary prior to the Expiration Date, and (iii) the Certificates representing all tendered Shares in proper form for transfer, or a Book-Entry Confirmation with respect to all tendered Shares, together with a Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three Nasdaq National Market trading days after the date of such Notice of Guaranteed Delivery. A "trading day" is any day on which the Nasdaq National Market operated by the NASD is open for business. If Certificates are forwarded separately to the Depositary, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) must accompany each such delivery.

THE METHOD OF DELIVERY OF CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All Tendering Stockholders, by execution of this Letter of Transmittal (or a facsimile thereof), waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein is inadequate, the information required under "Description of Shares Tendered" should be listed on a separate signed schedule attached hereto.

4. Partial Tenders. If fewer than all of the Shares represented by any Certificates delivered to the Depositary herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new Certificate for the remainder of the Shares that were evidenced by your old certificate(s) will be sent, without expense, to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by Certificate(s) delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal, Instruments of Transfer and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the tendered Shares are registered in different names on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Certificates.

If this Letter of Transmittal or any Certificates or instruments of transfer are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Purchaser of such person's authority to so act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares listed and transmitted hereby, no endorsements of Certificates or separate instruments of transfer are required unless payment is to be made, or Certificates not tendered or not purchased are to be issued or returned, to a person other than the registered holder(s). Signatures on such Certificates or instruments of transfer must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares evidenced by the Certificate(s) listed and transmitted hereby, the Certificate(s) must be endorsed or accompanied by appropriate instruments of transfer, in either case signed exactly as the name(s) of the registered holder(s) appear on the Certificate(s). Signatures on such Certificate(s) or instruments of transfer must be guaranteed by an Eligible Institution.

6. Transfer Taxes. Except as set forth in this Instruction 6, the Purchaser will pay or cause to be paid any transfer taxes with respect to the transfer and sale of Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Certificates for Shares not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered holder(s) or such persons) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Certificate(s) listed in this Letter of Transmittal.

7. Special Payment and Delivery Instructions. If a check and/or Certificates for unpurchased Shares are to be issued in the name of a person other than the signer of this Letter of Transmittal or if a check is to be sent and/or such Certificates are to be returned to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. If any tendered Shares are not purchased for any reason and such Shares are delivered by Book Entry Transfer Facility, such Shares will be credited to an account maintained at the appropriate Book Entry Transfer Facility.

8. Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses or telephone numbers set forth below and requests for additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or brokers, dealers, commercial banks and trust companies and such materials will be furnished at the Purchaser's expense.

9. Waiver of Conditions. The conditions of the Offer may be waived by the Purchaser, in whole or in part, at any time or from time to time, in the Purchaser's sole discretion.

10. Backup of Withholding Tax. Each Tendering Stockholder is required, unless an exemption applies, to provide the Depositary with a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below and to certify that the stockholder is not subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the Tendering Stockholder to 31% federal income tax backup withholding on the payment of the purchase price for the Shares. The Tendering Stockholder should indicate in the box in Part III of the Substitute Form W-9 if the Tendering Stockholder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the Tendering Stockholder has indicated in the box in Part III that a TIN has been applied for and the Depositary is not provided with a TIN by the time of payment, the Depositary will withhold 31% of all payments of the purchase price, if any, made thereafter pursuant to the Offer until a TIN is provided by the Depositary.

11. Lost or Destroyed Certificates. If any Certificate(s) representing Shares has been lost or destroyed, the holders should promptly notify the Company's transfer agent, Chemical Mellon Shareholder Services. The holders will then be instructed as to the procedure to be followed in order to replace the Certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed Certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A MANUALLY SIGNED FACSIMILE THEREOF (TOGETHER WITH CERTIFICATES OR A BOOK-ENTRY CONFIRMATION FOR SHARES AND ANY OTHER REQUIRED DOCUMENTS) MUST BE RECEIVED BY THE DEPOSITARY, OR A NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, ON OR PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

Under current federal income tax law, a Tendering Stockholder whose tendered Shares are accepted for payment is required to provide the Depositary (as payor) with such Tendering Stockholder's correct TIN on Substitute Form W-9 below. If such Tendering Stockholder is an individual, the TIN is his Social Security number. If the Tendering Stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, such Tendering Stockholder should so indicate on the Substitute Form W-9. See Instruction 10. If the Depositary is not provided with the correct TIN, the Tendering Stockholder may be subject to a $50 penalty imposed by the Internal Revenue Service. Moreover, if the Tendering Stockholder makes a false statement with no reasonable basis that results in no back-up withholding the Tendering Shareholder is subject to a $500 Civil Penalty. Criminal penalties may apply for willfully falsifying certifications. In addition, payments that are made to such Tendering Stockholders with respect to Shares purchased pursuant to the Offer may be subject to backup federal income tax withholding.

Certain Tendering Stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, that Tendering Stockholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status. Forms for such statements can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Depositary is required to withhold 31% of any payments made to the Tendering Stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup federal income tax withholding with respect to payment of the purchase price for Shares purchased pursuant to the Offer, a Tendering Stockholder must provide the Depositary with his correct TIN by completing the Substitute Form W-9 below, certifying that the TIN provided on Substitute Form W-9 is correct (or that such Tendering Stockholder is awaiting a TIN) and that (1) such Tendering Stockholder has not been notified by the Internal Revenue Service that he is subject to backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the Tendering Stockholder that he is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The Tendering Stockholder is required to give the Depositary the Social Security number or employer identification number of the record holder of the Shares tendered hereby. If the Shares are registered in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, he or she should write "Applied For" in the space provided for in the TIN in Part III, and sign and date the Substitute Form W-9. If "Applied For" is written in Part III and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% on all payments of the purchase price made thereafter until a TIN is provided to the Depositary.

IMPORTANT
TENDERING SHAREHOLDER: SIGN HERE AND COMPLETE SUBSTITUTE
FORM W-9 ON REVERSE

(Signature(s) of Tendering Stockholder(s))

Dated: , 1996

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the Certificates or on a security position listing or by person(s) authorized to become registered holder(s) by Certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information. See Instruction 5.)

Name(s):

(Please Print)

Capacity (full title):

(See Instruction 5)

Address:

(Include Zip Code)

Area Codes and Telephone No.:

(Home)

(Business)

Taxpayer Identification or Social Security No.:

(Complete Substitute Form W-9 on Reverse)

GUARANTEE OF SIGNATURE(S)
(See Instructions 1 and 5)

Authorized Signature(s):

Name:

Name of Firm:

Address:

(Include Zip Code)

Area Code and Telephone No.:

Dated: , 1996

PAYER'S NAME: BANKERS TRUST COMPANY

SUBSTITUTE FORMW-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE Payer's Request for Taxpayer Identification Number ("TIN")	PART I--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW. PART II--For Payees Exempt Backup Withholding, see the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 and complete as instructed therein.	PART III--Social Security Number OR Employer Identification Number (If awaiting TIN write "Applied For")

CERTIFICATION--Under penalties of perjury, I certify that:

(1) The Number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me); and

(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

CERTIFICATE INSTRUCTIONS--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding, you received another notification from the IRS that you were no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

NAME

(Please Print)

SIGNATURE DATE

NOTE: FAILURE TO COMPLETE AND RETURN THIS SUBSTITUTE FORM W-9 MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER TO PURCHASE. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING A TIN.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within sixty (60) days, 31% of all payments of the Offer Price made to me thereafter will be withheld until I provide a number.

SIGNATURE DATE

The Information Agent for the Offer is:

D.F. KING & CO., INC.

77 Water Street
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-Free: (800) 848-3094

The Dealer Manager for the Offer is:

CHASE SECURITIES INC.

270 Park Avenue
New York, New York 10017
(212) 270-3862
(Call Collect)

May 30, 1996

EXHIBIT 99.3(a)

NOTICE OF GUARANTEED DELIVERY
FOR TENDER OF SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF

MASLAND CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996, UNLESS THE OFFER IS EXTENDED.

May 30, 1996

This Notice of Guaranteed Delivery or one substantially equivalent hereto must be used to accept the Offer (as defined below) if certificates representing the Common Stock, par value $.01 per share (together with the associated rights to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, the "Shares"), of Masland Corporation, a Delaware corporation, are not immediately available or the procedures for book-entry transfer cannot be completed on a timely basis or time will not permit all required documents to reach Bankers Trust Company (the "Depositary") prior to the Expiration Date (as defined in the Offer to Purchase (as defined below)). This Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mail to the Depositary. See Section 3 of the Offer to Purchase.

THE DEPOSITARY FOR THE OFFER IS:

BANKERS TRUST COMPANY

By Mail:	By Facsimile Transmission:	By Hand or Overnight Courier:
Bankers Trust Company	(For Eligible Institutions Only)	Bankers Trust Company
Corporate Trust & Agency Group	(212) 250-6037	Corporate Trust & Agency Group
Reorganization Dept.		Reorganization Department
P.O. Box 1458	Confirm by Telephone to:	Receipt & Delivery Window
Church Street Station	(212) 250-6270	123 Washington Street, 1st Floor
New York, NY 10008-1458		New York, NY 10006

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal and certificates for Shares to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED

Ladies and Gentlemen:

The undersigned hereby tenders to PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation ("Parent"), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 30, 1996 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together with the Offer to Purchase (and any amendments or supplements thereto, collectively) constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares indicated below pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

Number of Shares:

Certificate Nos. (if available):

- ---

Check ONE box if Shares will be tendered by
book-entry transfer:
/ / The Depository Trust Company

/ / Philadelphia Depository Trust Company

Account Number:

Dated: , 1996

Name(s) of Record Holder(s):

- ---

- ---
(Please Print)

Address(es):

- ---
(Zip Code)

Area Code and Tel. No.:

Signature(s):

THE GUARANTEE SET FORTH BELOW MUST BE COMPLETED

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, as Eligible Institution (as such term is defined in Section 3 of the Offer to Purchase), hereby (a) represents that the tender of shares effected hereby complies with Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and (b) guarantees to deliver to the Depositary the certificates representing the Shares tendered hereby, in proper form for transfer, or a Book-Entry Confirmation (as defined in Section 2 of the Offer to Purchase) with respect to transfer of such Shares into the Depositary's account at The Depository Trust Company or the Philadelphia Depository Trust Company, in each case, together with a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) with any required signature guarantees or an Agent's Message (as defined in Section 2 of the Offer to Purchase) in the case of a book-entry delivery of Shares, and any other documents required by the Letter of Transmittal, all within three Nasdaq National Market trading days after the date hereof. A "trading day" is any day on which the Nasdaq National Market operated by the National Association of Securities Dealers, Inc. is open for business.

Name of Firm:

Address:

(Zip Code)

Area Code and Tel. No.:

- ---
(Authorized Signature)

Name:

Title:

Date:

NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE OF GUARANTEED DELIVERY. CERTIFICATES FOR SHARES SHOULD BE SENT ONLY TOGETHER WITH YOUR LETTER OF TRANSMITTAL.

EXHIBIT 99.4(a)

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF

MASLAND CORPORATION
AT

$26.00 NET PER SHARE
BY

PA ACQUISITION CORP.
A WHOLLY-OWNED SUBSIDIARY OF

LEAR CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996 UNLESS THE OFFER IS EXTENDED.

May 30, 1996

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation ("Parent"), to act as Dealer Manager in connection with the Purchaser's offer to purchase for cash all of the outstanding shares of Common Stock, par value $.01 per share (together with the associated rights to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, the "Shares"), of Masland Corporation, a Delaware corporation (the "Company"), for $26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated May 30, 1996 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together with the Offer to Purchase (and any amendments or supplements thereto, collectively) constitute the "Offer") enclosed herewith.

Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares in your name or in the name of your nominee.

Enclosed herewith for your information and forwarding to your clients are copies of the following documents:

1. The Offer to Purchase, dated May 30, 1996.

2. The Letter of Transmittal to tender Shares for your use and for the information of your clients. Facsimile copies of the Letter of Transmittal may be used to tender Shares.

3. A letter to stockholders of the Company from William J. Branch, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company and mailed to stockholders of the Company.

4. The Notice of Guaranteed Delivery for Shares to be used to accept the Offer if neither of the two procedures for tendering Shares set forth in the Offer to Purchase can be completed on a timely basis.

5. A printed form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.

6. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.

7. A return envelope addressed to Bankers Trust Company, the Depositary.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996, UNLESS THE OFFER IS EXTENDED.

Please note the following:

1. The tender price is $26.00 per Share, net to the seller in cash.

2. The Offer is subject to there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares which represents at least a majority of the number of Shares outstanding on a fully diluted basis on the date of purchase and certain other conditions.

3. The Offer is being made for all of the outstanding Shares.

4. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. However, federal income tax backup withholding at a rate of 31% may be required, unless an exemption is provided or unless the required taxpayer identification information is provided. See Instruction 10 of the Letter of Transmittal.

5. The board of directors of the Company (the "Board") has unanimously approved the Offer and the Merger (as defined in the Offer to Purchase) and determined that the Offer and the Merger are fair to and in the best interests of the Company's stockholders and recommends that the Company's stockholders accept the Offer.

6. Notwithstanding any other provision of the Offer, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (a) Certificates pursuant to the procedures set forth in Section 3 of the Offer to Purchase or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to such Shares, (b) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when Certificates are actually received by the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996 UNLESS THE OFFER IS EXTENDED.

In order to take advantage of the Offer, (i) a duly executed and properly completed Letter of Transmittal (or a manually signed facsimile thereof) and any required signature guarantees or an Agent's Message in connection with a book-entry transfer and other required documents should be sent to the Depositary and (ii) Certificates representing the tendered Shares or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) should be delivered to the Depositary in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

If holders of Shares wish to tender, but it is impracticable for them to forward their Certificates or other required documents or complete the procedures for book-entry transfer prior to the Expiration Date, a tender may be effected by following the guaranteed delivery procedures specified in Section 3 of the Offer to Purchase.

The Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer (other than the Dealer Manager as described in the Offer to Purchase). The Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. The Purchaser will pay or cause to be paid any transfer taxes payable on the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to D.F. King & Co., Inc., the Information Agent for the Offer, at 77 Water Street, New York, New York, 10005, telephone number (800) 848-3094, or Chase Securities Inc., the Dealer Manager, at 270 Park Avenue, New York, New York 10017, telephone number (212) 270-3862 (call collect).

Requests for copies of the enclosed materials may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of the enclosed Offer to Purchase.

Very truly yours,

Chase Securities Inc.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THE PURCHASER, PARENT, THE COMPANY, THE DEPOSITARY, THE INFORMATION AGENT, THE DEALER MANAGER OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

EXHIBIT 99.5(a)

OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF

MASLAND CORPORATION
AT

$26.00 NET PER SHARE
BY

PA ACQUISITION CORP.
A WHOLLY-OWNED SUBSIDIARY OF

LEAR CORPORATION

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996 UNLESS THE OFFER IS EXTENDED.

May 30, 1996

To Our Clients:

Enclosed for your consideration are the Offer to Purchase, dated May 30, 1996, (the "Offer to Purchase"), and the related Letter of Transmittal (which together with the Offer to Purchase (and any amendments or supplements thereto, collectively) constitute the "Offer") relating to the offer by PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation ("Parent"), to purchase all the outstanding shares of Common Stock, par value $.01 per share (together with the associated rights to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, the "Shares"), of Masland Corporation, a Delaware corporation (the "Company"), at a purchase price of $26.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer. Holders of Shares whose certificates for such Shares (the "Certificates") are not immediately available or who cannot deliver their Certificates and all other required documents to the depositary (the "Depositary") or complete the procedures for book-entry transfer prior to the Expiration Date (as defined in the Offer to Purchase) must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

WE ARE (OR OUR NOMINEE IS) THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

Accordingly, we request instructions as to whether you wish to have us tender on your behalf any or all Shares held by us for your account pursuant to the terms and conditions set forth in the Offer.

Please note the following:

1. The tender price is $26.00 per Share, net to the seller in cash.

2. The Offer is subject to there being validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares which represents at least a majority of the number of Shares outstanding on a fully diluted basis on the date of purchase and certain other conditions.

3. The Offer is being made for all of the outstanding Shares.

4. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. However, federal income tax backup withholding at a rate of 31% may be required, unless an exemption is provided or unless the required taxpayer identification information is provided. See Instruction 10 of the Letter of Transmittal.

5. The board of directors of the Company (the "Board") has unanimously approved the Offer and the Merger (as defined in the Offer to Purchase) and determined that the Offer and the Merger are fair to and in the best interests of the Company's stockholders and recommends that the Company's stockholders accept the Offer.

6. Notwithstanding any other provision of the Offer, payment for Shares accepted for payment pursuant to the Offer will in all cases be made only after timely receipt by the Depositary of (a) Certificates pursuant to the procedures set forth in Section 3 of the Offer to Purchase or a timely Book-Entry Confirmation (as defined in the Offer to Purchase) with respect to such Shares, (b) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry delivery of Shares, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering stockholders at the same time depending upon when Certificates are actually received by the Depositary. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE PURCHASE PRICE OF THE SHARES TO BE PAID BY THE PURCHASER, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING SUCH PAYMENT.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996, UNLESS THE OFFER IS EXTENDED.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth below. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified below. An envelope to return your instructions to us is enclosed. YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION OF THE OFFER.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the Offer in any jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by the Dealer Manager or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

INSTRUCTIONS WITH RESPECT TO
THE OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)
OF

MASLAND CORPORATION

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated May 30, 1996, and the related Letter of Transmittal in connection with the offer by PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation, to purchase all outstanding shares of Common Stock, par value $.01 per share (together with the associated rights to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, the "Shares"), of Masland Corporation, a Delaware corporation.

This will instruct you to tender to the Purchaser the number of Shares indicated below (or if no number is indicated below, all Shares) which are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

SIGN HERE

Number of Shares to be Tendered:*

Signature(s)

Date: (Print Name(s))

(Print Address(es))

(Area Code and Telephone Number(s))

(Taxpayer Identification or
Social Security Number(s))

- ---

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

EXHIBIT 99.6(a)

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER -- Social Security numbers have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF--
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, any one of the individuals (1)
3. Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person (1)
4. Custodian account of a minor (Uniform Gift to Minors Act)	The minor (2)
5. Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor (1)
6. Account in the name of guardian or committee for a designated ward, minor or incompetent person	The ward, minor, or incompetent person (3)
7. a. The usual revocable savings trust account (grantor is also trustee)	The grantor-trustee (1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner (1)
8. Sole proprietorship account	The owner (4)

FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF--
9. A valid trust, estate, or pension trust	The legal entity (Do not furnish the identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.) (5)
10. Corporate account	The corporation
11. Religious, charitable, or educational organization account	The organization
12. Partnership account	The partnership
13. Association, club, or other tax-exempt organization	The organization
14. A broker or registered nominee	The broker or nominee
15. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish.
(2) Circle the minor's name and furnish the minor's Social Security number.
(3) Circle the ward's, minor's or incompetent person's name and furnish such person's Social Security number.
(4) Show the name of the owner.
(5) List first and circle the name of the legal trust, estate, or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

PAGE 2

OBTAINING A NUMBER
If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

PAYEES EXEMPT FROM BACKUP WITHHOLDING
Payees specifically exempted from backup withholding on ALL payments include the following:

- - A corporation.
- - A financial institution.
- - An organization exempt from tax under section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or an individual retirement plan.
- - The United States or any agency or instrumentality thereof.
- - A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- - A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- - An international organization or any agency or instrumentality thereof.
- - A registered dealer in securities or commodities registered in the United States or a possession of the United States.
- - A real estate investment trust.
- - A common trust fund operated by a bank under section 584(a) of the Code.
- - An exempt charitable remainder trust, or a nonexempt trust described in section 4947(a)(1) of the Code.
- - An entity registered at all times under the Investment Company Act of 1940.
- - A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- - Payments to nonresident aliens subject to withholding under section 1441 of the Code.
- - Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.
- - Payments of patronage dividends where the amount received is not paid in money.
- - Payments made by certain foreign organizations.
- - Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- - Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is $600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- - Payments of tax-exempt interest (including exempt-interest dividends under section 852 of the Code).
- - Payments described in section 6049(b)(5) of the Code to non-resident aliens.
- - Payments on tax-free covenant bonds under section 1451 of the Code.
- - Payments made by certain foreign organizations.
- - Payments made to a nominee.

EXEMPT PAYEES DESCRIBED ABOVE MUST STILL COMPLETE THE SUBSTITUTE FORM W-9 ENCLOSED HEREWITH TO AVOID POSSIBLE ERRONEOUS BACKUP WITHHOLDING. FILE SUBSTITUTE FORM W-9 WITH THE PAYER, REMEMBERING TO CERTIFY YOUR TAXPAYER IDENTIFICATION NUMBER ON PART III OF THE FORM, WRITE "EXEMPT" ON THE FACE OF THE FORM AND SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.

Payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A(a), 6042, 6044, 6045, 6049, 6050A, and 6050N of the Code and their regulations.

PRIVACY ACT NOTICE. -- Section 6109 requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. Payers must be given the numbers whether or not recipients are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

PENALTIES

(1) PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER. -- If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING. -- If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) CRIMINAL PENALTY FOR FALSIFYING INFORMATION. -- Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or

imprisonment.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

EXHIBIT 99.7(a)

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase dated May 30, 1996 and the related Letter of Transmittal and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of PA Acquisition Corp. by the Dealer Manager or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

NOTICE OF OFFER TO PURCHASE FOR CASH
ALL OUTSTANDING SHARES OF COMMON STOCK
(INCLUDING THE ASSOCIATED PREFERRED STOCK PURCHASE RIGHTS)

OF

MASLAND CORPORATION

AT

$26.00 NET PER SHARE

BY

PA ACQUISITION CORP.

A WHOLLY-OWNED SUBSIDIARY OF

LEAR CORPORATION

PA Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Lear Corporation, a Delaware corporation ("Parent"), hereby offers to purchase all of the outstanding shares (together with the associated preferred stock purchase rights issued pursuant to a rights agreement, the "Shares") of Common Stock, par value $.01 per share, of Masland Corporation, a Delaware corporation (the "Company"), at a purchase price of $26.00 per Share, net to the seller in cash, without interest thereon, upon the terms and subject to the conditions set forth in the Offer to Purchase dated May 30, 1996 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "Offer").

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON WEDNESDAY, JUNE 26, 1996, UNLESS THE OFFER IS EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF SHARES WHICH REPRESENTS AT LEAST A MAJORITY OF THE NUMBER OF SHARES OUTSTANDING ON A FULLY DILUTED BASIS ON THE DATE OF PURCHASE AND (2) LENDERS HOLDING MORE THAN 50% OF THE AGGREGATE OUTSTANDING INDEBTEDNESS UNDER PARENT'S EXISTING CREDIT AGREEMENT HAVING AGREED TO AMEND SUCH CREDIT AGREEMENT TO PERMIT THE CONSUMMATION OF THE OFFER AND THE MERGER (AS HEREINAFTER DEFINED).

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of May 23, 1996 (the "Merger Agreement"), among Parent, the Purchaser and the Company pursuant to which, following the later of the Expiration Date (as hereinafter defined) and the satisfaction or waiver of certain conditions, the Purchaser will be merged with and into the Company (the "Merger"). In the Merger, each outstanding Share (other than Shares then held, directly or indirectly, by Parent, the Purchaser or any subsidiary of Parent, the Purchaser or the Company or held in the Company's treasury and other than Shares held by stockholders, if any, who perfect their appraisal rights under Delaware law) will be converted into and represent the right to receive $26.00, net in cash, without any interest thereon, or an amount in cash, without interest, having a value equal to such greater amount per Share as may be paid (in cash or other property or a combination thereof) for any Shares validly tendered and not withdrawn pursuant to the Offer and the Company will become a wholly-owned subsidiary of Parent.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY APPROVED THE OFFER AND THE MERGER AND DETERMINED THAT THE OFFER AND THE MERGER ARE FAIR TO AND IN THE BEST INTERESTS OF THE STOCKHOLDERS OF THE COMPANY AND RECOMMENDS THAT THE COMPANY'S STOCKHOLDERS ACCEPT THE OFFER.

Concurrently with the execution of the Merger Agreement, Parent and the Purchaser entered into agreements, each dated as of May 23, 1996 (collectively, the "Stockholders Agreement"), with certain members of senior management of the Company (the "Stockholders") owning, in the aggregate, 230,771 (or approximately 1.7%) of the outstanding Shares. Pursuant to the Stockholders Agreement, the Stockholders have agreed, among other things, to validly tender pursuant to the Offer and not withdraw all Shares which are beneficially owned by them.

For purposes of the Offer, the Purchaser will be deemed to have accepted for payment (and thereby purchased), Shares validly tendered to the Purchaser and not withdrawn as, if and when the Purchaser gives oral or written notice to Bankers Trust Company (the "Depositary") of the Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares so accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payment from the Purchaser and transmitting such payment to tendering stockholders. Under no circumstances will interest on the purchase price for Shares be paid by the Purchaser, regardless of any extension of the Offer or delay in making such payment. In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (1) certificates representing Shares ("Share Certificates"), or timely confirmation of a book-entry transfer of such Shares, into the Depositary's account at The Depositary Trust Company or the Philadelphia Depository Trust Company (each a "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (2) the Letter of Transmittal (or a facsimile thereof) properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined in Section 2 of the Offer to Purchase) in connection with a book-entry transfer, and (3) any other documents required by the Letter of Transmittal.

Subject to the terms of the Merger Agreement and the applicable rules of the Securities and Exchange Commission, the Purchaser expressly reserves the right (but shall not be obligated), in its sole discretion, at any time and from time to time, and regardless of whether or not any of the events set forth in Section 14 of the Offer to Purchase shall have occurred or shall have been determined by the Purchaser to have occurred, (i) to extend the period during which the Offer is open, and thereby delay acceptance for payment of, or payment for, any Shares, by giving oral or written notice of such amendment to the Depositary and (ii) to amend the Offer in any other respect by giving oral or written notice of such amendment to the Depositary. The Purchaser shall not have any obligation to pay interest on the purchase price for tendered Shares whether or not the Purchaser exercises such rights. Any such extension will be followed as promptly as practicable by public announcement thereof, such announcement to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

The term "Expiration Date" means 12:00 Midnight, New York City time, on Wednesday, June 26, 1996, unless and until the Purchaser, in its sole discretion and subject to the terms of the Merger Agreement, shall have extended the period during which the Offer is open, in which event the term "Expiration Date" shall mean the latest time and date at which the Offer, as so extended by the Purchaser, shall expire.

Except as otherwise provided in Section 4 of the Offer to Purchase, tenders of Shares made pursuant to the Offer are irrevocable, except that Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after July 28, 1996 (or such later date as may apply in case the Offer is extended). In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder, if different from that of the person who tendered such Shares. If Share Certificates to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers shown on such certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 3 of the Offer to Purchase) unless such Shares have been tendered for the account of any Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares and must otherwise comply with the procedures of such Book-Entry Transfer Facility, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the second sentence of this paragraph. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding.

The information required to be disclosed by paragraph (e)(1)(vii) of Rule 14d-6 under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Letter of Transmittal and, if required, other relevant materials will be mailed to record holders of Shares whose names appear on the Company's stockholder list provided by the Company, and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list, or who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

THE OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

Questions and requests for assistance may be directed to the Dealer Manager and the Information Agent as set forth below. Requests for copies of the Offer to Purchase and the related Letter of Transmittal and all other tender offer materials may be directed to the Information Agent, and copies will be furnished promptly at the Purchaser's expense. Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer. The Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Manager and the Information Agent) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:
D.F. KING & CO., INC.
77 Water Street
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-Free: (800) 848-3094

The Dealer Manager for the Offer is:
CHASE SECURITIES INC.
270 Park Avenue
New York, New York 10017
(212) 270-3862
(Call Collect)

May 30, 1996

EXHIBIT 99.8(a)

News Release

[LEAR CORPORATION LOGO]

LEAR CORPORATION AND MASLAND CORPORATION
ENTER INTO DEFINITIVE MERGER AGREEMENT

SOUTHFIELD, Mich., May 24 /PRNewswire/ -- Lear Corporation (NYSE: LEA) and Masland Corporation (Nasdaq: MSLD) announced today that they have entered into a definitive merger agreement. The agreement calls for Lear, the world's largest independent supplier of automotive interior systems, to acquire Masland Corporation, a leading supplier in North America of automotive floor systems, acoustical products and luggage compartment trim. The combination will significantly enhance Lear's leadership in providing total interiors for its customers.

Under the merger agreement, PA Acquisition Corp., a wholly-owned subsidiary of Lear, will promptly commence a cash tender offer for all of the outstanding shares of Masland Corporation common stock for $26.00 per share. Any shares not purchased in the tender offer will be acquired for the same price in cash in a second-step merger. Masland Corporation has approximately 14.8 million shares outstanding on a fully diluted basis.

Commenting on the acquisition, Kenneth L. Way, Chairman and CEO of Lear Corporation stated, "With the addition of Masland Corporation, we will significantly enhance our position as the leading one-stop supplier to the $39 billion global interior systems market. Masland's culture--which is characterized by its high quality workforce and technological expertise in floor and acoustic systems, is an excellent fit with Lear. This acquisition demonstrates the importance of our strategic acquisition program and clearly solidifies Lear's position as the premier automotive interior supplier in the world."

Way continued, "Lear's market leadership, experience and established relationships with the world's automotive manufacturers should allow us to expand the penetration of Masland's product lines into new world-wide markets. The combination of Lear and Masland fits with our strategic focus of delivering fully integrated interior systems."

William Branch, Chairman of Masland Corporation stated, "After an extensive evaluation of the current consolidation and globalization of the automotive industry and review of strategic options available to Masland, we concluded that a merger with Lear represents a very fair return to our stockholders and the best opportunity for individual growth and security for our associates, and we believe will be roundly applauded by our customers." Frank Preston, President and CEO of Masland Corporation added, "Lear and Masland each have excellent reputations for delivering high-quality, low-cost automotive interior systems. Together, we will be the premier automotive supplier powerhouse--a company of nearly 40,000 employees who are able to provide world class total interior systems to our customers."

The Boards of Directors of both companies have given approval to the acquisition. Consummation of the acquisition is contingent upon the tender of the majority of Masland Corporation outstanding shares, the expiration or termination of any applicable waiting periods under the federal Hart-Scott-Rodino Antitrust Improvements Act, the obtaining by Lear of approval from its bank group to utilize its current $1.475 billion credit facility to fund the acquisition, and other customary conditions. Lear is also considering other long-term financing alternatives.

Masland Corporation, through its operating subsidiary Masland Industries, Inc., is a leading designer and manufacturer of interior systems and components, including floor and acoustic systems to the North American automotive industry. Additionally, the company supplies interior and other automotive products in the United Kingdom through a joint venture. Masland Corporation had revenues and operating income of approximately $497 million and $47 million, respectively in 1995. The company's products are manufactured by over 3,200 employees in 15 facilities located in 4 countries.

A Fortune 500 Company, Lear Corporation is the world's largest independent supplier of automotive interior systems, with 1995 sales of $4.7 billion. In 1995, Lear was the third largest independent automotive supplier in North America and the tenth largest in the world. The company's world-class products are manufactured by more than 35,000 employees in 107 facilities located in 18 countries.

Information about Lear and its products is available on the Internet at http://www.lear.com.

-0- 5/24/96

/CONTACT: Analysts: Jonathan Peisner, 810-746-1624, or Media: Leslie Touma, 810-746-1678, both of Lear; or Daniel Perkins of Masland, 717-258-7244/

/Lear's press releases available through Company News On-Call by fax, 800-758-5804, extension 518304, or http://www.prnewswire.com/(LEA MSLD)

EXHIBIT 99.9(a)

LEAR CORPORATION COMMENCES CASH TENDER OFFER
FOR MASLAND CORPORATION

SOUTHFIELD, MI, MAY 30, 1996 -- Lear Corporation (NYSE: LEA) announced today that PA Acquisition Corp., its wholly-owned subsidiary, is commencing a cash tender offer for all outstanding shares of common stock (including the associated preferred stock purchase rights) of Masland Corporation (Nasdaq: MSLD) at $26.00 per share.

The offer is being made pursuant to the previously announced merger agreement between Lear Corporation and Masland Corporation. The offer is conditioned upon, among other things, the tender of a majority of the shares outstanding on a fully diluted basis and the receipt by Lear of bank group approval to utilize its current $1.475 billion credit facility to fund the acquisition.

The offer and withdrawal rights are scheduled to expire at midnight, New York City time, on Wednesday, June 26, 1996. Chase Securities Inc. is acting as the Dealer Manager for the tender offer and D.F. King & Co., Inc. is serving as the Information Agent for the tender offer.

A Fortune 500 Company, Lear Corporation is the world's largest independent supplier of automotive interior systems, with 1995 sales of $4.7 billion. In 1995, Lear was the third largest independent automotive supplier in North America and the tenth largest in the world. The company's world-class products are manufactured by more than 36,000 employees in 108 facilities located in 19 countries.

Information about Lear and its products is available on the Internet at http://www.lear.com.

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[EXECUTION COPY] EXHIBIT 99.1(b)

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LEAR SEATING CORPORATION

$1,500,000,000

CREDIT AGREEMENT

DATED AS OF AUGUST 17, 1995

CHEMICAL BANK,
AS ADMINISTRATIVE AGENT

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SCHEDULES:

EXHIBITS:

CREDIT AGREEMENT, dated as of August 17, 1995, among (i) LEAR SEATING CORPORATION, a Delaware corporation (the "Borrower"), (ii) the several financial institutions parties to this Agreement from time to time (collectively, the "Banks"; individually, a "Bank"), (iii) CHEMICAL BANK, a New York banking corporation, as administrative agent for the Banks hereunder (in such capacity, the "Agent"), and (iv) the Managing Agents, Co-Agents and Lead Managers identified on the signature pages hereof.

W I T N E S S E T H :

WHEREAS, the Borrower is party to the Existing Credit Agreement (such term and other capitalized terms used in these Recitals being used as defined in Section 1);

WHEREAS, Acquisition Corp., a wholly owned Subsidiary of the Borrower, has commenced the Tender Offer for the AIHI Shares of Automotive Industries Holding, Inc., a Delaware corporation ("AIHI");

WHEREAS, the Borrower contemplates that, as promptly as practicable following the purchase of the AIHI Shares pursuant to the Tender Offer, the Borrower will cause the Merger to occur, as a result of which AIHI will be the surviving corporation of the Merger and a wholly owned Subsidiary of the Borrower;

WHEREAS, the Borrower has requested that the Banks establish credit facilities in order to provide funds to the Borrower for the purposes described herein, including, without limitation, (a) financing the Tender Offer and the Merger and payment of fees and expenses of the Acquisition, (b) refinancing certain existing indebtedness of AIHI, (c) replacing and refinancing the Existing Credit Agreement and (d) providing financing for general corporate purposes of the Borrower and its Subsidiaries, including acquisitions permitted hereunder; and

WHEREAS, the Banks are willing, upon and subject to the terms and conditions hereof, to establish such credit facilities for the purposes described herein;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

"ABR": for any date, the higher of (a) the rate of interest publicly announced by Chemical in New York, New

York from time to time as its prime rate (the "Prime Rate") and (b) 0.5% per annum above the rate set forth for such date opposite the caption "Federal Funds (Effective)" in the weekly statistical release designated as "H.15(519)", or any successor publication, published by the Federal Reserve Board. The ABR is not intended to be the lowest rate of interest charged by Chemical in connection with extensions of credit to borrowers.

"ABR Loans": Loans hereunder at such time as they are made and/or being maintained at a rate of interest based upon the ABR.

"Acquisition": the acquisition by a Wholly Owned Subsidiary of the Borrower of AIHI by means of the Tender Offer and the Merger.

"Acquisition Corp.": AIHI Acquisition Corp., a Delaware corporation.

"Acquisition Documents": the collective reference to the Tender Offer Documents and the Merger Agreement and all other documents and information sent by the Borrower or any of its Subsidiaries or AIHI to the shareholders of AIHI or filed with the Securities and Exchange Commission in connection with the Tender Offer or the Merger.

"Acquisition Pledge Agreement": the Acquisition Pledge Agreement, substantially in the form of Exhibit F, made by Acquisition Corp. in favor of the Agent, pursuant to which Acquisition Corp. pledges the AIHI Shares from time to time owned by it, as the same may be amended, supplemented or otherwise modified from time to time.

"Adjustment Date": with respect to any fiscal quarter, (a) the second Business Day following receipt by the Agent of both (i) the financial statements required to be delivered pursuant to subsection 7.1(a) or (b), as the case may be, for the most recently completed fiscal period and (ii) the compliance certificate required pursuant to subsection 7.2(b) with respect to such financial statements or (b) if such compliance certificate and financial statements have not been delivered in a timely manner, the date upon which such compliance certificate and financial statements were due; provided, however, that (x) in the event that the Adjustment Date is determined in accordance with the provisions of clause (b) of this definition, then the date which is two Business Days following the date of receipt of the financial statements and compliance certificate referenced in clause (a) of this definition also shall be deemed to constitute an Adjustment Date and (y) any Equity Closing Date shall also be an Adjustment Date.

"Affiliate": of any Person shall mean (a) any other Person (other than a Wholly Owned Subsidiary of such Person) which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person or (b) any other Person who is a director or officer of (i) such Person, (ii) any Subsidiary of such Person or (iii) any Person described in clause (a) above. For purposes of this definition, a Person shall be deemed to be "controlled by" such other Person if such other Person possesses, directly or indirectly, power either to (i) vote 5% or more of the securities having ordinary voting power for the election of directors of such first Person or (ii) direct or cause the direction of the management and policies of such first Person whether by contract or otherwise.

"Agent": as defined in the Preamble to this Agreement.

"Agreement": this Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"AIHI": as defined in the Recitals to this Agreement.

"AIHI Shares": the shares of Class A Common Stock, par value $0.01 per share, of AIHI.

"Applicable Margin": at any time, the rate per annum set forth below opposite the Level of Coverage Ratio most recently determined:

Level of Coverage Ratio	Applicable Margin
Level I:	
Coverage Ratio is less than 3.25 to 1	1.00%
Level II:	
Coverage Ratio is equal to or greater than 3.25 to 1 but less than 4.0 to 1	0.875%
Level III:	
Coverage Ratio is equal to or greater than 4.0 to 1 but less than 5.0 to 1	0.75%
Level IV	
Coverage Ratio is greater than or equal to 5.0 to 1	0.50%;

provided that (a) the Applicable Margin shall be that set forth above opposite Level II from the Closing Date until the earlier of (i) the Adjustment Date occurring after the first full fiscal quarter following the fiscal quarter in which the Closing Date occurs, and (ii) any Equity Closing Date, (b) the Applicable Margin determined for any Adjustment Date shall remain in effect until a subsequent Adjustment Date for which the Coverage Ratio falls within a different Level, and (c) if the financial statements and related compliance certificate for any fiscal period are not delivered by the date due pursuant to subsections 7.1 and 7.2(b), the Applicable Margin shall be (i) for the first 5 days subsequent to such due date, that in effect on the day prior to such due date, and (ii) thereafter, that set forth above opposite Level I, in either case, until the subsequent Adjustment Date.

"Assignment and Acceptance": an Assignment and Acceptance, substantially in the form of Exhibit K.

"Available Commitment": as to any Bank, at a particular time, any amount equal to the excess, if any, of (a) the amount of such Bank's Commitment at such time over (b) the sum of (i) the aggregate unpaid principal amount at such time of all Revolving Credit Loans made by such Bank pursuant to subsection 2.1 and (ii) such Bank's Commitment Percentage of the aggregate Letter of Credit Obligations at such time; collectively, as to all the Banks, the " Available Commitments".

"Bank" and "Banks": as defined in the Preamble to this Agreement.

"benefitted Bank": as defined in subsection 11.7.

"Borrower": as defined in the Preamble to this Agreement.

"Borrowing Date": any Business Day specified in a notice pursuant to subsection 2.3 or 2.4 as a date on which the Borrower requests the Banks to make Loans hereunder.

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"Capital Expenditures": direct or indirect (by way of the acquisition of securities of a Person or the expenditure of cash or the incurrence of Indebtedness) expenditures in respect of the purchase or other acquisition of fixed or capital assets (excluding any such asset (a) acquired in connection with normal replacement and maintenance programs and properly charged to current operations, (b) acquired pursuant to a Financing Lease or other lease, (c) acquired

in the Acquisition or (d) otherwise permitted pursuant to subsection 8.5(f)).

"Cash Equivalents": (a) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof having maturities of not more than twelve months from the date of acquisition, (b) time deposits and certificates of deposit having maturities of not more than twelve months from the date of acquisition, in each case with any Bank or with any other domestic commercial bank having capital and surplus in excess of $200,000,000, which has, or the holding company of which has, a commercial paper rating meeting the requirements specified in clause (d) below, (c) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (a) and (b) entered into with any bank meeting the qualifications specified in clause (b) above, (d) commercial paper issued by the parent corporation of any Bank and commercial paper rated at least A-1 or the equivalent thereof by Standard & Poor's Ratings Group or P-1 or the equivalent thereof by Moody's Investors Service, Inc. and in either case maturing within nine months after the date of acquisition, (e) deposits maintained with money market funds having total assets in excess of $300,000,000, (f) demand deposit accounts maintained in the ordinary course of business with banks or trust companies located near plant locations, in an aggregate amount not to exceed $750,000 at any one time at any one such bank or trust company and (g) deposits in mutual funds invested in preferred equities issued by U.S. corporations rated at least AA (or the equivalent thereof) by Standard & Poor's Ratings Group.

"Chemical": Chemical Bank, a New York banking corporation, in its individual capacity.

"CISA": Central de Industrias S.A. de C.V., a corporation organized under the laws of Mexico.

"Closing Date": the date on which all of the conditions precedent set forth in subsection 5.1 shall have been met or waived and the initial Loans are made.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": the collective reference to all collateral in which the Agent has a security interest pursuant to the Security Documents and all assets by which the Loans are deemed indirectly secured within the meaning of Regulation U and Regulation G.

"Commercial Letters of Credit": as defined in subsection 3.1(a).

"Commitment": as defined in subsection 2.1.

"Commitment Percentage": as to any Bank, the percentage of the aggregate Commitments constituted by such Bank's Commitment.

"Commitment Period": the period from and including the date hereof to but not including the Termination Date.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 4001 of ERISA or is part of a group which includes the Borrower and which is treated as a single employer under Section 414 of the Code.

"Consolidated Indebtedness": at a particular date, all Indebtedness of the Borrower and its Subsidiaries.

"Consolidated Interest Expense": for any fiscal period, the amount which would, in conformity with GAAP, be set forth opposite the caption "interest expense" (or any like caption) on a consolidated income statement of the Borrower and its Subsidiaries for such period, (a) excluding therefrom, however, fees payable under subsections 4.2, 4.3 or 4.4 and any amortization or write-off of deferred financing fees during such period and (b) including any interest income during such period.

"Consolidated Net Income": for any fiscal period, the consolidated net income (or deficit) of the Borrower and its Subsidiaries for such period (taken as a cumulative whole), determined in accordance with GAAP; provided that (a) any provision for post-retirement medical benefits, to the extent such provision calculated under FAS 106 exceeds actual cash outlays calculated on the "pay as you go" basis, shall not to be taken into account, and (b) there shall be excluded (i) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrower or any Subsidiary, (ii) the income (or deficit) of any Person (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions, (iii) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation or Requirement of Law (other than any Requirement of Law of Germany) applicable to such Subsidiary, and (iv) in the case of a successor to the Borrower or any Subsidiary by consolidation or merger or as a transferee of its assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets; provided,

further that the exclusions in clauses (i) and (iv) of this definition shall not apply to the mergers or consolidations of the Borrower or its Subsidiaries with their respective Subsidiaries.

"Consolidated Net Worth": at a particular date, all amounts which would be included under shareholders' equity on a consolidated balance sheet of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP as at such date plus the amount of any redeemable common stock; provided, however, that any cumulative adjustments made pursuant to FAS 106 shall not be taken into account; and provided, further, that any stock option expense and any amortization of goodwill, deferred financing fees and license fees (including any write-offs of deferred financing fees, license fees and up to an aggregate of $10,000,000 of goodwill from October 25, 1993) shall not be taken into account in determining Consolidated Net Worth.

"Consolidated Operating Profit": for any fiscal period, Consolidated Net Income for such period excluding (a) extraordinary gains and losses arising from the sale of material assets and other extraordinary and/or non-recurring gains and losses, (b) charges, premiums and expenses associated with the discharge of Indebtedness, (c) charges relating to FAS 106, (d) license fees (and any write- offs thereof), (e) stock compensation expense, (f) deferred financing fees (and any write-offs thereof), (g) write-offs up to $5,000,000 of goodwill, (h) foreign exchange gains and losses, (i) miscellaneous income and expenses and (j) miscellaneous gains and losses arising from the sale of assets plus, to the extent deducted in determining Consolidated Net Income, the excess of (i) the sum of (A) Consolidated Interest Expense, (B) any expenses for taxes, (C) depreciation and amortization expense and (D) minority interests in income of Subsidiaries over (ii) net equity earnings in Affiliates (excluding Subsidiaries).

"Continuing Directors": the directors of the Borrower on the Closing Date and each other director, if such other director's nomination for election to the Board of Directors of the Borrower is recommended by a majority of the then Continuing Directors.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Coverage Ratio": for any Adjustment Date the ratio of (a) Consolidated Operating Profit for the four fiscal quarters most recently ended to (b) Consolidated Interest Expense for the four fiscal quarters most recently ended; provided, however, that (x) with respect to any Adjustment

Date occurring during the second, third and fourth full fiscal quarters following the fiscal quarter in which the Closing Date occurs, the Coverage Ratio will be calculated for the period of one, two or three fiscal quarters, as the case may be, beginning with the first full fiscal quarter following the fiscal quarter in which the Closing Date occurs and ending with the fiscal quarter immediately prior to the fiscal quarter during which such Adjustment Date occurs and (y) if any Equity Closing Date occurs, the Coverage Ratio calculated on such date and on each subsequent Adjustment Date will be the Coverage Ratio that would have been applicable if such Equity Closing Date had occurred on the Closing Date. For purposes of any calculation of the Coverage Ratio pursuant to clause (y) of the proviso to the preceding sentence as a result of the occurrence of an Equity Closing Date prior to the scheduled Adjustment Date occurring after the first full fiscal quarter following the fiscal quarter in which the Closing Date occurs, such Coverage Ratio shall be a fraction, the numerator of which is the combined Consolidated Operating Profit of the Borrower and AIHI for the four fiscal quarters ended June 30, 1995 and the denominator of which is projected Consolidated Interest Expense for the fiscal year 1996 (such Consolidated Interest Expense being projected to be $103,600,000) less the amount by which such Consolidated Interest Expense would have been reduced if such Equity Closing Date had occurred on the Closing Date and net proceeds thereof used to repay the Loans. For purposes of any calculation of the Coverage Ratio pursuant to clause (y) of the proviso to the preceding sentence as a result of the occurrence of an Equity Closing Date after the scheduled Adjustment Date occurring after the first full fiscal quarter following the fiscal quarter in which the Closing Date occurs, such Coverage Ratio shall be calculated using actual Consolidated Operating Profit and Consolidated Interest Expense for the period commencing with the first full fiscal quarter following the fiscal quarter in which the Closing Date occurs, adjusted to reduce such Consolidated Interest Expense to the amount that would have been incurred if such Equity Closing Date had occurred on the Closing Date and net proceeds thereof used to repay the Loans.

"Default": any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Dollars" and "$": lawful currency of the United States of America.

"Domestic Loan Party": each Loan Party that is organized under the laws of any jurisdiction of the United States.

"Environmental Complaint": any complaint, order, citation, notice or other written communication from any Person with respect to the existence or alleged existence of a violation of any Environmental Laws or legal liability resulting from air emissions, water discharges, noise emissions, Hazardous Material or any other environmental, health or safety matter.

"Equity Closing Date": the date, on or before the last day of the fourth full fiscal quarter following the fiscal quarter in which the Closing Date occurs, on which the Borrower (i) receives cash proceeds from an issuance and sale by the Borrower of its equity securities and (ii) applies the net cash proceeds to repay Revolving Credit Loans.

"Environmental Laws": any and all applicable Federal, foreign, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority and any and all common law requirements, rules and bases of liability regulating, relating to or imposing liability or standards of conduct concerning pollution or protection of the environment or the Release or threatened Release of Hazardous Materials, as now or hereafter in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the average (rounded upwards to the nearest whole multiple of one sixteenth of one percent) of the respective rates notified to the Agent by the Reference Banks as the rate at which such Reference Bank is offered Dollar deposits two Working Days prior to the beginning of such Interest Period in the interbank eurodollar market where the eurodollar and foreign currency and exchange operations of such Reference Bank are then being conducted, at or about 10:00 A.M., New York City time, for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of the Eurodollar Loan of such Reference Bank to be outstanding during such Interest Period.

"Eurodollar Loans": Revolving Credit Loans at such time as they are made and/or are being maintained at a rate of interest based upon the Eurodollar Rate.

"Eurocurrency Reserve Requirements": with respect to any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day

(including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto), dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D of such Board) maintained by a member bank of such System.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upwards to the nearest whole multiple of 1/100th of one percent):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirement}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans whose Interest Periods each begin on the same day and end on the same other day.

"Event of Default": any of the events specified in Section 9, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, event or act has been satisfied.

"Exchange Act": the Securities Exchange Act of 1934, as amended.

"Existing Credit Agreement": the Second Amended and Restated Credit Agreement, dated as of November 29, 1994, as amended, among the Borrower, the lenders parties thereto, Chemical Bank, as administrative agent, and Bankers Trust Company, The Bank of Nova Scotia, Citicorp USA, Inc. and Lehman Commercial Paper Inc., as managing agents.

"Existing Letters of Credit": as defined in subsection 3.1(b).

"Extensions of Credit": at any particular time, the sum of (a) the aggregate principal amount of Revolving Credit Loans and Swing Line Loans then outstanding and (b) the aggregate Letter of Credit Obligations then outstanding.

"Federal Reserve Board": the Board of Governors of the Federal Reserve System or any successor thereto.

"Fiat Seat Business": Sepi S.p.A. and certain related businesses.

"FIMA": FIMA Finance Management Inc., a British Virgin Islands corporation and any other wholly owned subsidiary of Exor Group S.A. or any of them.

"Financing Lease": (a) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the Borrower and its Subsidiaries and (b) any other such lease to the extent that the then present value of the minimum rental commitment thereunder should, in accordance with GAAP, be capitalized on a balance sheet of the lessee.

"Foreign Letter of Credit": a Standby Letter of Credit whose beneficiary is a Person which is directly or indirectly extending credit to a Foreign Subsidiary.

"Foreign Subsidiaries": each of the Subsidiaries so designated on Schedule 6.14 and any Subsidiaries organized outside the United States which are created after the effectiveness hereof.

"GAAP": generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee Obligation": as to any Person, any obligation of such Person guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation shall be deemed to be an amount equal to the value as of any date of determination of the stated or determinable amount of the

primary obligation in respect of which such Guarantee Obligation is made (unless such Guarantee Obligation shall be expressly limited to a lesser amount, in which case such lesser amount shall apply) or, if not stated or determinable, the value as of any date of determination of the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

"Guarantor Supplement": a supplement to the Subsidiary Guarantee, substantially in the form of Annex A to the Subsidiary Guarantee, whereby a Subsidiary of the Borrower becomes a "Guarantor" under the Subsidiary Guarantee.

"Hazardous Materials": any solid wastes, toxic or hazardous substances, materials or wastes, defined, listed, classified or regulated as such in or under any Environmental Laws, including, without limitation, asbestos, petroleum or petroleum products (including gasoline, crude oil or any fraction thereof), polychlorinated biphenyls, and urea-formaldehyde insulation, and any other substance the presence of which may give rise to liability under any Environmental Law.

"Indebtedness": of a Person, at a particular date, the sum (without duplication) at such date of (a) indebtedness for borrowed money or for the deferred purchase price of property or services in respect of which such Person is liable as obligor, (b) indebtedness secured by any Lien on any property or asset owned or held by such Person regardless of whether the indebtedness secured thereby shall have been assumed by or is a primary liability of such Person, (c) obligations of such Person under Financing Leases, (d) the face amount of all letters of credit issued for the account of such person and, without duplication, the unreimbursed amount of all drafts drawn thereunder and (e) obligations (in the nature of principal or interest) of such Person in respect of acceptances or similar obligations issued or created for the account of such Person; but excluding (i) trade and other accounts payable in the ordinary course of business in accordance with customary trade terms and which are not overdue for more than 120 days or, if overdue for more than 120 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Person, (ii) deferred compensation obligations to employees and (iii) any obligations otherwise constituting Indebtedness the payment of which such Person has provided for pursuant to the terms of such Indebtedness or any agreement or instrument pursuant to which such Indebtedness was incurred, by the irrevocable deposit in trust of an amount of funds or a principal amount of securities, which deposit is sufficient, either by itself or taking into account the accrual of interest thereon, to pay the principal of and interest on such obligations when due.

"Industrial Revenue Bonds": industrial revenue bonds issued for the benefit of the Borrower or its Subsidiaries and in respect of which the Borrower or its Subsidiaries will be the source of repayment, provided that such financings, (including, without limitation, the indenture related thereto) shall be in form and substance reasonably satisfactory to the Issuing Bank that issues a Letter of Credit backing such Industrial Revenue Bonds.

"Insolvency" or "Insolvent": at any particular time, a Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

"Interest Payment Date": (a) as to any ABR Loan (including Swing Line Loans), the last day of each March, June, September and December, commencing on the first of such days to occur after the effectiveness of this Agreement and (b) as to any Eurodollar Loan in respect of which the Borrower has selected an Interest Period of one, two or three months, the last day of such Interest Period, (c) as to any Eurodollar Loan in respect of which the Borrower has selected an Interest Period of longer than three months, each day which is three months, or a whole multiple thereof, after the making of such Eurodollar Loan and the last day of such Interest Period and (d) as to any Loan, the Termination Date.

"Interest Period": with respect to any Eurodollar Loans:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loans and ending one, two, three or six months thereafter (or, to the extent available from all Banks, nine or twelve months thereafter), as selected by the Borrower in its notice of borrowing as provided in subsection 2.3 or its notice of conversion as provided in subsection 2.6, as the case may be; and

(b) thereafter, each period commencing on the last day of the then current Interest Period applicable to such Eurodollar Loans and ending one, two, three or six months thereafter (or, to the extent available from all Banks, nine or twelve months thereafter), as selected by the Borrower by irrevocable notice to the Agent not less than three Working Days prior to the last day of the then current Interest Period with respect to such Eurodollar Loans;

provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day which is not a Working Day, that Interest Period shall be extended to the next succeeding Working Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Working Day;

(ii) no Interest Period shall extend beyond the Termination Date;

(iii) if the Borrower shall fail to give notice as provided above, the Borrower shall be deemed to have selected an ABR Loan to replace the affected Eurodollar Loan;

(iv) any Interest Period that begins on the last Working Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Working Day of a calendar month; and

(v) the Borrower shall select Interest Periods so that there shall be no more than twenty Eurodollar Tranches in existence on any one date; provided if the Borrower shall select an Interest Period of one month, there shall be no more than ten Eurodollar Tranches of one month in existence on any one date.

"Interest Rate Agreement": any interest rate protection agreement, interest rate swap or other interest rate hedge arrangement (other than any interest rate cap or other similar agreement or arrangement pursuant to which the Borrower has no credit exposure), to or under which the Borrower or any of its Subsidiaries is a party or a beneficiary.

"Interest Rate Agreement Obligations": all obligations of the Borrower to any financial institution under any one or more Interest Rate Agreements.

"Issuing Bank": Chemical, in its capacity as issuer of the Letters of Credit or, if Chemical is not the Agent hereunder, such other Bank, which the Borrower and the Required Banks shall have approved, in its capacity as issuer of the Letters of Credit; provided that any Bank other than Chemical which agrees to become an Issuing Bank, and which the Borrower and the Required Banks shall have approved, may become an Issuing Bank for Standby Letters of

Credit to be used for the purposes described in subsection 3.9(b).

"Lear Italia": the collective reference to each direct Foreign Subsidiary, organized under the laws of Italy, of the Borrower or any Subsidiary party to the Subsidiary Guarantee.

"Letter of Credit Applications": (a) in the case of Standby Letters of Credit, a letter of credit application for a Standby Letter of Credit on the standard form of Chemical for standby letters of credit, and (b) in the case of Commercial Letters of Credit, a letter of credit application for a Commercial Letter of Credit on the standard form of Chemical for commercial letters of credit.

"Letter of Credit Obligations": at any particular time, all liabilities of the Borrower and any Subsidiary with respect to Letters of Credit, whether or not any such liability is contingent, including (without duplication) the sum of (a) the aggregate undrawn face amount of all Letters of Credit then outstanding plus (b) the aggregate amount of all unpaid Reimbursement Obligations and Subsidiary Reimbursement Obligations.

"Letter of Credit Participation Certificate": a participation certificate in the form customarily used by the Issuing Bank for such purpose at the time such certificate is issued.

"Letters of Credit": as defined in subsection 3.1(a).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any Financing Lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction in respect of any of the foregoing).

"Loan" and "Loans": the collective reference to the Revolving Credit Loans and the Swing Line Loans.

"Loan Documents": the collective reference to this Agreement, the Notes, the Letters of Credit, the Letter of Credit Applications and the Security Documents.

"Loan Parties": the collective reference to the Borrower, each guarantor or grantor party to any Security

Document and each issuer of pledged stock under each Pledge Agreement.

"Management Investors": each of the managers, officers and other employees of the Borrower and its Subsidiaries from time to time party to the Stockholders Agreement.

"Margin Stock Collateral": as defined in subsection 2.17.

"Material Subsidiary": each Loan Party and any other Subsidiary which (a) for the most recent fiscal year of the Borrower accounted for more than 5% of the consolidated revenues of the Borrower or (b) as of the end of such fiscal year, was the owner of more than 5% of the consolidated assets of the Borrower all as shown on the consolidated financial statements of the Borrower for such fiscal year.

"Merchant Banking Partnerships": Lehman Brothers Merchant Banking Portfolio Partnership L.P., a Delaware limited partnership, Lehman Brothers Offshore Investment Partnership - Japan L.P., a Bermuda limited partnership, Lehman Brothers Offshore Investment Partnership L.P., a Bermuda limited partnership and Lehman Brothers Capital Partners II, L.P., a Delaware limited partnership (collectively, the "Partnerships") or any majority owned direct or indirect Subsidiary of Lehman Brothers Holdings Inc. or any partnership the general partner of which is a majority owned direct or indirect Subsidiary of Lehman Brothers Holdings Inc. (with the Partnerships, collectively referred to as the "Permitted Lehman Entities") or a trust the beneficiaries of which include only investors in the Permitted Lehman Entities, or any of them.

"Merger": the merger of Acquisition Corp. with and into AIHI pursuant to the Merger Agreement.

"Merger Agreement": the Agreement and Plan of Merger, dated as of July 16, 1995, by and among the Borrower, Acquisition Corp. and AIHI, as the same has been or will be amended, supplemented or otherwise modified from time to time; provided, however, that any material amendments, supplements or other modifications shall be approved by the Required Banks.

"Merger Date": the date on which the Merger is consummated in accordance with the Merger Agreement.

"Mortgaged Properties": the collective reference to the real properties described on Schedule 1.1(c) and any other properties mortgaged in favor of the Agent for the ratable benefit of the Banks pursuant to this Agreement from time to time.

"Mortgages": the collective reference to the mortgages listed in Schedule 1.1(b), and each other mortgage or deed of trust that may be delivered to the Agent as collateral security for any or all of the Obligations and the Subsidiary Reimbursement Obligations, in each case as such mortgages or deeds of trust may be amended, supplemented or otherwise modified from time to time.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Proceeds": shall mean the gross proceeds received by the Borrower or any Subsidiary from a sale or other disposition of any asset of the Borrower or such Subsidiary less (a) all reasonable fees, commissions and other out-of-pocket expenses incurred by the Borrower or such Subsidiary in connection therewith, (b) Federal, state, local and foreign taxes assessed in connection therewith and (c) the principal amount, accrued interest and any related prepayment fees of any Indebtedness (other than the Loans) which is secured by any such asset and which is required to be repaid in connection with the sale thereof.

"Notes": the collective reference to the Revolving Credit Notes and the Swing Line Note.

"Obligations": the unpaid principal amount of, and interest on, the Notes, the Reimbursement Obligations, the Interest Rate Agreement Obligations owing to any Bank and all other obligations and liabilities of the Borrower to the Agent, the Banks and the Issuing Bank, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with this Agreement, the Notes, the Letters of Credit, the Letter of Credit Applications, any other Loan Document or any other document executed and delivered in connection herewith or therewith, whether on account of principal, interest (including, without limitation, interest accruing at the rate set forth in this Agreement and the other Loan Documents after the commencement of any proceeding of the type described in Section 9(i) whether or not such interest constitutes an allowed claim in such proceeding), reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees and disbursements of counsel to the Agent) or otherwise.

"Offer to Purchase": the Offer to Purchase, dated July 20, 1995, of Acquisition Corp. relating to the Tender Offer, as amended, supplemented or modified to the date hereof.

"Original Mortgages": as defined in subsection 5.1(h).

"Participants": as defined in subsection 11.6(b).

"Participating Bank": any Bank (other than the Issuing Bank) with respect to its Participating Interest in a Letter of Credit.

"Participating Interest": with respect to any Letter of Credit (a) in the case of the Issuing Bank with respect thereto its interest in such Letter of Credit and any Letter of Credit Application relating thereto after giving effect to the granting of any participating interests therein pursuant hereto and (b) in the case of each Participating Bank, its undivided participating interest in such Letter of Credit and any Letter of Credit Application relating thereto.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at a particular time, any employee benefit plan which is covered by ERISA and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pledge Agreement Supplement": as defined in subsection 7.11.

"Pledge Agreements": the collective reference to the Pledge Agreements listed in Schedule 1.1(b) and each other pledge agreement or similar agreement that may be delivered to the Agent as collateral security for any or all of the Obligations and the Subsidiary Reimbursement Obligations, in each case as such Pledge Agreements or similar agreements may be amended, supplemented or otherwise modified from time to time.

"Pledged Stock": as defined in each of the Pledge Agreements.

"Proprietary Rights": as defined in subsection 6.17.

"Purchase Agreement": the Agreement, dated as of August 19, 1988, among Lear Siegler Aerospace Products Holdings Corp., Lear Siegler Commercial Products Holdings Corp., Lear Siegler Automotive Products Holdings Corp. and LSS Acquisition Corporation, as amended, supplemented or otherwise modified from time to time.

"Purchasing Banks": as defined in subsection 11.6(c).

"Receivable Financing Transaction": any transaction or series of transactions involving a non-recourse sale for cash of accounts receivable by the Borrower or any of its Subsidiaries to a Special Purpose Subsidiary and a subsequent incurrence by such Special Purpose Subsidiary of unguaranteed Indebtedness secured solely by the accounts receivable so acquired by such Special Purpose Subsidiary.

"Reference Banks": Chemical and The Bank of Nova Scotia.

"Refunded Swing Line Loans": as defined in subsection 2.4(c).

"Register": as defined in subsection 11.6(d).

"Regulation G": Regulation G of the Federal Reserve Board.

"Regulation T": Regulation T of the Federal Reserve Board.

"Regulation U": Regulation U of the Federal Reserve Board.

"Regulation X": Regulation X of the Federal Reserve Board.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the Issuing Bank in accordance with the terms of this Agreement and the related Letter of Credit Application for any payment made by the Issuing Bank under any Letter of Credit.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, escaping, leaking, dumping, disposing, spreading, depositing or dispersing of any Hazardous Materials in, unto or onto the environment.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of such term as used in Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .13, .14, .16, .18, .19 or .20 of PBGC Reg. Section 2615.

"Required Banks": at a particular time, the holders of more than 50% of the aggregate unpaid principal amount of the Notes and the Letter of Credit Obligations (after giving effect to participating interests to the Banks), or, if no

amounts are outstanding under the Notes and no Letter of Credit Obligations are outstanding, Banks having more than 50% of the aggregate amount of the Commitments.

"Requirement of Law": as to (a) any Person, the certificate of incorporation and by-laws or the partnership or limited partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, (b) any property, any law, treaty, rule, regulation, requirement, judgment, decree or determination of any Governmental Authority applicable to or binding upon such property or to which such property is subject, including, without limitation, any Environmental Laws and (c) any of the Mortgaged Properties, all Restrictive Agreements.

"Responsible Officer": with respect to any Loan Party, the chief executive officer, the president, the chief financial officer, any vice president, the treasurer or the assistant treasurer of such Loan Party.

"Restrictive Agreement": any covenants, conditions or restrictions which burden any of the Mortgaged Properties or any part thereof for the benefit of other real property, including, without limitation, the terms of any reciprocal easement agreement, any agreement limiting the use of the Mortgaged Properties and any agreements which must be performed as a condition to the continuance of any easement included in the Mortgaged Properties.

"Revolving Credit Loan" and "Revolving Credit Loans": as defined in subsection 2.1.

"Revolving Credit Note" and "Revolving Credit Notes": as defined in subsection 2.2.

"Security Agreements": the collective reference to the Security Agreement listed in Schedule 1.1(b), and each other security agreement or similar agreement that may be delivered to the Agent as collateral security for any or all of the Obligations and the Subsidiary Reimbursement Obligations, in each case as such Security Agreement or similar agreements may be amended, supplemented or otherwise modified from time to time.

"Security Documents": the collective reference to the Security Agreements, the Pledge Agreements, the Mortgages and the Subsidiary Guarantee.

"Senior Subordinated Note Indenture": the Indenture, dated as of July 15, 1992, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.10.

"Senior Subordinated Notes": the 11 1/4% Senior Subordinated Notes of the Borrower due 2000, issued pursuant to the Senior Subordinated Note Indenture.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Special Affiliate": any Affiliate of the Borrower which (a) the Borrower possesses, directly or indirectly, (i) power to vote 20% or more of the securities having ordinary voting power for the election of directors of such Affiliate or (ii) a 20% ownership interest in such Affiliate and (b) is engaged in business of the same or related general type as now being conducted by the Borrower and its Subsidiaries.

"Special Entity": any Person which is engaged in business of the same or related general type as now being conducted by the Borrower and its Subsidiaries.

"Special Purpose Subsidiary": any Wholly Owned Subsidiary of the Borrower created by the Borrower for the sole purpose of facilitating a Receivable Financing Transaction.

"Standby Letters of Credit": as defined in subsection 3.1(a).

"Stockholders Agreement": the Amended and Restated Stockholders and Registration Rights Agreement, dated as of September 27, 1991 among the Borrower, FIMA, the Merchant Banking Partnerships and the several other parties thereto, as the same has been and may be amended, supplemented or otherwise modified from time to time.

"Subordinated Debt": any obligations (for principal, interest or otherwise) evidenced by or arising under or in respect of the Subordinated Notes, the Subordinated Note Indenture, the Senior Subordinated Notes and the Senior Subordinated Note Indenture and any other covenant, instrument or agreement of subordinated Indebtedness issued or entered into pursuant to subsection 8.10.

"Subordinated Note Indenture": the Indenture dated as of February 1, 1994, as the same may be amended, supplemented or otherwise modified from time to time in accordance with subsection 8.10.

"Subordinated Notes": the 8-1/4% Subordinated Notes of the Borrower due 2002, issued pursuant to the Subordinated Note Indenture.

"Subscription Agreements": the collective reference to the Subscription Agreements, dated as of September 29, 1988, between Lear Holdings Corporation and each of the Management Investors, as each of the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person (exclusive of any Affiliate in which such Person has a minority ownership interest). Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantee": the Subsidiary Guarantee, dated as of the date hereof, made by LS Acquisition Corp. No. 14, Lear Seating Holdings Corp. No. 50, Progress Pattern Corp., Lear Plastics Corp., LS Acquisition Corporation No. 24, Fair Haven Industries, Inc. and Acquisition Corp. in favor of the Agent, substantially in the form of Exhibit C, as the same may be amended, supplemented or otherwise modified from time to time.

"Subsidiary Reimbursement Obligation": the obligation of any Subsidiary to reimburse the Issuing Bank in accordance with the terms of this Agreement and the related Letter of Credit Application for any payment made by the Issuing Bank under any Letter of Credit.

"Surviving Corporation": AIHI, as the surviving corporation of the Merger.

"Swing Line Loan" and "Swing Line Loans": as defined in subsection 2.4(a).

"Swing Line Note": as defined in subsection 2.4(b).

"Swing Line Participation Certificate": a certificate substantially in the form of Exhibit J to this Agreement.

"Taxes": as defined in subsection 2.14.

"Tender Offer": the tender offer made by Acquisition Corp. for all of the AIHI Shares pursuant to the Offer to Purchase.

"Tender Offer Documents": collectively, (a) the tender offer statement on Schedule 14D-1, dated July 20, 1995, filed by Acquisition Corp. with the Securities and Exchange Commission pursuant to Section 14(d)(1) of the Exchange Act, together with all exhibits thereto, including the Offer to Purchase and (b) the solicitation/recommendation statement on Schedule 14D-9, dated July 20, 1995, filed by AIHI pursuant to Section 14(d)(4) of the Exchange Act, in each case, as amended, supplemented or otherwise modified from time to time.

"Termination Date": September 30, 2001 or such earlier date on which the Commitments are terminated pursuant to this Agreement.

"Transfer Effective Date": as defined in each Assignment and Acceptance.

"Transferee": as defined in subsection 11.6(f).

"Type": as to any Loan, its nature as an ABR Loan or Eurodollar Loan.

"Wholly Owned Subsidiary": as to any Person, a corporation, partnership or other entity of which (a) 100% of the common capital stock or other ownership interests of such corporation, partnership or other entity or (b) more than 95% of the common capital stock or other ownership interests of such corporation, partnership or other entity where the portion of the common capital stock or other ownership interests not held by such Person is held by other Persons to satisfy applicable legal requirements, is owned, directly or indirectly, by such Person; provided, however, that so long as the Borrower owns, directly or indirectly, more than 95% of the capital stock of Lear Italia, Lear Italia shall be deemed a Wholly Owned Subsidiary of the Borrower, and provided, further, that until the Merger Date, so long as AIHI is a Subsidiary of the Borrower, AIHI and its Wholly Owned Subsidiaries shall be deemed Wholly Owned Subsidiaries of the Borrower.

"Working Day": any Business Day on which dealings in foreign currencies and exchange between banks may be carried on in London, England.

"Y Credit" and "Y Credits": as defined in subsection 2.17(a).

"Z Credit" and "Z Credits": as defined in subsection 2.17(a).

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto, accounting terms relating to the Borrower and its Subsidiaries not defined in subsection 1.1 and accounting terms partly defined in subsection 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. AMOUNT AND TERMS OF LOAN COMMITMENTS

2.1 Commitments. Subject to the terms and conditions hereof, each Bank, severally and not jointly, agrees to make revolving credit loans (individually, a "Revolving Credit Loan"; collectively, the "Revolving Credit Loans") to the Borrower from time to time during the Commitment Period in an aggregate principal amount, together with the other Extensions of Credit (after giving effect to participating interests to the Banks) of such Bank, not to exceed at any one time outstanding the amount set forth under the heading "Commitment" opposite the name of such Bank on Schedule 2.1, as such amount may be reduced from time to time pursuant to subsection 2.8 (collectively, the "Commitments"). During the Commitment Period, the Borrower may use the Commitments by borrowing, repaying the Revolving Credit Loans in whole or in part and reborrowing, all in accordance with the terms and conditions hereof; provided that on the date of the making of any Revolving Credit Loans, and after giving effect to the making of such Revolving Credit Loans, the Extensions of Credit at such time shall not exceed the aggregate Commitments at such time. The Revolving Credit Loans may from time to time be ABR Loans, Eurodollar Loans or a combination thereof.

2.2 Revolving Credit Notes. The Revolving Credit Loans made by each Bank shall be evidenced by a promissory note of the Borrower, substantially in the form of Exhibit A (individually, a "Revolving Credit Note"; collectively, the "Revolving Credit Notes"), with appropriate insertions as to principal amount, payable to the order of such Bank and evidencing the obligation of the Borrower to pay a principal

amount equal to the lesser of (a) the amount of the Commitment of such Bank and (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by such Bank. Each Bank is hereby authorized to record the date and amount of each Revolving Credit Loan made by such Bank, and the date and amount of each payment or prepayment of principal thereof, on the schedule annexed to and constituting a part of its Revolving Credit Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided that the failure by any Bank to make any such recordation on its Revolving Credit Note shall not affect any of the obligations of the Borrower under such Revolving Credit Note or this Agreement. Each Revolving Credit Note shall (i) be dated the Closing Date, (ii) be stated to mature on the Termination Date and (iii) bear interest, payable on the dates specified in subsection 4.1, for the period from the date thereof on the unpaid principal amount thereof from time to time outstanding at the interest rate per annum specified in subsection 4.1.

2.3 Procedure for Revolving Credit Borrowings. The Borrower may borrow under the Commitments during the Commitment Period on any Business Day by giving the Agent irrevocable written notice (which notice must be received by the Agent prior to 12:00 P.M., New York City time) one Business Day prior to the requested Borrowing Date of ABR Loans and three Working Days prior to the requested Borrowing Date of Eurodollar Loans, specifying (a) the amount to be borrowed, (b) the requested Borrowing Date and (c) whether the borrowing is to be of ABR Loans, Eurodollar Loans or a combination thereof and (d) if the borrowing is to be entirely or partly Eurodollar Loans, the amount of such Loans and the length of initial Interest Period therefor. Upon receipt of such notice from the Borrower, the Agent shall promptly notify each Bank thereof. Not later than 12:00 P.M., New York City time, on the Borrowing Date specified in such notice, each Bank shall make available to the Agent in immediately available funds the amount equal to the Revolving Credit Loan to be made by such Bank. The Agent shall make the amount of such borrowing available to the Borrower by depositing the proceeds thereof in like funds as received by the Agent in the account of the Borrower with the Agent on the date the Revolving Credit Loans are made for transmittal by the Agent upon the Borrower's request. Each borrowing pursuant to the Commitments, except any Revolving Credit Loan to be used solely to pay a like amount of Reimbursement Obligations or Swing Line Loans, shall be in an aggregate principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof.

2.4 Swing Line Commitments. (a) Subject to the terms and conditions hereof, Chemical agrees to make swing line loans (individually, a "Swing Line Loan"; collectively, the "Swing Line Loans") to the Borrower from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed $65,000,000; provided that on the date of the making of any Swing Line Loan, and after giving effect to

the making of such Swing Line Loan, the Extensions of Credit at such time shall not exceed the Commitments. Amounts borrowed by the Borrower under this subsection 2.4 may be repaid and, through but excluding the Termination Date, reborrowed. All Swing Line Loans shall be made as ABR Loans and shall not be entitled to be converted into Eurodollar Loans. The Borrower shall give Chemical irrevocable notice (which notice must be received by Chemical prior to 12:00 P.M., New York City time) on the requested Borrowing Date specifying the amount of the requested Swing Line Loan which shall be in an aggregate minimum amount of $100,000 or whole multiples thereof. The proceeds of the Swing Line Loan will be made available by Chemical to the Borrower at the office of Chemical by crediting the account of the Borrower at such office with such proceeds.

(b) The Swing Line Loans shall be evidenced by a promissory note of the Borrower, substantially in the form of Exhibit B (the "Swing Line Note"), with appropriate insertions, payable to the order of Chemical and representing the obligation of the Borrower to pay the unpaid principal amount of the Swing Line Loans, with interest thereon as prescribed in subsection 4.1. Chemical is hereby authorized to record the Borrowing Date, the amount of each Swing Line Loan and the date and amount of each payment or prepayment of principal thereof on the schedule annexed to and constituting a part of the Swing Line Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded; provided that the failure by Chemical to make any such recordation on the Swing Line Note shall not affect any of the obligations of the Borrower under such Swing Line Note or this Agreement. The Swing Line Note shall (i) be dated the Closing Date, (ii) be stated to mature on the Termination Date and (iii) bear interest, payable on the dates specified in 4.1, for the period from the date thereof to the Termination Date on the unpaid principal amount thereof from time to time outstanding at the applicable interest rate per annum specified in subsection 4.1.

(c) Chemical, at any time in its sole and absolute discretion, may on behalf of the Borrower (which hereby irrevocably directs Chemical to act on its behalf) request each Bank, including Chemical, to make a Revolving Credit Loan in an amount equal to such Bank's Commitment Percentage of the amount of the Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date such notice is given. Unless any of the events described in Section 9(i) shall have occurred (in which event the procedures of subsection 2.4(d) shall apply) each Bank shall, not later than 12:00 P.M., New York City time, on the Business Day next succeeding the date on which such notice is given, make available to Chemical in immediately available funds the amount equal to the Revolving Credit Loan to be made by such Bank. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the Refunded Swing Line Loans. Upon any request by Chemical to the Banks pursuant to this subsection

2.4(c), the Agent shall promptly give notice to the Borrower of such request.

(d) If prior to the making of a Revolving Credit Loan pursuant to subsection 2.4(c) one of the events described in Section 9(i) shall have occurred, each Bank will, on the date such Loan was to have been made, purchase an undivided participating interest in the Swing Line Loans in an amount equal to its Commitment Percentage of such Swing Line Loans. Each Bank will immediately transfer to Chemical, in immediately available funds, the amount of its participation, and upon receipt thereof Chemical will deliver to such Bank a Swing Line Participation Certificate dated the date of receipt of such funds and in the amount of such Bank's participation.

(e) Whenever, at any time after Chemical has received from any Bank such Bank's participating interest in a Swing Line Loan, Chemical receives any payment on account thereof, Chemical will distribute to such Bank its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Bank's participating interest was outstanding and funded); provided, however, that in the event that such payment received by Chemical is required to be returned, such Bank will return to Chemical any portion thereof previously distributed by Chemical to it.

2.5 Swing Line Loan Participations. Each Bank's obligation to purchase participating interests pursuant to subsection 2.4(d) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (a) any set-off, counterclaim, recoupment, defense or other right which such Bank or any Loan Party may have against Chemical, any Loan Party or anyone else for any reason whatsoever; (b) the occurrence or continuance of any Default or Event of Default; (c) any adverse change in the condition (financial or otherwise) of any Loan Party; (d) any breach of this Agreement by any Loan Party or any other Bank; or (e) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

2.6 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Revolving Credit Loans outstanding as Eurodollar Loans to ABR Loans by giving the Agent at least one Business Day's prior irrevocable notice of such election; provided that any such conversion of Eurodollar Loans shall only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert Revolving Credit Loans outstanding as ABR Loans to Eurodollar Loans by giving the Agent at least three Working Days' prior irrevocable notice of such election. Upon receipt of such notice, the Agent shall promptly notify each Bank thereof. All or any part of the Revolving Credit Loans outstanding as Eurodollar Loans or ABR Loans may be converted as provided herein; provided that (i) no ABR Loan may be converted into a

Eurodollar Loan when any Default or Event of Default has occurred and is continuing, (ii) partial conversions shall be in an aggregate principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof and (iii) any such conversion may only be made if, after giving effect thereto, subsection 2.7 shall not have been contravened.

(b) Any Eurodollar Loans may be continued as such upon the expiration of an Interest Period with respect thereto by compliance by the Borrower with the notice provisions contained in the definition of "Interest Period"; provided that no Eurodollar Loan may be continued as such when any Default or Event of Default has occurred and is continuing but in such circumstances shall be automatically converted to an ABR Loan on the last day of the then current Interest Period with respect thereto.

2.7 Minimum Amounts of Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, payments, prepayments and selection of Interest Periods hereunder in respect of the Revolving Credit Loans shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of any one Eurodollar Tranche shall not be less than $5,000,000.

2.8 Termination or Reduction of Commitments. (a) The Commitments shall automatically reduce on each March 31 and September 30 in each calendar year during the Commitment Period, commencing March 31, 1996, by an amount set forth opposite such year below:

Year	Semi-annual amount
1996	$ 25,000,000
1997	50,000,000
1998	62,500,000
1999	62,500,000
2000	75,000,000
2001	100,000,000

(b) The Borrower shall have the right, upon not less than five Business Days' notice to the Agent, to terminate the Commitments or to reduce the amount of the Commitments; provided that any such reduction shall be in an amount of $2,500,000 or a whole multiple of $500,000 in excess thereof and shall reduce permanently the amount of the Commitments then in effect. No reduction pursuant to this subsection 2.8(b) shall in any way affect the amount of the reductions required to be made pursuant to subsection 2.8(a).

(c) The Commitments shall automatically terminate on the Termination Date.

2.9 Mandatory Prepayments. Any termination or reduction of Commitments pursuant to subsections 2.8(a), 2.8(b), 2.8(c), 8.6(e) or otherwise shall be accompanied by prepayment of the Loans (together in each case with accrued interest on the amount so prepaid to the date of such prepayment and any additional amounts owing under subsection 2.13), to the extent, if any, that the amount of the Extensions of Credit then outstanding exceeds the amount of the Commitments as so reduced (provided that if the aggregate principal amount of Loans then outstanding is less than the amount of such excess because Letter of Credit Obligations constitute a portion thereof, the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit with new letters of credit or deposit an amount equal to such excess in a cash collateral account with the Agent on terms and conditions reasonably satisfactory to the Agent).

2.10 Inability to Determine Interest Rate. In the event that:

(a) the Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the interbank eurodollar market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for any requested Interest Period; or

(b) the Agent shall have received notice prior to the first day of such Interest Period from Banks constituting the Required Banks that the interest rate determined pursuant to subsection 4.1 for such Interest Period does not accurately reflect the cost to such Banks (as conclusively certified by such Banks) of making or maintaining their affected Loans during such Interest Period,

with respect to (i) proposed Loans that the Borrower has requested be made as Eurodollar Loans, (ii) Eurodollar Loans that will result from the requested conversion of ABR Loans into Eurodollar Loans or (iii) the continuation of Eurodollar Loans beyond the expiration of the then current Interest Period with respect thereto, the Agent shall give telex or telephonic notice of such determination to the Borrower and the Banks as soon as reasonably practicable after it becomes aware of such determination. If such notice is given (x) any requested Eurodollar Loans shall be made as ABR Loans, (y) any ABR Loans that were to have been converted to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans shall be converted, on the last day of the then current Interest Period with respect thereto, to ABR Loans. Until such notice has been withdrawn by the Agent, no further Eurodollar Loans shall be made, nor shall the Borrower have the right to convert ABR Loans to Eurodollar Loans.

2.11 Illegality. Notwithstanding any other provisions herein, if any Requirement of Law or any change therein or in the interpretation or application thereof shall make it unlawful for any Bank to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Bank hereunder to make Eurodollar Loans or convert ABR Loans to Eurodollar Loans shall forthwith be cancelled and (b) such Bank's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods for such Loans or within such earlier period as required by law. If any such prepayment or conversion of a Eurodollar Loan occurs on a day which is not the last day of the current Interest Period with respect thereto, the Borrower shall pay to such Bank such amounts, if any, as may be required pursuant to subsection 2.13.

2.12 Requirements of Law. (a) In the event that any Requirement of Law (or any change therein or in the interpretation or application thereof) or compliance by any Bank with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority:

(i) does or shall subject any Bank to any tax of any kind whatsoever with respect to this Agreement, any Note or any Eurodollar Loans made by it, or change the basis of taxation of payments to such Bank of principal, commitment fee, interest or any other amount payable hereunder (except for changes in the rate of tax on the overall net income of such Bank);

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Bank which are not otherwise included in the determination of the Eurodollar Rate; or

(iii) does or shall impose on such Bank any other condition;

and the result of any of the foregoing is to increase the cost to such Bank, by any amount which such Bank deems to be material, of making, renewing or maintaining advances or extensions of credit or to reduce any amount receivable hereunder, in each case in respect of its Eurodollar Loans, then, in any such case, the Borrower shall promptly pay such Bank, upon receipt of its demand setting forth in reasonable detail any additional amounts necessary to compensate such Bank for such additional cost or reduced amount receivable, such additional amounts together with interest on each such amount from the date two Business Days after the date demanded until payment in full thereof at the ABR. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by such Bank, through the Agent,

to the Borrower shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and payment of the outstanding Notes.

(b) In the event that any Bank shall have determined that the adoption of any law, rule, regulation or guideline regarding capital adequacy (or any change therein or in the interpretation or application thereof) or compliance by any Bank or any corporation controlling such Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline, does or shall have the effect of reducing the rate of return on such Bank's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Bank or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Bank's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, after submission by such Bank to the Borrower (with a copy to the Agent) of a written request therefor, the Borrower shall promptly pay to such Bank such additional amount or amounts as will compensate such Bank for such reduction.

(c) If the obligation of any Bank to make Eurodollar Rate Loans has been suspended pursuant to subsection 2.10 or 2.11 for more than three consecutive months or any Bank has demanded compensation under subsection 2.12(a) or 2.12(b), the Borrower shall have the right to substitute a financial institution or financial institutions (which may be one or more of the Banks) reasonably satisfactory to the Agent by causing such financial institution or financial institutions to purchase the rights (by paying to such Bank the principal amount of its outstanding Loans together with accrued interest thereon and all other amounts accrued for its account or owed to it hereunder and executing an Assignment and Acceptance) and to assume the obligations of such Bank under the Loan Documents. Upon such purchase and assumption by such substituted financial institution or financial institutions, the obligations of such Bank hereunder shall be discharged; provided such Bank shall retain its rights hereunder with respect to periods prior to such substitution including, without limitation, its rights to compensation under this subsection 2.12.

2.13 Indemnity. The Borrower agrees to indemnify each Bank and to hold each Bank harmless from any loss or expense which such Bank may sustain or incur as a consequence of (a) default by the Borrower in payment when due of the principal amount of or interest on any Eurodollar Loans of such Bank, (b) default by the Borrower in making a borrowing or conversion after the Borrower has given a notice of borrowing in accordance with subsection 2.3 or a notice of conversion pursuant to subsection 2.6, (c) default by the Borrower in making any prepayment after

the Borrower has given a notice in accordance with subsection 2.8 or (d) the making of a prepayment of a Eurodollar Loan on a day which is not the last day of an Interest Period with respect thereto, including, without limitation, in each case, any such loss or expense arising from the reemployment of funds obtained by it to maintain its Eurodollar Loans hereunder or from fees payable to terminate the deposits from which such funds were obtained. This covenant shall survive termination of this Agreement and payment of the outstanding Notes.

2.14 Taxes. (a) All payments made by the Borrower under this Agreement shall be made free and clear of, and without reduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority excluding, in the case of the Agent and each Bank, income or franchise taxes imposed on the Agent or such Bank by the jurisdiction under the laws of which the Agent or such Bank is organized or any political subdivision or taxing authority thereof or therein or by any jurisdiction in which such Bank's lending office is located or any political subdivision or taxing authority thereof or therein or as a result of a connection between such Bank and any jurisdiction other than a connection resulting solely from entering into this Agreement (all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being thereinafter called "Taxes"). Subject to the provisions of subsection 2.14(c), if any Taxes are required to be withheld from any amounts payable to the Agent or any Bank hereunder or under the Notes or the Letters of Credit, the amounts so payable to the Agent or such Bank shall be increased to the extent necessary to yield to the Agent or such Bank (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes. Whenever any Taxes are paid by the Borrower with respect to payments made in connection with this Agreement, as promptly as possible thereafter, the Borrower shall send to the Agent for its own account or for the account of such Bank, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof. Subject to the provisions of subsection 2.14(c), if the Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required receipts or other required documentary evidence, the Borrower shall indemnify the Agent and the Banks for any incremental taxes, interest or penalties that may become payable by the Agent or any Banks as a result of any such failure.

(b) Each Bank that is not incorporated or organized under the laws of the United States of America or a state thereof agrees that, prior to the first date any payment is due to be made to it hereunder or under any Note or Letter of Credit, it will deliver to the Borrower and the Agent (i) two valid, duly

completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, certifying in each case that such Bank is entitled to receive payments under this Agreement, the Notes payable to it and the Letters of Credit, without deduction or withholding of any United States federal income taxes, and (ii) a valid, duly completed Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax. Each Bank which delivers to the Borrower and the Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to the next preceding sentence further undertakes to deliver to the Borrower and the Agent two further copies of the said Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms, or other manner or certification, as the case may be, on or before the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding tax, or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower, and such extensions or renewals thereof as may reasonably be requested by the Borrower, certifying in the case of a Form 1001 or 4224 that such Bank is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless any change in treaty, law or regulation or official interpretation thereof has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Bank from duly completing and delivering any such letter or form with respect to it and such Bank advises the Borrower that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8 or W-9, establishing an exemption from United States backup withholding tax.

(c) The Borrower shall not be required to pay any additional amounts to the Agent or any Bank (or Purchasing Bank) in respect of United States withholding tax pursuant to subsection 2.14(a) if (i) the obligation to pay such additional amounts would not have arisen but for a failure by the Agent or such Bank (or Purchasing Bank) to comply with the requirements of subsection 2.14(b) (or in the case of a Purchasing Bank, the requirements of subsection 11.6(g)) or (ii) the Agent or such Bank (or Purchasing Bank) shall not have furnished the Borrower with such forms and shall not have taken such other steps as reasonably may be available to it (provided, however, that such steps shall not impose on the Agent or such Bank any additional costs or legal or regulatory burdens deemed by the Agent or such Bank in its sole judgment to be material) under applicable tax laws and any applicable tax treaty or convention to obtain an exemption from, or reduction (to the lowest applicable rate) of, such United States withholding tax.

(d) Each Bank agrees to use reasonable efforts (including reasonable efforts to change its lending office) to

avoid or to minimize any amounts which might otherwise be payable pursuant to this subsection 2.14; provided, however, that such efforts shall not impose on such Bank any additional costs or legal or regulatory burdens deemed by such Bank in its sole judgment to be material.

(e) The agreements in subsection 2.14(a) shall survive the termination of this Agreement and the payment of the Notes and all other amounts payable hereunder until the expiration of the applicable statute of limitations for such taxes.

2.15 Use of Proceeds. The proceeds of the Revolving Credit Loans shall be used (a) to finance the Acquisition, including payment for the AIHI Shares in the Tender Offer and the Merger, (b) to pay fees and expenses of the Acquisition, (c) to refinance certain existing indebtedness of AIHI, (d) to refinance indebtedness under the Existing Credit Agreement and (e) for other general corporate purposes, including acquisitions permitted hereunder, provided that such acquisitions are not hostile. The proceeds of the Swing Line Loans shall be used solely to finance the short-term working capital needs of the Borrower and its Subsidiaries in the ordinary course of business.

2.16 Assignment of Commitments Under Certain Circumstances. In the event that any Bank shall have delivered a notice or certificate pursuant to subsection 2.12, the Borrower shall have the right, at its own expense, upon notice to such Bank and the Agent, to require such Bank to transfer and assign without recourse (in accordance with and subject to the restrictions contained in subsection 11.6) all its interests, rights and obligations under this Agreement to another bank or financial institution identified by the Borrower reasonably acceptable to the Agent (subject to the restrictions contained in subsection 11.6) which shall assume such obligations; provided that (a) no such assignment shall conflict with any law, rule or regulation or order of any Governmental Authority and (b) the Borrower or the assignee, as the case may be, shall pay to the transferor Bank in immediately available funds on the date of such assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder, including, without limitation, amounts payable pursuant to subsection 2.12.

2.17 Regulation U and Regulation G. (a) The Loans made by each Bank shall at all times prior to the Merger be treated for purposes of Regulation U and Regulation G, as applicable, as two separate extensions of credit (the "Y Credit" and the "Z Credit" of such Bank and, collectively, the "Y Credits" and the "Z Credits"), as follows:

(i) the aggregate amount of the Y Credit of such Bank shall be an amount equal to such Bank's pro rata share (based on the amount of its Commitment Percentage) of the

maximum loan value (as determined in accordance with Regulation U and Regulation G, as applicable), of the AIHI Shares pledged pursuant to the Acquisition Pledge Agreement (such AIHI Shares, the " Margin Stock Collateral"); and

(ii) the aggregate amount of the Z Credit of such Bank shall be an amount equal to such Bank's pro rata share (based on the amount of its Commitment Percentage) of all Loans outstanding hereunder minus such Bank's Y Credit.

In the event that any Margin Stock Collateral is acquired or sold, the amount of the Y Credit of such Bank shall be adjusted (if necessary), to the extent necessary by prepayment, to an amount equal to such Bank's pro rata share (based on the amount of its Commitment Percentage) of the maximum loan value (determined in accordance with Regulation U and Regulation G, as applicable, as of the date of such acquisition or sale) of the Margin Stock Collateral immediately after giving effect to such acquisition or sale. Nothing contained in this subsection 2.17 shall be deemed to permit any sale of Margin Stock Collateral in violation of subsection 8.5 or 8.6.

(b) Each Bank will maintain its records to identify the Y Credit of such Bank and the Z Credit of such Bank, and, solely for the purposes of complying with Regulation U and Regulation G, as applicable, the Y and Z Credits shall be treated as separate extensions of credit. Each Bank hereby represents and warrants that the loan value of the Collateral (other than the Margin Stock Collateral) is sufficient for such Bank to lend its pro rata share of the Z Credit.

(c) The benefits of the security in the Margin Stock Collateral created by the Acquisition Pledge Agreement, shall be allocated first to the benefit and security of the payment of the principal of and interest on the Y Credits of the Banks and of all other amounts payable by the Borrower under this Agreement in connection with the Y Credits (collectively, the "Y Credit Amounts") and second, only after the payment in full of the Y Credit Amounts, to the benefit and security of the payment of the principal of and interest on the Z Credits of the Banks and of all other amounts payable by the Borrower under this Agreement in connection with the Z Credits (collectively, the "Z Credit Amounts"). The benefits of the security in the Collateral other than Margin Stock Collateral created by the Security Documents and the benefits of the indirect security in Collateral other than Margin Stock Collateral created by this Agreement, shall be allocated first to the benefit and security of the Z Credit Amounts and second, only after the payment in full of the Z Credit Amounts, to the benefit and security of the Y Credit Amounts.

(d) The Borrower shall furnish to each Bank at the time of each acquisition and sale of Margin Stock Collateral such information and documents as the Agent or such Bank may require

to determine the Y and Z Credits, and at any time and from time to time, such other information and documents as the Agent or such Bank may reasonably require to determine compliance with Regulation U or Regulation G, as applicable.

(e) Each Bank shall be responsible for its own compliance with and administration of the provisions of this subsection 2.17 and Regulation U or Regulation G, as applicable, and the Agent shall have no responsibility for any determinations or allocations made or to be made by any Bank as required by such provisions. The Agent shall transmit to the Borrower on behalf of a Bank any requests made by such Bank pursuant to subsection 2.17(d) and shall transmit from the Borrower to such Bank or the Banks any information provided by the Borrower in response to inquiries made under subsection 2.17(d) or otherwise required to be delivered by the Borrower to the Banks pursuant to this subsection 2.17.

SECTION 3. LETTERS OF CREDIT

3.1 Letters of Credit. (a) Subject to the terms and conditions of this Agreement, Chemical (or such other Bank which succeeds Chemical as Agent), as Issuing Bank, agrees, and any other Issuing Bank may, as agreed between the Borrower and such Issuing Bank, agree, on behalf of the Banks, and in reliance on the agreement of the Banks set forth in subsection 3.3, to issue for the account of the Borrower (or in connection with any Foreign Letter of Credit, for the joint and several accounts of the Borrower and such applicable Foreign Subsidiary) letters of credit in an aggregate face amount not to exceed $175,000,000 at any time outstanding, as follows:

(i) standby letters of credit (collectively, the "Standby Letters of Credit") in the form of either (A) in the case of standby letters of credit to be used for the purposes described in subsection 3.9(a) or (c), the Issuing Bank's standard standby letter of credit or (B) in the case of standby letters of credit to be used for the purposes described in subsection 3.9(b), a letter of credit reasonably satisfactory to the Issuing Bank, and in either case, in favor of such beneficiaries as the Borrower shall specify from time to time (which shall be reasonably satisfactory to the Issuing Bank); and

(ii) commercial letters of credit in the form of the Issuing Bank's standard commercial letters of credit ("Commercial Letters of Credit") in favor of sellers of goods or services to the Borrower or its Subsidiaries (the Standby Letters of Credit and Commercial Letters of Credit being referred to collectively as the "Letters of Credit");

provided that on the date of the issuance of any Letter of Credit, and after giving effect to such issuance, the Extensions

of Credit shall not exceed the Commitments at such time. Each Standby Letter of Credit shall (i) have an expiry date no later than (A) with respect to any Standby Letter of Credit to be used for the purposes described in subsection 3.9(a) or (c), one year from the date of issuance thereof or, if earlier, the Termination Date or (B) with respect to any Standby Letter of Credit to be used for the purposes described in subsection 3.9(b), the Termination Date, (ii) be denominated in Dollars and (iii) be in a minimum face amount of $500,000. Each Commercial Letter of Credit shall (i) provide for the payment of sight drafts when presented for honor thereunder, or of time drafts, in each case in accordance with the terms thereof and when accompanied by the documents described or when such documents are presented, as the case may be, (ii) be denominated in Dollars and (iii) have an expiry date no later than six months from the date of issuance thereof or, if earlier, five Business Days prior to the Termination Date.

(b) Pursuant to the Existing Credit Agreement, Chemical, as Issuing Bank, has issued the Letters of Credit described in Schedule 3.1 (the "Existing Letters of Credit"). From and after the Closing Date, the Existing Letters of Credit shall for all purposes be deemed to be Letters of Credit outstanding under this Agreement.

3.2 Procedure for Issuance of Letters of Credit. The Borrower may from time to time request, upon at least three Business Days' notice, Chemical, as Issuing Bank, to issue a Letter of Credit by delivering to such Issuing Bank at its address specified in subsection 11.2 a Letter of Credit Application, completed to the satisfaction of such Issuing Bank, together with such other certificates, documents and other papers and information as such Issuing Bank may reasonably request. Upon receipt of any Letter of Credit Application from the Borrower, or, in the case of a Foreign Letter of Credit, from the Borrower and the Foreign Subsidiary that is an account party on such Letter of Credit, such Issuing Bank will promptly, but in no event later than five Business Days following receipt of such Letter of Credit Application, notify each Bank thereof. Upon receipt of any Letter of Credit Application, Chemical, as Issuing Bank, will process such Letter of Credit Application, and the other certificates, documents and other papers delivered in connection therewith, in accordance with its customary procedures and shall promptly issue such Letter of Credit (but in no event earlier than three Business Days after receipt by such Issuing Bank of the Letter of Credit Application relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof and by furnishing a copy thereof to the Borrower and the Participating Banks. In addition, the Borrower may from time to time agree with Issuing Banks other than Chemical upon procedures for issuance by such Issuing Banks of Letters of Credit and cause Letters of Credit to be issued by following such procedures. Such procedures shall be reasonably satisfactory to the Agent. Prior to the issuance of any Letter of Credit, the Issuing Bank

will confirm with the Agent that the issuance of such Letter of Credit is permitted pursuant to Section 3 and subsection 5.3. Additionally, each Issuing Bank and the Borrower shall inform the Agent of any modifications made to outstanding Letters of Credit, of any payments made with respect to such Letters of Credit, and of any other information regarding such Letters of Credit as may be reasonably requested by the Agent, in each case pursuant to procedures established by the Agent.

3.3 Participating Interests. In the case of each Existing Letter of Credit, effective on the Closing Date, and in the case of each Letter of Credit issued in accordance with the terms hereof on or after the Closing Date, effective as of the date of the issuance thereof, the Issuing Bank in respect of such Letter of Credit agrees to allot, and does allot, to each other Bank, and each such Bank severally and irrevocably agrees to take and does take, a Participating Interest in such Letter of Credit and the related Letter of Credit Application in a percentage equal to such Bank's Commitment Percentage. On the date that any Purchasing Bank becomes a party to this Agreement in accordance with subsection 11.6, Participating Interests in any outstanding Letter of Credit held by the Bank from which such Purchasing Bank acquired its interest hereunder shall be proportionately reallotted between such Purchasing Bank and such transferor Bank. Each Participating Bank hereby agrees that its obligation to participate in each Letter of Credit issued in accordance with the terms hereof and to pay or to reimburse the Issuing Bank in respect of such Letter of Credit for its participating share of the drafts drawn thereunder shall be irrevocable and unconditional; provided that no Participating Bank shall be liable for the payment of any amount under subsection 3.4(b) resulting solely from such Issuing Bank's gross negligence or willful misconduct.

3.4 Payments. (a) The Borrower agrees (and in the case of a Foreign Letter of Credit, such Foreign Subsidiary for whose account such Letter of Credit was issued shall also agree, jointly and severally) (i) to reimburse the Agent for the account of the relevant Issuing Bank, forthwith upon its demand and otherwise in accordance with the terms of the Letter of Credit Application, if any, relating thereto, for any payment made by such Issuing Bank under any Letter of Credit issued by such Issuing Bank for its account and (ii) to pay to the Agent for the account of such Issuing Bank, interest on any unreimbursed portion of any such payment from the date of such payment until reimbursement in full thereof at a fluctuating rate per annum equal to the rate then borne by ABR Loans pursuant to subsection 4.1(a) plus 2%.

(b) In the event that an Issuing Bank makes a payment under any Letter of Credit and is not reimbursed in full therefor, forthwith upon demand of such Issuing Bank, and otherwise in accordance with the terms hereof or of the Letter of Credit Application, if any, relating to such Letter of Credit,

such Issuing Bank will promptly through the Agent notify each Participating Bank that acquired its Participating Interest in such Letter of Credit from such Issuing Bank. No later than the close of business on the date such notice is given, each such Participating Bank will transfer to the Agent, for the account of such Issuing Bank, in immediately available funds, an amount equal to such Participating Bank's pro rata share of the unreimbursed portion of such payment. Upon its receipt from such Participating Bank of such amount, such Issuing Bank will, if so requested by such Participating Bank, complete, execute and deliver to such Participating Bank a Letter of Credit Participation Certificate dated the date of such receipt and in such amount.

(c) Whenever, at any time, after an Issuing Bank has made payment under a Letter of Credit and has received from any Participating Bank such Participating Bank's pro rata share of the unreimbursed portion of such payment, such Issuing Bank receives any reimbursement on account of such unreimbursed portion or any payment of interest on account thereof, such Issuing Bank will distribute to the Agent, for the account of such Participating Bank, its pro rata share thereof; provided, however, that in the event that the receipt by such Issuing Bank of such reimbursement or such payment of interest (as the case may be) is required to be returned, such Participating Bank will promptly return to the Agent, for the account of such Issuing Bank, any portion thereof previously distributed by such Issuing Bank to it.

3.5 Increased Costs. (a) In the event that any Requirement of Law (or any change therein or in the interpretation or application thereof) or compliance by any Bank or any corporation controlling a Bank with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority shall either (i) impose, modify or hold applicable any reserve, special deposit or similar requirement against letters of credit issued by an Issuing Bank or participated in by other Banks or (ii) impose upon an Issuing Bank or on any other Bank (or any corporation controlling any such Bank) any other condition regarding any Letter of Credit and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost to such Issuing Bank or any other Bank (or any corporation controlling any such Bank) of issuing or maintaining such Letter of Credit (or its participation therein, as the case may be), or to reduce any amount receivable in connection therewith then, in any such case the Borrower shall, without duplication of any amounts paid pursuant to subsection 2.12(a), promptly pay to such Issuing Bank or such other Bank, as the case may be, upon receipt of its demand setting forth in reasonable detail any additional amounts which shall be sufficient to compensate such Issuing Bank or such other Bank for such increased cost or reduced amount receivable, together with interest on each such amount from the date two Business Days after the date demanded until payment in full

thereof at the ABR. A certificate as to the fact and amount of such increased cost incurred by such Issuing Bank or such other Bank or such reduced amount receivable as a result of any event mentioned in clause (i) or (ii) above, submitted by such Issuing Bank or any such other Bank (through the Agent) to the Borrower, shall be conclusive in the absence of manifest error.

(b) In the event that an Issuing Bank shall have determined that the adoption of any law, rule, regulation or guideline regarding capital adequacy, or any change therein or in the interpretation or application thereof or compliance by such Issuing Bank or any corporation controlling such Issuing Bank with any request or directive regarding capital adequacy (whether or not having the force of law) from any central bank or Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline, does or shall have the effect of reducing the rate of return on such Issuing Bank's or such corporation's capital as a consequence of its obligations hereunder to a level below that which such Issuing Bank or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Issuing Bank's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Issuing Bank to be material, then from time to time, after submission by such Issuing Bank to the Borrower (with a copy to the Agent) of a written request therefor, the Borrower shall promptly pay to such Issuing Bank, without duplication of any amounts paid pursuant to subsection 2.12(b), such additional amount or amounts as will compensate such Issuing Bank for such reduction.

3.6 Further Assurances. (a) The Borrower hereby agrees, from time to time, to do and perform any and all acts and to execute any and all further instruments reasonably requested by an Issuing Bank more fully to effect the purposes of this Agreement and the issuance of the Letters of Credit opened hereunder.

(b) It is understood that in connection with Letters of Credit issued for the purposes described in subsection 3.9(b) it may be customary for the Issuing Bank in respect of such Letter of Credit to obtain an opinion of its counsel relating to such Letter of Credit, and each Issuing Bank that issues such a Letter of Credit agrees to cooperate with the Borrower in obtaining such customary opinion, which opinion shall be at the Borrower's expense unless otherwise agreed to by such Issuing Bank.

3.7 Obligations Absolute. The payment obligations of the Borrower under subsection 3.4 shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the following circumstances:

(a) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against any beneficiary, or any transferee, of any Letter of Credit (or any Persons for whom any such beneficiary or any such transferee may be acting), any Issuing Bank or any Participating Bank, or any other Person, whether in connection with this Agreement, the transactions contemplated herein, or any unrelated transaction;

(b) any statement or any other document presented under any Letter of Credit opened for its account proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(c) payment by an Issuing Bank under any Letter of Credit against presentation of a draft or certificate which does not comply with the terms of such Letter of Credit, except payment resulting solely from the gross negligence or willful misconduct of such Issuing Bank; or

(d) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing, except circumstances or happenings resulting from the gross negligence or willful misconduct of such Issuing Bank.

3.8 Letter of Credit Application. To the extent not inconsistent with the terms of this Agreement (in which case the provisions of this Agreement shall prevail), provisions of any Letter of Credit Application related to any Letter of Credit are supplemental to, and not in derogation of, any rights and remedies of the Issuing Banks and the Participating Banks under this Section 3 and applicable law. The Borrower acknowledges and agrees that all rights of the Issuing Bank under any Letter of Credit Application shall inure to the benefit of each Participating Bank to the extent of its Commitment Percentage as fully as if such Participating Bank was a party to such Letter of Credit Application.

3.9 Purpose of Letters of Credit. Each Standby Letter of Credit shall be used by the Borrower solely (a) to provide credit support for borrowings by the Borrower or its Subsidiaries, (b) to pay or secure the payment of the principal amount of, and accrued interest on, and other obligations with respect to, Industrial Revenue Bonds in accordance with the provisions of the indenture related thereto, or (c) for other working capital purposes of the Borrower and Subsidiaries in the ordinary course of business. Each Commercial Letter of Credit will be used by the Borrower and Subsidiaries solely to provide the primary means of payment in connection with the purchase of goods or services by the Borrower and Subsidiaries in the ordinary course of business.

SECTION 4. INTEREST RATE PROVISIONS, FEES AND PAYMENTS

4.1 Interest Rates and Payment Dates. (a) Each ABR Loan shall bear interest for the period from and including the date thereof until maturity, repayment or conversion on the unpaid principal amount thereof at a rate per annum equal to the ABR.

(b) Each Eurodollar Loan shall bear interest for each Interest Period with respect thereto on the unpaid principal amount thereof at a rate per annum equal to the Eurodollar Rate determined for such Interest Period plus the Applicable Margin.

(c) If all or a portion of the principal amount of any of the Loans shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), each Eurodollar Loan shall be converted to an ABR Loan at the end of the last Interest Period therefor for which the Agent shall have determined a Eurodollar Rate on or prior to the date such unpaid principal amount became due. If all or a portion of the principal amount of any of the Loans shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all Loans shall bear interest while such principal amount is in default at a rate per annum equal to the interest rate then borne by each such Loan under subsection 4.1(a) or 4.1(b), as applicable, plus 2%. Any overdue fees payable hereunder shall bear interest from the due date thereof until payment in full thereof (as well after judgment as before judgment) at a rate per annum equal to the interest rate then borne by ABR Loans plus 2%.

(d) Interest payable under subsection 4.1(a) or 4.1(b) shall be payable in arrears on each Interest Payment Date, commencing on the first such date to occur after the Closing Date. Interest payable under subsection 4.1(c) shall be payable on demand.

4.2 Commitment Fees. The Borrower agrees to pay to the Agent, for the account of each Bank, a commitment fee for the period from and including the Closing Date to the Termination Date calculated on the average daily Available Commitment of such Bank for each day during the period for which such commitment fee is being paid, at the rate per annum set forth below opposite the Coverage Ratio most recently determined:

Level of Coverage Ratio	Commitment Fee Rate
Level I:	
Coverage Ratio is less than 3.25 to 1	0 .375%

Level II:	
Coverage Ratio is equal to or greater than 3.25 to 1 but less than 4.0 to 1	0 .250%
Level III:	
Coverage Ratio is equal to or greater than 4.0 to 1 but less than 5.0 to 1	0 .250%
Level IV	
Coverage Ratio is greater than or equal to 5.0 to 1	0.200%;

provided that (a) the commitment fee rate shall be that set forth above opposite Level II from the Closing Date until the earlier of (i) the Adjustment Date occurring after the first full fiscal quarter following the fiscal quarter in which the Closing Date occurs and (ii) any Equity Closing Date, (b) the commitment fee rate determined for any Adjustment Date shall remain in effect until a subsequent Adjustment Date for which the Coverage Ratio falls within a different Level and (c) if the financial statements and related compliance certificate for any fiscal period are not delivered by the date due pursuant to subsections 7.1 and 7.2(b), the commitment fee rate shall be (i) for the first 5 days subsequent to such due date, that in effect on the day prior to such due date, and (ii) thereafter, that set forth above opposite Level I, in either case, until the subsequent Adjustment Date. Such fee shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on September 30, 1995 and on the Termination Date.

4.3 Agent's Fees. The Borrower agrees to pay to the Agent, for its own account and for the account of Chemical Securities Inc., any fees as agreed between Chemical and the Borrower in writing from time to time.

4.4 Letter of Credit Fees. (a) In lieu of any letter of credit commissions and fees provided for in any Letter of Credit Application (other than any standard issuance, amendment and negotiation fees), the Borrower will pay the Agent, (i) for the account of the Issuing Bank, a non-refundable fronting fee equal to 0.25% per annum and (ii) for the account of the Banks, a non-refundable Letter of Credit fee equal to the Applicable Margin with respect to Eurodollar Loans less 0.25%, in each case on the amount available to be drawn under such Letter of Credit. Such fee shall be payable quarterly in arrears on the last Business Day of each calendar quarter, and shall be calculated on the average daily amount available to be drawn under the Letters of Credit.

(b) The Borrower agrees to pay the Issuing Bank for its own account its customary administration, amendment, transfer and negotiation fees charged by the Issuing Bank in connection with its issuance and administration of Letters of Credit.

4.5 Computation of Interest and Fees. (a) Interest on the Loans (other than interest calculated on the basis of the Prime Rate (as defined in the definition of ABR)) and all fees payable pursuant hereto shall be calculated on the basis of a 360 day year for the actual days elapsed. Interest calculated on the basis of the Prime Rate shall be calculated on the basis of a 365- or 366- (as the case may be) day year for the actual days elapsed. The Agent shall as soon as practicable notify the Borrower and the Banks of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR, the Eurocurrency Reserve Requirements or the Applicable Margin shall become effective as of the opening of business on the day on which such change in the ABR is announced, such change in the Eurocurrency Reserve Requirements shall become effective or such change in the Applicable Margin occurs, as the case may be. The Agent shall as soon as practicable notify the Borrower and the Banks of the effective date and the amount of each such change. For purposes of the Interest Act (Canada), where, in respect of any Loan, (i) a rate of interest is to be calculated on the basis of a year of 360 days, the yearly rate of interest to which the 360 day rate is equivalent is such rate multiplied by the number of days in the year for which such calculation is made and divided by 360, or (ii) an annual rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

(b) Each determination of an interest rate by the Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Banks in the absence of manifest error. The Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Agent in determining any interest rate pursuant to subsection 4.1(b).

(c) If any Reference Bank's Commitments shall terminate (otherwise than on termination of all the Commitments), or all of its Loans shall be assigned for any reason whatsoever, such Reference Bank shall thereupon cease to be a Reference Bank, and if, as a result of the foregoing, there shall only be one Reference Bank remaining, then the Agent (after consultation with the Borrower and the Banks) shall, by notice to the Borrower and the Banks, designate another Bank as a Reference Bank so that there shall at all times be at least two Reference Banks.

(d) Each Reference Bank shall use its best efforts to furnish quotations of rates to the Agent as contemplated hereby. If any of the Reference Banks shall be unable or otherwise fails to supply such rates to the Agent upon its request, the rate of

interest shall be determined on the basis of the quotations of the remaining Reference Banks or Reference Bank.

4.6 Pro Rata Treatment and Payments. Each borrowing by the Borrower hereunder (other than pursuant to subsection 2.4(a)), each conversion or continuation of a Loan under subsection 2.6, each payment (including each prepayment) by the Borrower on account of principal, interest and fees hereunder (except fees referred to in subsections 4.3, 4.4(a)(i) and 4.4(b) and except for payments in respect of Swing Line Loans) and any reduction of the Commitments shall be made pro rata according to the respective Commitment Percentages of the Banks. All payments (including prepayments) to be made by the Borrower on account of principal, interest and fees shall be made without set off or counterclaim and shall be made to the Agent, for the account of the Banks (except with respect to the fees referred to in subsections 4.3, 4.4(a)(i) and 4.4(b) and except for payments in respect of Swing Line Loans), at the Agent's office set forth in subsection 11.2, in each case on or prior to 12:00 P.M., New York City time, in lawful money of the United States of America and in immediately available funds. The Agent shall promptly distribute each such payment to each Bank. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Working Day, the maturity thereof shall be extended to the next succeeding Working Day unless the result of such extension would be to extend such payment into another calendar month in which event such payment shall be made on the immediately preceding Working Day.

4.7 Failure by Banks to Make Funds Available. Unless the Agent shall have been notified in writing by any Bank prior to a Borrowing Date that such Bank will not make the amount which would constitute its Commitment Percentage of the borrowing on such Borrowing Date available to the Agent, the Agent may assume that such Bank has made such amount available to the Agent on such Borrowing Date in accordance with subsection 2.3 or 2.4, as the case may be, and the Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is made available to the Agent on a date after such Borrowing Date, such Bank shall pay to the Agent on demand an amount equal to the product of (a) the daily average Federal funds rate during such period as quoted by the Agent, times (b) the amount of such Bank's Commitment Percentage of such borrowing, times (c) a fraction the numerator of which is the number of days that elapse from and including such Borrowing Date to the date on which such Bank's Commitment Percentage of such borrowing shall have become immediately available to the Agent and the denominator of which is 360. A certificate of the Agent submitted to any Bank with respect to any amounts owing under

this subsection 4.7 shall be conclusive, absent manifest error. If such Bank's Commitment Percentage of such borrowing is not in fact made available to the Agent by such Bank within three Business Days of such Borrowing Date, the Agent shall be entitled to recover from the Borrower such amount, on demand, with interest thereon at the rate applicable to the Loans made on such Borrowing Date. Nothing herein shall be deemed to relieve any Bank from its obligation to fulfill its Commitment hereunder or to prejudice any rights which the Borrower may have against such Bank as a result of any default by such Bank hereunder.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Closing Date. The Closing Date shall occur on the date of satisfaction of the following conditions precedent:

(a) Agreement; Notes. The Agent shall have received (i) a counterpart of this Agreement for each Bank, duly executed by a Responsible Officer of the Borrower and (ii) for each Bank, a Revolving Credit Note (and, in the case of Chemical, a Swing Line Note) conforming to the requirements hereof, duly executed by a Responsible Officer of the Borrower.

(b) Subsidiary Guarantee. The Agent shall have received, with a counterpart for each Bank, the Subsidiary Guarantee duly executed by each guarantor party thereto.

(c) Security Agreements. The Agent shall have received, with a counterpart for each Bank, each of the Security Agreements duly executed by each grantor party thereto.

(d) Pledge Agreements. The Agent shall have received, with a counterpart for each Bank, each of the Pledge Agreements duly executed by each pledgor party thereto.

(e) Pledged Stock; Stock Powers. The Agent shall have received the certificates representing the shares pledged pursuant to each of the Pledge Agreements, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(f) Mortgages. The Agent shall have received, with a counterpart for each Bank, each of the Mortgages duly executed by each mortgagor party thereto.

(g) Perfection Actions. The Agent shall have received evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions, including, without limitation, the filing of duly executed financing statements on form UCC-1, necessary or, in the

opinion of the Agent, desirable to perfect the Liens created by the Security Documents shall have been completed.

(h) Title Reports. The Agent shall have received in respect of each parcel covered by each Mortgage a title report from a Person satisfactory to the Agent demonstrating that after release of the mortgages (the "Original Mortgages") securing the Existing Credit Agreement and the recordation of the Mortgages immediately after such release, the Mortgages will constitute first mortgage liens on the parcels covered thereby subject only to the exceptions described in the title insurance policies issued in respect of the Original Mortgages and others acceptable to the Agent.

(i) Flood Insurance. The Agent shall have received in respect of each parcel covered by each Mortgage a certificate from Transamerica Flood Certificate Service certifying that no parcel covered by a Mortgage is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968.

(j) Lien Searches. The Agent shall have received the results of a recent search by a Person satisfactory to the Agent, of the Uniform Commercial Code, judgement and tax lien filings which may have been filed with respect to personal property of the Borrower, and the results of such search shall be reasonably satisfactory to the Agent.

(k) Consents. The Agent shall have received, with copies and executed certificates for each Bank, true and correct copies (in each case certified as to authenticity on such date by a duly authorized officer of the Borrower) of all documents and instruments, including all consents, authorizations and filings, required under any Requirement of Law or by Contractual Obligation of Borrower or any of its Subsidiaries, in connection with the execution, delivery, performance, validity and enforceability of this Agreement and the other Loan Documents, and such consents, authorizations and filings shall be satisfactory in form and substance to the Banks and be in full force and effect.

(l) Incumbency Certificates. The Agent shall have received, with a counterpart for each Bank, a certificate of the Secretary or Assistant Secretary of each Domestic Loan Party, dated the Closing Date, as to the incumbency and signature of their respective officers executing each Loan Document to be entered into on the Closing Date to which it is a party, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary.

(m) Corporate Proceedings. The Agent shall have received, with a counterpart for each Bank, a copy of the resolutions in form and substance satisfactory to the Agent, of the Board of Directors (or the executive committee thereof) of each Domestic Loan Party authorizing (i) the execution, delivery and performance of each Loan Document to be entered into on the Closing Date to which it is a party, and (ii) the granting by it of the pledge and security interests, if any, granted by it pursuant to such Loan Document, certified by their respective Secretary or an Assistant Secretary as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

(n) Fees. The Agent shall have received all fees required to be paid to the Agent and/or the Banks pursuant to Section 4 and/or any other written agreement on or prior to the Closing Date.

(o) Legal Opinion of Counsel to Borrower. The Agent shall have received, with a copy for each Bank, an opinion, dated the Closing Date, of (i) Winston & Strawn, counsel to the Borrower and its Subsidiaries, (ii) Michigan counsel to the Borrower and its Subsidiaries, acceptable to the Agent, (iii) Wisconsin counsel to the Borrower and its Subsidiaries acceptable to the Agent and (iv) Tennessee counsel to the Borrower and its Subsidiaries acceptable to the Agent, in each case in form and substance satisfactory to the Banks and covering such matters incident to the transactions contemplated hereby as the Banks may reasonably require.

(p) Legal Opinions of Foreign Counsel. The Agent shall have received or waived as a condition precedent, with a counterpart for each Bank, an opinion of Stikeman, Elliott, Canadian counsel to the Borrower, Blake, Cassels & Graydon, Canadian counsel to the Agent, Baker & McKenzie, Swedish counsel to the Borrower, Freshfields, French counsel to the Agent, Peltzer & Riesenkampff, German counsel to the Borrower, Enriquez, Gonzales, Aguirre y Ochoa, Mexican counsel to the Borrower, and Clifford Chance, English counsel to the Agent in form and substance satisfactory to the Agent and covering such matters incident to the transactions contemplated hereby as the Agent may reasonably require.

(q) Subordinated Debt Documents; Other Agreements. The Agent shall have received, with a counterpart for each Bank, a certified true copy of the Subordinated Note Indenture, the Senior Subordinated Note Indenture, the Stockholders Agreement, the Subscription Agreements and the Purchase Agreement.

(r) Existing Credit Agreement. The Agent shall have received evidence that the Existing Credit Agreement shall have been terminated (other than those obligations which, by their terms, survive termination) and all amounts payable thereunder shall have been paid (other than obligations in respect of Existing Letters of Credit, which become outstanding under this Agreement).

(s) Environmental Report. The Agent shall have received, with a counterpart for each Bank, complete copies of each of the written reports obtained by or on behalf of the Borrower from AIHI and/or its Subsidiaries reasonably satisfactory to the Agent.

(t) Minimum Share Amount. The Agent shall have received evidence that Acquisition Corp. shall have acquired concurrently with the initial Loans on the Closing Date not less than a majority, on a fully diluted basis, of the AIHI Shares and there shall not have been any material change in the number of AIHI Shares outstanding (on a fully diluted basis) since July 7, 1995.

(u) Offer to Purchase. The Tender Offer transactions shall have been consummated (prior to or concurrently with the initial Loans on the Closing Date) pursuant to the terms and conditions of the Offer to Purchase, and none of the material terms or conditions of the Tender Offer shall have been waived or modified (except with the consent of the Agent and the Required Banks).

(v) Merger Agreement. The Merger Agreement shall be in full force and effect and the Agent shall have received, in sufficient copies for each Bank, a certified complete copy of the Merger Agreement.

(w) Margin Regulations. All Loans made under this Agreement shall be in full compliance with all applicable requirements of law, including, without limitation, Regulations G, T, U and X, and the Agent shall have received, for each Bank, a properly completed and duly executed Form FR U-1 and Form FR G-3, as applicable.

(x) Acquisition Pledge Agreement; Depositary Agency Agreement. The Agent shall have received the Acquisition Pledge Agreement, duly executed by each of the parties thereto and the Depositary Agency Agreement, duly executed by the Depositary, the Borrower and Acquisition Corp., and there shall have been delivered to the Agent or the Depositary:

(i) certificates representing the Initially Pledged Stock (as such term is defined in the Acquisition Pledge Agreement) (other than any such Initially Pledged Stock constituting Book-Entry Shares

(as defined in the Acquisition Pledge Agreement) that has been transferred into an account of Chemical, for the benefit of the Agent, with the Clearing Corporation (as defined in the Acquisition Pledge Agreement) in accordance with Section 4(b) of the Acquisition Pledge Agreement);

(ii) an undated stock power for each such certificate executed in blank; and

(iii) with respect to Initially Pledged Stock consisting of Book-Entry Shares, evidence that all actions described in Section 3(b) of the Acquisition Pledge Agreement which are necessary to create and perfect the security interests pursuant to the Acquisition Pledge Agreement in accordance with Article 8 of the Uniform Commercial Code have been taken.

The Initially Pledged Stock under the Acquisition Pledge Agreement shall constitute all of the AIHI Shares acquired in the Tender Offer or through the Tender Offer Documents or otherwise owned by the Borrower and its Subsidiaries.

(y) Representations and Warranties. The representations and warranties made by each of the Loan Parties in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the Closing Date as if made on and as of the Closing Date.

(aa) Additional Matters. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by the Loan Documents shall be reasonably satisfactory in form and substance to the Agent.

5.2 Conditions to Loans to Be Made on the Merger Date. The obligation of each Bank to make any Loan requested to be made by it on the Merger Date to fund the payment of the Merger Consideration (as defined in the Merger Agreement) is subject to the satisfaction of the following conditions precedent:

(a) Subsection 5.1 Conditions Satisfied. Each of the conditions precedent listed in subsection 5.1 shall have been satisfied or waived in accordance with this Agreement.

(b) Merger. The Agent shall be reasonably satisfied that all transactions in connection with the Merger have been consummated under the terms and conditions of the Merger Agreement and in compliance with all relevant laws and regulations and that the Merger has become effective.

(c) Approvals. Prior to or concurrently with the making of the Loans to be made on the Merger Date, all

conditions set forth in Section 9.01 of the Merger Agreement shall have been satisfied.

(d) Legal Opinion. The Agent shall have received, in sufficient copies for each Bank, opinions of counsel to the Borrower and Acquisition Corp. reasonably satisfactory to the Agent, addressed to the Agent and the Banks, containing opinions substantially in the form of Exhibit L-2, with customary assumptions, qualifications and exceptions.

5.3 Conditions to Each Loan and Each Letter of Credit. The agreement of each Bank to make any Loan requested to be made by it on any date (including, without limitation, the Closing Date) and the agreement of the Issuing Bank to open any Letter of Credit requested to be opened on any date (including, without limitation, the Closing Date), is subject to the satisfaction of the following conditions precedent as of the date such Loan or Letter of Credit is requested to be made or opened:

(a) Representations and Warranties. Each of the representations and warranties made by each of the Loan Parties in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Loans or the Letters of Credit requested to be made or opened, as the case may be, on such date.

(c) No Litigation. No material litigation, investigation or proceeding before or by any arbitrator or Governmental Authority shall be continuing or threatened against Borrower, any Subsidiary or any of the officers or directors of any thereof in connection with any Loan Document or any of the transactions contemplated hereby or thereby.

(d) No Violations of Law. The Loans and the use of proceeds thereof shall not contravene, violate or conflict with, nor involve any Bank in a violation of, any law, rule, injunction, or regulation or determination of any court of law or other Governmental Authority.

(e) No Change. Since the Closing Date, there shall have been no material adverse change in the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole.

(f) Borrowing Certificate. The Agent shall have received, with a copy for each Bank, a certificate of the Borrower, substantially in the form of Exhibit I, dated such Borrowing Date and executed and delivered by a Responsible Officer of the Borrower.

Each borrowing by the Borrower hereunder and each request for issuance of a Letter of Credit shall constitute a representation and warranty by the Borrower as of the date of such borrowing that the conditions contained in this subsection 5.3 have been satisfied.

SECTION 6. REPRESENTATIONS AND WARRANTIES

To induce the Banks to enter into this Agreement and to make the Loans, and to induce the Issuing Bank to issue Letters of Credit, the Borrower hereby represents and warrants to the Agent and to each Bank that:

6.1 Financial Statements. The audited consolidated balance sheets of the Borrower as of December 31, 1994 and the related statements of income and cash flow for the period ending on such date, heretofore furnished to the Agent and the Banks and certified by a Responsible Officer of the Borrower are complete and correct in all material respects and fairly present the financial condition of the Borrower on such date in conformity with GAAP applied on a consistent basis (subject to normal year-end adjustments). All liabilities, direct and contingent, of the Borrower on such dates required to be disclosed pursuant to GAAP are disclosed in such financial statements.

6.2 No Change. There has been no material adverse change in the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole from that reflected on the financial statements dated December 31, 1994 referred to in subsection 6.1.

6.3 Corporate Existence; Compliance with Law. The Borrower and each of its Material Subsidiaries (a) is duly organized, validly existing and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of the jurisdiction of its organization, (b) has the corporate power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing (or the functional equivalent thereof in the case of Foreign Subsidiaries) under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification except where the failure to be so qualified and in good standing would not, individually or in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole and would not adversely affect the ability of any Loan Party to perform its respective obligations under the Loan Documents to which it is a party and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not, individually or in the

aggregate, have a material adverse effect on the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole and could not adversely affect the ability of any Loan Party to perform its obligations under the Loan Documents to which it is a party.

6.4 Corporate Power; Authorization; Enforceable Obligations. (a) Each Loan Party has the corporate power and authority, and the legal right, to execute, deliver and perform each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party. The Borrower has the corporate power and authority to borrow hereunder and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of this Agreement and the Notes. Each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of each of the Loan Documents to which it is a party or to which this Agreement requires it to become a party.

(b) No consent or authorization of, filing with or other act by or in respect of any Person (including, without limitation, any Governmental Authority) is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Loan Documents or the consummation of any of the transactions contemplated hereby or thereby, except for consents, authorizations, or filings which have been obtained and are in full force and effect.

(c) This Agreement and each other Loan Document to which any Loan Party is a party has been, and each other Loan Document to be executed by a Loan Party hereunder will be, duly executed and delivered on behalf of such Loan Party. This Agreement and each other Loan Document to which any Loan Party is a party constitutes, and each other Loan Document to be executed by a Loan Party hereunder will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

6.5 No Legal Bar; Senior Debt. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party, the borrowings hereunder and the use of the proceeds thereof, (a) will not violate any Requirement of Law or any Contractual Obligation of the Borrower or any other Loan Party (including, without limitation, the Senior Subordinated Note Indenture and the Subordinated Note Indenture) except for violations of Requirements of Law and Contractual Obligations (other than such Indentures) which, individually or in the aggregate will not have a material adverse effect on the business, operations, property or financial or other condition of

the Borrower and its Subsidiaries taken as a whole and will not adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party and (b) will not result in, or require, the creation or imposition of any Lien (other than the Liens created by the Security Documents) on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation. The Obligations constitute "Senior Indebtedness" benefitting from the subordination provisions contained in the Subordinated Debt, except to the extent that such Obligations are owed to an Affiliate of the Borrower.

6.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of the Borrower, threatened by or against the Borrower or any of its Subsidiaries or against any of its or their respective properties or revenues (a) with respect to any Loan Document or any of the transactions contemplated hereby or thereby, (b) which, if adversely determined, would have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole or (c) which could adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party.

6.7 No Default. Neither the Borrower nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation or any order, award or decree of any Governmental Authority or arbitrator binding upon it or any of its properties in any respect which would have a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole or which would adversely affect the ability of any Loan Party to perform its obligations under any of the Loan Documents to which it is a party. No Default or Event of Default has occurred and is continuing.

6.8 Ownership of Property; Liens. The Borrower and each of its Material Subsidiaries has good record and marketable title in fee simple to, or a valid and subsisting leasehold interest in all its real property, and good title to all its other property, and none of such property is subject to any Lien, except as permitted in subsection 8.3.

6.9 No Burdensome Restrictions. No Contractual Obligation of the Borrower or any of its Subsidiaries and no Requirement of Law materially adversely affects, or insofar as the Borrower could reasonably foresee may so affect, the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole.

6.10 Taxes. The Borrower and each of its Material Subsidiaries has filed or caused to be filed all tax returns

which to the knowledge of the Borrower are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property (including, without limitation, the Mortgaged Properties) by any Governmental Authority (other than those which, in the aggregate, are not substantial in amount or those the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the Borrower or its Subsidiaries, as the case may be); and no tax lien has been filed and, to the knowledge of the Borrower, no claim is being asserted with respect to any such tax, fee or other charge.

6.11 Securities Law, etc. Compliance. All transactions contemplated by this Agreement and the other Loan Documents comply in all material respects with all applicable laws and any rules and regulations thereunder, including takeover, disclosure and other federal, state and foreign securities law and Regulations G, T, U and X of the Federal Reserve Board.

6.12 ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Plan, and each Plan has complied in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred and no Lien under the Code or ERISA in favor of PBGC or a Single Employer Plan has arisen during the five-year period prior to the date as of which this representation is deemed made. The present value of all accrued benefits under each Single Employer Plan maintained by the Borrower or any Commonly Controlled Entity (based on those assumptions used to fund the Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits, either individually or in the aggregate with all other Single Employer Plans under which such accrued benefits exceed such assets, by more than $20,000,000. Neither the Borrower nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan, and neither the Borrower nor any Commonly Controlled Entity would become subject to liability under ERISA in the aggregate which exceeds $20,000,000 if the Borrower or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date hereof, and no such withdrawal is likely to occur. No such Multiemployer Plan is in Reorganization or Insolvent. The present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the

Borrower and each Commonly Controlled Entity for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) does not, in the aggregate, exceed the assets under all such Plans allocable to such benefits by an amount in excess of $75,000,000.

6.13 Investment Company Act; Other Regulations. The Borrower is not an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Borrower is not subject to regulation under any federal or state statute or regulation which limits its ability to incur Indebtedness.

6.14 Subsidiaries, etc. The only Subsidiaries of the Borrower, and the only partnerships, joint ventures or business trusts in which the Borrower or any Subsidiary has an interest as of the Closing Date, are those listed on Schedule 6.14. The Borrower owns, as of the Closing Date, the percentage of the issued and outstanding capital stock or other evidences of the ownership of each Subsidiary, partnership or joint venture listed on Schedule 6.14 as set forth on such Schedule. No such Subsidiary, partnership or joint venture has issued any securities convertible into shares of its capital stock (or other evidence of ownership) or any options, warrants or other rights (other than options, warrants or rights to purchase capital stock of AIHI which are outstanding on the date hereof and will be redeemed or otherwise terminated no later than the Merger Date and certain preferred stock of AIHI which may remain outstanding after the Merger Date and will be redeemed for an amount not exceeding $8,000,000 in the aggregate), to acquire such shares or securities convertible into such shares (or other evidence of ownership), and the outstanding stock and securities (or other evidence of ownership) of such Subsidiaries, partnerships or joint ventures are owned by the Borrower and its Subsidiaries free and clear of all Liens, warrants, options or rights of others of any kind whatsoever except for Liens permitted by subsection 8.3. All of the divisions of the Borrower and its Subsidiaries as of the Closing Date are listed on Schedule 6.14.

6.15 Accuracy and Completeness of Information. All information, reports and other papers and data with respect to the Borrower or this Agreement or any transaction contemplated hereby furnished to the Banks by the Borrower or on behalf of the Borrower, were, at the time the same were so furnished, complete and correct in all material respects, or have been subsequently supplemented by other information, reports or other papers or data, to the extent necessary to give the Banks a true and accurate knowledge of the subject matter in all material respects. All projections with respect to the Borrower and its Subsidiaries or with respect to the Merger, so furnished by the Borrower, as supplemented, were prepared and presented in good faith by the Borrower, it being recognized by the Banks that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any

such projections may differ from the projected results. No fact is known to the Borrower which materially and adversely affects or in the future may (so far as the Borrower can reasonably foresee) materially and adversely affect the business, assets, liabilities, financial or other condition or prospects of the Borrower or its Subsidiaries taken as a whole, which has not been set forth in the financial statements referred to in subsection 6.1 or in such information, reports, papers and data or otherwise disclosed in writing to the Banks prior to the Closing Date. No document furnished or statement made in writing to the Banks by the Borrower in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a material fact, or, to the knowledge of the Borrower after due inquiry, omits to state any such material fact necessary in order to make the statements contained therein not misleading, in either case which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to the Banks.

6.16 Security Documents. (a) Each Security Agreement is effective to create in favor of the Agent, for the ratable benefit of the Banks, a legal, valid and enforceable security interest in all right, title and interest of the Loan Party thereto in the collateral described therein. Such Security Agreement constitutes a fully perfected first Lien on, and security interest in, all right, title and interest of such Loan Party in the collateral described therein.

(b) Each Pledge Agreement is effective to create in favor of the Agent, for the ratable benefit of the Banks, a legal, valid and enforceable security interest in the pledged assets described therein. Such Pledge Agreement constitutes a fully perfected first Lien on, and security interest in, all right, title and interest of the Loan Party thereto in the pledged assets described therein.

(c) Each Mortgage is effective to grant to the Agent, for the ratable benefit of the Banks, a legal, valid and enforceable mortgage lien on all of the right, title and interest of the Loan Party thereto in the mortgaged property described therein. Upon recordation of each Mortgage in the recording office specified therein and the release of the related Original Mortgage, such Mortgage will constitute a fully perfected lien on and security interest in, such mortgaged property, subject to the encumbrances and exceptions to title set forth in the title policies or title reports previously delivered to the Agent.

6.17 Patents, Copyrights, Permits and Trademarks. Each of the Borrower and its Subsidiaries owns, or has a valid license or sub-license in, all domestic and foreign letters patent, patents, patent applications, patent and know-how licenses, inventions, technology, permits, trademark registrations and applications, trademarks, trade names, trade secrets, service marks, copyrights, product designs,

applications, formulae, processes and the industrial property rights ("Proprietary Rights") used in the operation of its businesses in the manner in which they are currently being conducted and which are material to the business, operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole. Neither the Borrower nor any of its Subsidiaries is aware of any existing or threatened infringement or misappropriation of any Proprietary Rights of others by the Borrower or any of its Subsidiaries or of any Proprietary Rights of the Borrower or any of its Subsidiaries by others which is material to the business operations, assets or financial or other condition of the Borrower and its Subsidiaries taken as a whole.

6.18 Environmental Matters. Except as disclosed in Schedule 6.18, and other than such exceptions to any of the following that would not reasonably be expected to give rise to a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole, (a) with respect to the Mortgaged Properties:

(i) Except for the property referred to in subsection 7.10(c), the Mortgaged Properties constitute all of the real properties owned in fee by the Borrower and its Subsidiaries in the United States and required to be mortgaged to the Agent, for the ratable benefit of the Banks.

(ii) To the best knowledge of the Borrower and its Subsidiaries, after reasonable investigation consisting of reasonable environmental compliance, review, monitoring, and remedial activities conducted at the individual manufacturing, warehouse, or production facility level, with all information relating to environmental matters arising at such facilities being sent to the corporate officers of the Borrower from such manufacturing, warehouse or production facilities of any Subsidiary, the Mortgaged Properties do not contain, and have not previously contained, any Hazardous Materials in amounts or concentrations or under such conditions which (A) constitute a violation of, or (B) could reasonably give rise to any liability under any applicable Environmental Laws.

(iii) To the best knowledge of the Borrower and its Subsidiaries, after reasonable investigation consisting of reasonable environmental compliance, review, monitoring, and remedial activities conducted at the individual manufacturing, warehouse, or production facility level, with all information relating to environmental matters arising at such facilities being sent to the corporate officers of the Borrower from such manufacturing, warehouse or production facilities of any Subsidiary, the Mortgaged Properties and all operations at the Mortgaged Properties are in compliance, and have been in compliance for the time period that each of the Mortgaged Properties has been owned by the

Borrower or its Subsidiaries, with all Environmental Laws, and there is no contamination at, on or under the Mortgaged Properties, or violation of any Environmental Laws with respect to the Mortgaged Properties which could interfere with the continued operation of the Mortgaged Properties or impair the fair saleable value thereof. Neither the Borrower nor any Subsidiary has knowingly assumed any liability, by contract or otherwise, of any person under any Environmental Laws, other than in connection with the Tender Offer and the Merger.

(iv) Neither the Borrower nor any of its Subsidiaries has received any Environmental Complaint with regard to any of the Mortgaged Properties or the operations of the Borrower or any of its Subsidiaries, nor does the Borrower or any of its Subsidiaries have knowledge or reason to believe that any such notice will be received or is being threatened.

(v) To the best knowledge of the Borrower and its Subsidiaries, based on the Borrower's and the Subsidiaries' customary practice of contracting only with licensed haulers for removal of Hazardous Materials from the Mortgaged Properties only to facilities authorized to receive such Hazardous Materials, Hazardous Materials have not been transported or disposed of from the Mortgaged Properties in violation of, or in a manner or to a location which could reasonably give rise to liability under, Environmental Laws, nor have any Hazardous Materials been generated, treated, stored or disposed of at, on or under any of the Mortgaged Properties in violation of, or in a manner that could reasonably give rise to liability under any Environmental Laws.

(vi) No judicial proceedings or governmental or administrative action is pending, or, to the knowledge of the Borrower and its Subsidiaries, threatened, under any Environmental Law to which the Borrower and its Subsidiaries are or will be named as a party with respect to the Mortgaged Properties, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Mortgaged Properties.

(vii) To the best knowledge of the Borrower and its Subsidiaries after reasonable investigation, consisting of reasonable environmental compliance, review, monitoring, and remedial activities conducted at the individual manufacturing, warehouse, or production facility level, with all information relating to environmental matters arising at such facilities being sent to the corporate officers of the Borrower from such manufacturing, warehouse or production facilities of any Subsidiary, there has been no release or

threat of release of Hazardous Materials at or from the Mortgaged Properties, or arising from or related to the operations of the Borrower or its Subsidiaries in connection with the Mortgaged Properties in violation of or in amounts or in a manner that could reasonably give rise to liability under any Environmental Laws.

(b) To the best knowledge of the Borrower and its Subsidiaries, after reasonable investigation: (i) with respect to each parcel of real property owned or operated by the Borrower and its Subsidiaries (other than the Mortgaged Properties), each of the representations and warranties set forth in subsection 6.18(a)(ii) through (a)(vii) is true and correct; and (ii) none of the present or former operations or properties of AIHI or any of its Subsidiaries or Hazardous Materials attributed thereto regardless of where located, is reasonably likely to give rise to any violation of or liability under any Environmental Law.

6.19 Acquisition Documents. Each Acquisition Document to which the Borrower or any of its Subsidiaries is a party has been duly executed and delivered by the Borrower or such Subsidiary, as the case may be, and to the best knowledge of the Borrower, each Acquisition Document has been duly executed and delivered by the parties thereto other than the Borrower and its Subsidiaries and is in full force and effect. The representations and warranties of the Borrower and each of its Subsidiaries contained in each Acquisition Document to which the Borrower or such Subsidiary, as the case may be, is a party are true and correct in all material respects on the date hereof and will be true and correct in all material respects on the date hereof, the Closing Date and the Merger Date, and the Agent and each Bank shall be entitled to rely upon such representations and warranties with the same force and effect as if they were incorporated in this Agreement and made to each Bank directly as of the date hereof, the Closing Date and the Merger Date. To the best knowledge of the Borrower and each of its Subsidiaries, the representations and warranties of each other party to each Acquisition Document contained therein are true and correct in all material respects on the date hereof and on the Closing Date as if made on and as of the date hereof and the Closing Date, such knowledge qualification being given only with respect to parties to the Acquisition Documents other than the Borrower and its Subsidiaries. To the best knowledge of the Borrower and each of its Subsidiaries, none of the Tender Offer Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

6.20 Regulation H. No Mortgage encumbers improved real property which is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance

has been made available under the National Flood Insurance Act of 1968.

SECTION 7. AFFIRMATIVE COVENANTS

The Borrower hereby agrees that, so long as the Commitments remain in effect, any Note or Letter of Credit remains outstanding or any other amount is owing to any Bank or the Agent hereunder, the Borrower shall, and (except in the case of delivery of financial information, reports and notices) shall cause each of its Subsidiaries to:

7.1 Financial Statements. Furnish to each Bank:

(a) as soon as available, but in any event within 95 days after the end of each fiscal year of the Borrower a copy of the audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at the end of such year and the related consolidated statements of income and cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 50 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower the unaudited consolidated and consolidating balance sheet of the Borrower and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited consolidated and consolidating statements of income and cash flows of the Borrower and their consolidated Subsidiaries for such quarter and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the corresponding quarterly period of the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments).

The Borrower covenants and agrees that all such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

7.2 Certificates; Other Information. Furnish to each Bank:

(a) concurrently with the delivery of the financial statements referred to in subsection 7.1(a), (i) a certificate of the independent certified public accountants

reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate and (ii) a certificate of such certified public accountants showing in detail the calculations supporting such statements in respect of subsection 8.1;

(b) concurrently with the delivery of the financial statements referred to in subsection 7.1(a) and (b), a certificate of a Responsible Officer of the Borrower (i) stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, (ii) stating, to the best of such Responsible Officer's knowledge, that all such financial statements are complete and correct in all material respects (subject, in the case of interim statements, to normal year-end audit adjustments) and have been prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein) and (iii) showing in detail the calculations supporting such statements in respect of subsection 8.1;

(c) concurrently with the delivery of the financial statements referred to in subsection 7.1(a) and (b), a copy of management's report on the business, operations, property and financial and other condition of the Borrower and its Subsidiaries, including financial results with respect to each of their individual manufacturing facilities, together with management's discussion thereof;

(d) concurrently with the delivery of the financial statements referred to in subsection 7.1(b), until the Merger is consummated (if such financial statements are required to be filed with the Securities and Exchange Commission pursuant to the Exchange Act), the unaudited consolidated financial statements of AIHI and its Subsidiaries prepared in conformity with GAAP, consisting of a consolidated balance sheet as at the end of each fiscal quarter and the related unaudited consolidated statements of income and cash flows for such quarter and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the corresponding quarterly period of the previous year.

(e) not later than thirty days after the end of each fiscal year of the Borrower a copy in detail reasonably acceptable to the Agent of the projections by the Borrower of the operating budget and cash flow of the Borrower and its Subsidiaries, in each case for the next succeeding fiscal year, such projections to be accompanied by a certificate of a Responsible Officer of the Borrower to the effect that such projections have been prepared on the basis

of sound financial planning practice and that such officer on behalf of the Borrower has no reason to believe they are incorrect or misleading in any material respect;

(f) promptly upon receipt thereof, copies of all reports submitted to the Borrower by independent certified public accountants in connection with each annual, interim or special audit of the books of the Borrower made by such accountants, including, without limitation, any management letter commenting on the Borrower's internal controls submitted by such accountants to management in connection with their annual audit;

(g) promptly after the same are sent, copies of all financial statements and reports which the Borrower sends to its public equity holders, and within five days after the same are filed, copies of all financial statements and reports which the Borrower may make to, or file with, the Securities and Exchange Commission or any successor or analogous Governmental Authority; and

(h) promptly, such additional financial and other information as any Bank may from time to time reasonably request.

7.3 Performance of Obligations. Perform in all material respects all of its obligations under the terms of each mortgage, indenture, security agreement and other debt instrument by which it is bound or to which it is a party and pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Borrower or its Subsidiaries, as the case may be.

7.4 Conduct of Business, Maintenance of Existence and Compliance with Obligations and Laws. Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business except as otherwise permitted pursuant to subsection 8.5; comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole and could not reasonably be expected to adversely affect the ability of the Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party.

7.5 Maintenance of Property; Insurance. Keep each Mortgaged Property and all other property useful and necessary in its business in good working order and condition; maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business (including, without limitation, the insurance required pursuant to the Security Documents); and furnish to the Agent, upon written request, full information as to the insurance carried.

7.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Bank to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Borrower and its Subsidiaries with officers and employees of the Borrower and its Subsidiaries and with its independent certified public accountants.

7.7 Notices. Promptly give notice to the Agent and each Bank:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of the Borrower or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the Borrower or any of its Subsidiaries and any Governmental Authority, which in the case of either clause (i) or (ii) above, if not cured or if adversely determined, as the case may be, could have a material adverse effect on the business, operations, property or financial condition of the Borrower and its Subsidiaries taken as a whole or could adversely affect the ability of the Borrower or any of its Subsidiaries to perform their respective obligations under any of the Loan Documents to which they are a party;

(c) of any litigation or proceeding affecting the Borrower or any of its Subsidiaries in which the amount involved is $3,000,000 or more and not covered by insurance or in which material injunctive or similar relief is sought;

(d) of the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make any required contribution to any Single Employer Plan, unless such failure is cured within such 30 days or does not involve an amount in excess of $500,000, any Lien under the Code or ERISA in favor of the PBGC or a Single Employer Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Single Employer or Multiemployer Plan, if such proceedings or other action would reasonably be expected to cause a material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries taken as a whole;

(e) of any Environmental Complaint materially affecting the Borrower or any Subsidiary, any Mortgaged Property or the operations of the Borrower or any Subsidiary, and any notice from any Person of (i) the occurrence of any release, spill or discharge of any Hazardous Material that is reportable under any Environmental Law, (ii) the commencement of any clean up pursuant to or in accordance with any Environmental Law of any Hazardous Material at, on, under or within the Mortgaged Property or any part thereof or (iii) any other condition, circumstance, occurrence or event, any of which could reasonably be expected to result in a material liability of the Borrower or any Subsidiary under any Environmental Law;

(f) of (i) the incurrence of any Lien (other than Liens permitted pursuant to subsection 8.3) on, or claim asserted against any of the collateral security in the Security Documents or (ii) the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the collateral under any Security Document; and

(g) of a material adverse change in the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole.

Each notice pursuant to this subsection 7.7 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto.

7.8 Maintenance of Liens of the Security Documents. Promptly, upon the reasonable request of any Bank, at the

Borrower's expense, execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise deemed by the Agent necessary or desirable for the continued validity, perfection and priority of the Liens on the collateral covered thereby.

7.9 Environmental Matters. (a) Comply in all material respects with, and use all reasonable efforts to ensure compliance in all material respects by all tenants and subtenants, if any, with, all Environmental Laws and all requirements existing thereunder and obtain and comply in all material respects with and maintain, and use all reasonable efforts to ensure that all tenants and subtenants obtain, comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by Environmental Laws.

(b) Promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, other than such orders and directives as to which an appeal has been taken in good faith and the pendency of any and all such appeals does not materially and adversely affect the Borrower or any Subsidiary, any Mortgaged Property, or the operations of the Borrower or any Subsidiary.

(c) Defend, indemnify and hold harmless the Agent and the Banks and their Affiliates, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature known or unknown, contingent or otherwise, arising out of, or in any way relating to the violation of, noncompliance with or liability under any Environmental Laws applicable to the Borrower or its Subsidiaries or the Mortgaged Properties, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, attorney's and consultant's fees, investigation and laboratory fees, response costs, court costs and litigation expenses, except to the extent that any of the foregoing arise solely out of the gross negligence or willful misconduct of the party seeking indemnification therefor. This indemnity shall continue in full force and effect regardless of the termination of this Agreement.

(d) Promptly obtain such letters as the Borrower may reasonably obtain from the Persons preparing the written reports referred to in Section 5.1(s) hereof, entitling the Agent and each Bank to rely on such reports.

7.10 Security Documents. (a) Promptly at the request of the Required Banks (and in any event no later than 45 days after the date of such request), the Borrower, at its own

expense, shall (i) pledge 65% of the capital stock of Lear Italia to the Agent, for the ratable benefit of the Banks, and (ii) cause the Agent to receive, with a counterpart for each Bank, a legal opinion of Italian counsel acceptable to the Agent covering such matters in respect of such pledge agreement as the Agent shall reasonably request.

(b) As soon as possible and in no event later than 45 days after the Closing Date, cause (i) the Liens granted pursuant to (A) the 1995 German Pledge Agreement, (B) the Mexican Pledge Agreement and (C) the Pledge Agreement ("Nantissement") to be perfected and (ii) the Agent to receive, with a counterpart for each Bank, legal opinions of Peltzer & Riesenkampff, German counsel to the Borrower, Enriquez, Gonzales, Aguirre y Ochoa, Mexican counsel to the Borrower, and Freshfields, French counsel to the Agent, covering such matters in respect of such pledge agreements as the Agent shall reasonably request.

(c) No later than 45 days after completion of construction of the Borrower's facility located in Hammond, Indiana, grant to the Agent, for the ratable benefit of the Banks, a perfected and duly filed first Lien of record on all real property and fixtures, upon terms substantially the same as those set forth in the Mortgages, owned by the Borrower, located in Hammond, Indiana.

(d) As soon as possible and in no event later than 30 days after the Merger Date, cause (i) each material domestic Subsidiary of the Surviving Corporation (as determined by the Agent) to execute and deliver a Guarantor Supplement, (ii) the pledge to the Agent, for the ratable benefit of the Banks, of all of the common stock of each material domestic Subsidiary of the Surviving Corporation (as determined by the Agent) owned directly or indirectly by the Borrower pursuant to pledge agreements in the form and substance satisfactory to the Agent and (iii) the Agent to receive, in sufficient copies for each Bank, opinions of counsel to the Borrower reasonably satisfactory to the Agent, addressed to the Agent and the Banks, containing opinions substantially in the form of Exhibit L-1, with customary assumptions qualifications and exceptions.

7.11 Pledge Agreement Supplement. The Borrower shall cause Acquisition Corp. to deliver to the Agent on the date of purchase an executed Pledge Agreement Supplement, substantially in the form of Exhibit A to the Acquisition Pledge Agreement (a "Pledge Agreement Supplement"), covering any Additional Pledged Stock (as defined in the Acquisition Pledge Agreement) purchased by Acquisition Corp., and (a) in the case of a transfer to Acquisition Corp. of any such Pledged Stock effected by delivery of share certificates representing the capital stock of AIHI, the stock certificates representing such Pledged Stock, and appropriate undated stock powers duly executed in blank for each such stock certificate, shall be delivered to the Agent or the Depositary, as appropriate, or (b) in the case of a transfer to

Acquisition Corp. of any such Pledged Shares effected by book entry delivery thereof, Acquisition Corp. shall authorize and cause all such shares to be transferred to an account maintained in the name of Chemical, for the benefit of the Agent, at the Clearing Corporation (as defined in the Acquisition Pledge Agreement).

7.12 Consummation of Merger. The Borrower shall cause Acquisition Corp. to consummate the Merger as soon as practicable after the Closing Date and prior to 180 days after the Closing Date in accordance with the terms of the Acquisition Documents and applicable Requirements of Law, and shall comply and cause Acquisition Corp. to comply in all material respects with the obligations of the Borrower and Acquisition Corp. under the Acquisition Documents.

SECTION 8. NEGATIVE COVENANTS

The Borrower hereby agrees that, from and after the Closing Date and so long as the Commitments remain in effect, any Note or Letter of Credit remains outstanding or any other amount is owing to any Bank or the Agent hereunder, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

8.1 Financial Covenants.

(a) Consolidated Net Worth. Permit Consolidated Net Worth at the end of any quarter during any period set forth below to be less than the amount set forth opposite such period below:

Period	Amount
The Closing Date to but excluding the last day of the second fiscal quarter of 1996	$255,000,000
The last day of the second fiscal quarter of 1996 to but excluding the last day of the second fiscal quarter of 1997	270,000,000
The last day of the second fiscal quarter of 1997 to but excluding the last day of the second fiscal quarter of 1998	285,000,000
The last day of the second fiscal quarter of 1998 and thereafter.	300,000,000

(b) Interest Coverage. Permit, (i) at the end of the fourth fiscal quarter of 1995, the ratio of (I) Consolidated Operating Profit for such fiscal quarter to (II) Consolidated Interest Expense for such fiscal quarter, to be less than 2.75 to 1, (ii) at the end of the first fiscal quarter of 1996, the ratio of (I) Consolidated Operating Profit for two consecutive fiscal quarters then ended to (II) Consolidated Interest Expense for such two consecutive fiscal quarters, to be less than 2.75 to 1, (iii) at the end of the second fiscal quarter of 1996, the ratio

of (I) Consolidated Operating Profit for three consecutive fiscal quarters then ended to (II) Consolidated Interest Expense for such three consecutive fiscal quarters, to be less than 3.00 to 1 and (iv) at the end of any four consecutive fiscal quarters ending during any period set forth below, the ratio of (I) Consolidated Operating Profit for such four consecutive fiscal quarters to (II) Consolidated Interest Expense for such four consecutive fiscal quarters, to be less than the ratio set forth opposite such period below:

Period	Ratio
The first day of the third fiscal quarter of 1996 through the last day of the fourth fiscal quarter of 1996	3.00 to 1
The first day of the first fiscal quarter of 1997 and thereafter	3.50 to 1

(c) Consolidated Operating Profit. Permit Consolidated Operating Profit for any fiscal year set forth below to be less than the amount set forth opposite such fiscal year below:

Fiscal Year	Amount
1995	$200,000,000
1996	315,000,000
1997	330,000,000
1998	340,000,000
1999 - thereafter	360,000,000

8.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness in respect of the Loans, the Notes, the Letters of Credit and other obligations arising under this Agreement and, without duplication, Indebtedness of the Borrower and Subsidiaries to the extent backed by Letters of Credit;

(b) Indebtedness in respect of (i) the Subordinated Notes (or any refinancing thereof in accordance with subsection 8.10) in an aggregate principal amount not exceeding $145,000,000 (plus the amount of any premiums, costs and expenses incurred in connection with any refinancing thereof) and (ii) the Senior Subordinated Notes (or any refinancing thereof in accordance with subsection 8.10) in an aggregate principal amount not exceeding $125,000,000 (plus the amount of any premiums, costs and expenses incurred in connection with any refinancing thereof);

(c) Indebtedness incurred to purchase, or to finance the purchase of, fixed or capital assets in an aggregate

principal amount not exceeding $2,000,000 at any one time outstanding;

(d) Indebtedness in respect of Interest Rate Agreement Obligations in respect of a notional principal amount of up to $500,000,000 in the aggregate;

(e) Indebtedness in respect of documentary letters of credit (other than Letters of Credit) in an aggregate face amount not exceeding $5,000,000 at any one time;

(f) Indebtedness in respect of letters of credit (other than Letters of Credit) in an aggregate face amount not exceeding $10,000,000 at any one time, provided that such letters of credit are used solely (i) to provide credit support in respect of leased property or (ii) to provide credit support for the benefit of Foreign Subsidiaries;

(g) short-term Indebtedness incurred by all Foreign Subsidiaries organized under the laws of France for working capital purposes in an aggregate principal amount not to exceed 6,000,000 French Francs at any one time outstanding;

(h) Indebtedness permitted pursuant to subsection 8.9;

(i) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Germany or Austria in an aggregate principal amount not to exceed $25,000,000 at any one time outstanding.

(j) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Mexico in an aggregate principal amount not to exceed $30,000,000 at any one time outstanding;

(k) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Sweden or Finland in an aggregate principal amount not to exceed $25,000,000 at any one time outstanding;

(l) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Canada in an aggregate principal amount not to exceed $25,000,000 at any one time outstanding;

(m) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Italy (i) in connection with the financing of the Borrower's acquisition of the Fiat Seat Business, in an aggregate principal amount not to exceed Lira 195,452,040,951 (and any refinancings thereof) and (ii) in addition to Indebtedness permitted in clause (i) above, in an aggregate principal amount not to exceed $30,000,000 at any one time outstanding.

(n) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Poland in an aggregate principal amount not to exceed $5,000,000 at any one time outstanding.

(o) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Brazil or Argentina in an aggregate principal amount not to exceed $30,000,000 at any one time outstanding;

(p) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of South Africa in an aggregate principal amount not to exceed $5,000,000 at any one time outstanding;

(q) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of Indonesia, Thailand or Australia in an aggregate principal amount not to exceed $15,000,000 at any one time outstanding;

(r) Indebtedness incurred by all Foreign Subsidiaries organized under the laws of the United Kingdom in an aggregate principal amount not to exceed $20,000,000 at any one time outstanding;

(s) existing Indebtedness listed on Schedule 8.2(s) and refinancings thereof;

(t) until the Merger Date, the Indebtedness of AIHI and its Subsidiaries existing on the Closing Date and listed on Schedule 8.2(t) or any refinancing of such indebtedness, or any indebtedness of the Borrower or any Subsidiary incurred in connection with the refinancing of the Indebtedness of AIHI and its Subsidiaries;

(u) Indebtedness incurred by a Special Purpose Subsidiary in connection with a Receivables Financing Transaction; and

(v) additional Indebtedness not otherwise permitted by paragraphs (a) through (u) above, provided that the aggregate amount of such Indebtedness does not exceed $75,000,000 at any one time outstanding.

8.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP (or, in the case of Foreign Subsidiaries, generally accepted accounting

principles in effect from time to time in their respective jurisdictions of organization);

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, or other like Liens arising in the ordinary course of business and not overdue for a period of more than 30 days or which are bonded or being contested in good faith by appropriate proceedings in a manner which will not jeopardize or diminish the interest of the Agent in any of the collateral subject to the Security Documents;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) Liens (other than any Lien imposed by ERISA) incurred on deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or such Subsidiary;

(f) Liens in favor of the Agent and the Banks created pursuant to the Security Documents and Liens securing Reimbursement Obligations and Subsidiary Reimbursement Obligations;

(g) Liens securing Indebtedness of the Borrower and its Subsidiaries permitted by subsection 8.2(c) in respect of the deferred purchase price of fixed or capital assets; provided that (i) such Liens shall be created substantially simultaneously with the purchase of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) the amount of Indebtedness secured thereby is not increased and (iv) the principal amount of Indebtedness secured by any such Lien shall at no time exceed 100% of the purchase price of such property;

(h) Liens securing the Indebtedness permitted by subsection 8.2(f), (g), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u) and (v) and Liens securing obligations with respect to government grants, provided that such Liens permitted by this subsection 8.3(h) do not at any time encumber any property located in the United States except for, in the case of Indebtedness permitted by subsection 8.2(f), Liens that encumber leasehold interests

supported by such Indebtedness, and, provided, further, that Liens securing the Indebtedness permitted by subsection 8.2(s) shall only be permitted to the extent such Liens are in existence as of the date of this Agreement;

(i) Liens securing Indebtedness permitted by subsection 8.2(d), provided that such Liens run in favor of a Bank;

(j) attachment, judgment or other similar Liens arising in connection with court or arbitration proceedings fully covered by insurance or involving individually or in the aggregate, no more than $3,000,000 at any one time, provided that the same are discharged, or that execution or enforcement thereof is stayed pending appeal, within 30 days or, in the case of any stay of execution or enforcement pending appeal, within such lesser time during which such appeal may be taken;

(k) Liens securing reimbursement obligations with respect to documentary letters of credit permitted by subsection 8.2(e) which encumber documents and other property relating to such letters of credit;

(l) Liens on the property or assets of a corporation which becomes a Subsidiary on or after the date hereof (including AIHI and its Subsidiaries) securing Indebtedness permitted by subsection 8.2, provided that (i) such Liens existed at the time such corporation became a Subsidiary and were not created in anticipation thereof, (ii) any such Lien does not by its terms cover any property or assets after the time such corporation becomes a Subsidiary which were not covered immediately prior thereto and (iii) any such Lien does not by its terms secure any Indebtedness other than Indebtedness existing immediately prior to the time such corporation becomes a Subsidiary;

(m) Liens (not otherwise permitted hereunder) on assets acquired after the date of this Agreement which secure the purchase price thereof or other obligations related to the acquisition thereof or on assets not subject to Liens pursuant to any Security Document, provided that the estimated aggregate book value of the foregoing assets shall not exceed $50,000,000;

(n) Liens on (i) investments permitted by subsection 8.9(o) or (ii) cash deposits securing the Guarantee Obligations permitted by subsection 8.4(f); and

(o) extensions, renewals and replacements of any Lien described in subsections 8.3(a) through (n) above, provided that the principal amount of the Indebtedness secured thereby is not increased and such extension or renewal is limited to the property so encumbered.

8.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations in respect of the Subsidiary Guarantee;

(b) Guarantee Obligations in respect of obligations of the Borrower, Subsidiaries and Special Affiliates in an aggregate principal amount not to exceed $50,000,000 at any one time;

(c) Guarantee Obligations in respect of obligations entered into by Foreign Subsidiaries created in the ordinary course of business, in an aggregate amount not to exceed $70,000,000 at any one time;

(d) Guarantee Obligations in respect of Section 5.03 of the Purchase Agreement;

(e) Guarantee Obligations of the Borrower in connection with a receivables factoring or working capital credit facility for any Foreign Subsidiary organized under the laws of Italy, in an aggregate amount not to exceed $20,000,000 at any one time; and

(f) Guarantee Obligations of the Borrower in respect of Indebtedness permitted to be incurred pursuant to subsection 8.2(m).

8.5 Limitations on Fundamental Changes. Unless expressly permitted under this Agreement, enter into any transaction of acquisition or merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, or acquire by purchase or otherwise all or substantially all of the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person, or make any material change in the present method of conducting business and except that, so long as no Collateral is transferred for less than fair market value to a Person who has not executed a security agreement in favor of the Agent, and none of the Liens or guarantees created by any of the Security Documents are impaired thereby:

(a) any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any one or more Wholly Owned Subsidiaries of the Borrower that are organized under any jurisdiction in the United States (provided that a Wholly Owned Subsidiary shall be the continuing or surviving corporation);

(b) any Foreign Subsidiary may be merged or consolidated with or into any one or more Wholly Owned Subsidiaries that are Foreign Subsidiaries (provided that a Wholly Owned Subsidiary that is a Foreign Subsidiary shall be the continuing or surviving corporation);

(c) any Wholly Owned Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or another Wholly Owned Subsidiary of the Borrower that is organized under any jurisdiction in the United States;

(d) any Wholly Owned Subsidiary that is a Foreign Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to another Wholly Owned Subsidiary that is a Foreign Subsidiary;

(e) notwithstanding any other provision of this Agreement or any Loan Document, the Borrower and its Subsidiaries may consummate the Acquisition and all transactions contemplated in connection therewith and, to the extent not already permitted under this subsection 8.5, the Borrower may consummate the Merger; and

(f) the Borrower and its Subsidiaries may acquire any Special Entities, provided that the aggregate purchase price of such acquisitions does not exceed $50,000,000 per year and provided, further, that up to $25,000,000 of any such permitted amount which is not expended in any fiscal year may be carried over for such acquisitions in any subsequent fiscal year.

Notwithstanding the foregoing, the Borrower or any Subsidiary may transfer assets, including Collateral, to any Wholly Owned Subsidiary, whether or not the assets so transferred will continue to be subject to the Agent's security interest, provided, that the aggregate book value of assets so transferred shall not exceed $50,000,000.

8.6 Limitation on Sale of Assets. Except as permitted by subsection 8.5, convey, sell, lease, assign, transfer or otherwise dispose of, any of its property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired except:

(a) obsolete or worn out property or other property not necessary for operations disposed of in the ordinary course of business; provided that (i) the Net Proceeds of each such transaction are applied to obtain a replacement item or items of property within 90 days of the disposition thereof or (ii) the fair market value of any property not replaced pursuant to clause (i) above shall not exceed

$5,000,000 in the aggregate in any one fiscal year of the Borrower;

(b) the sale of inventory in the ordinary course of business;

(c) in a transaction permitted by subsection 8.12;

(d) the sale by any Foreign Subsidiary of its accounts receivable; provided that the terms of each such sale are satisfactory in form and substance to the Agent;

(e) the sale by any Domestic Loan Party of its accounts receivable; provided that (i) the terms of each such sale are satisfactory in form and substance to the Agent and (ii) the Commitments are simultaneously reduced by the amount equal to a percentage to be determined by the Agent of the fair market value (as determined by the Board of Directors (or executive committee thereof) of the Borrower) of such accounts receivable sold; and

(f) dispositions of assets not otherwise permitted by clauses (a) through (e) above; provided that the fair market value thereof shall not exceed $15,000,000 in the aggregate in any one fiscal year of the Borrower.

8.7 Limitation on Dividends. Declare any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of stock or warrants of the Borrower, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Subsidiary or permit any Subsidiary to make any payment on account of, or purchase or otherwise acquire, any shares of any class of stock or warrants of the Borrower from any Person except for (a) (i) payment by the Borrower of amounts then owing to management personnel of the Borrower pursuant to the terms of their respective employment contracts, (ii) mandatory purchases by the Borrower of its common stock from Management Investors pursuant to the terms of the Subscription Agreements and Stockholders Agreement and all other expenses required to be incurred by the Borrower pursuant to the terms of the Stockholders Agreement as in effect on the date hereof (iii) additional repurchases by the Borrower of its common stock from Management Investors, and other officers or employees of the Borrower in an amount not to exceed $35,000,000 in the aggregate and (iv) the purchase, redemption or retirement of any shares of any capital stock of the Borrower or options to purchase capital stock of the Borrower in connection with the exercise of outstanding stock options, (b) if no Default or Event of Default has occurred and is continuing (or would occur and be continuing after giving effect thereto) when any such dividend is declared by the Board of Directors of the

Borrower, quarterly cash dividends on the Borrower's capital stock not to exceed $2,500,000 in the aggregate per quarter but only to the extent permitted by the terms of the Subordinated Debt and (c) dividends in the form of additional shares of capital stock.

8.8 Limitation on Capital Expenditures. Make or commit to make any Capital Expenditures during any fiscal year set forth below not exceeding, in the aggregate for the Borrower and its Subsidiaries, the amount set forth opposite such fiscal year below:

Fiscal Year	Amount
1995	$150,000,000
1996	125,000,000
1997	130,000,000
1998	100,000,000
1999	75,000,000
2000	75,000,000
2001	75,000,000;

provided that up to $20,000,000 of any such permitted amount which is not expended in any fiscal year may be carried over for expenditure in any subsequent fiscal year, and provided, further, that up to $5,000,000 of any such permitted amount available to be expended for any subsequent fiscal year may be carried back for expenditure in any fiscal year.

8.9 Limitation on Investments, Loans and Advances. Make or suffer to exist any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of, or make any other investment in, any Person, or acquire any interest in any Person, except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) investments by Foreign Subsidiaries in high quality investments of a type similar to Cash Equivalents made outside of the United States of America;

(d) investments, loans and advances listed on Schedule 8.9;

(e) (i) loans, advances and capital contributions to the Borrower, Subsidiaries (including Foreign Subsidiaries) and Special Affiliates and (ii) loans, advances and capital contributions up to an aggregate amount not to exceed $50,000,000 at any time from and after the Closing Date to any Special Entity, in each case described in the foregoing clauses (i) and (ii), in the ordinary course of business,

and in an aggregate amount for all such investments described in the foregoing clauses (i) and (ii) not to exceed $100,000,000 at any one time from and after the Closing Date, provided that (x) any loans, advances and capital contributions that are made to the Borrower or any such Subsidiary or Foreign Subsidiary for the sole purpose of the Borrower or such Subsidiary or Foreign Subsidiary making a loan, advance or capital contribution to the Borrower or another Subsidiary or Foreign Subsidiary, shall be deemed to have been made only to the ultimate recipient of such funds and (y) the aggregate amount of loans, advances and capital contributions to Probel S.A. may not exceed $100,000 from and after the Closing Date;

(f) capital contributions, investments or transfers in connection with transactions permitted by subsection 8.5;

(g) loans and advances to employees of the Borrower or its Subsidiaries for travel, entertainment and relocation expenses in the ordinary course of business;

(h) (i) loans and advances by any Subsidiary to the Borrower and (ii) loans and advances by any Subsidiary to any other Subsidiary which is a guarantor under any Guarantee;

(i) any Foreign Subsidiary may make loans, advances and capital contributions to any other Foreign Subsidiary;

(j) any Wholly Owned Subsidiary organized under the laws of any jurisdiction in the United States may make loans, advances and capital contributions to any other Wholly Owned Subsidiary organized under the laws or any jurisdiction in the United States;

(k) the acquisition, directly or indirectly, of the stock of CISA not currently owned by the Borrower or its Subsidiaries;

(l) loans to Management Investors in connection with stock purchases in an aggregate principal amount not exceeding $4,000,000 at any one time outstanding;

(m) capital contributions to any Foreign Subsidiary organized under the laws of Italy in an amount not to exceed $40,000,000;

(n) capital contributions to any Foreign Subsidiary organized under the laws of Poland in an amount not to exceed $5,000,000;

(o) (i) loans or participating interests in loans made to Lear Italia, provided Lear Italia is permitted to incur such Indebtedness pursuant to subsection 8.2(m) and (ii)

investments in high quality debt instruments acceptable to the Agent, having a cost not exceeding the purchase price of the Fiat Seat Business, and which are pledged to secure Indebtedness permitted pursuant to subsection 8.2(m) or Guarantee Obligations permitted pursuant to subsection 8.4(f);

(p) the transactions contemplated by the Tender Offer, the Merger and the Acquisition;

(q) the purchase by the Borrower of participating interests in loans to Foreign Subsidiaries; provided that the amount of each such participating interest does not exceed the amount which the Borrower would otherwise be permitted to lend or contribute to such Foreign Subsidiaries pursuant to this subsection 8.9;

(r) investments or loans by the Borrower or its Subsidiaries to AIHI or its Subsidiaries to refinance Indebtedness of AIHI and its Subsidiaries outstanding as of the Closing Date;

(s) investments, loans and advances, which are in existence on the Closing Date, among AIHI and its Subsidiaries; and

(t) other loans, advances or other investments up to an aggregate amount not to exceed $5,000,000.

8.10 Limitation on Optional Payments and Modification of Debt Instruments. (a) Prepay, purchase, redeem, retire, defease or otherwise acquire, or make any payment on account of any principal of, interest on, or premium payable in connection with the prepayment, redemption or retirement of any outstanding Subordinated Debt, except that the Borrower may prepay, purchase or redeem Subordinated Debt with the proceeds of the issuance of other subordinated Indebtedness of the Borrower; provided that either (i) the principal terms of such other subordinated Indebtedness are no more restrictive to the Borrower and its Subsidiaries than the principal terms of the Subordinated Notes or (ii) the terms and conditions of the other subordinated Indebtedness are reasonably satisfactory to the Agent or (b) without the consent of the Agent, amend, modify or change, or consent or agree to any amendment, modification or change to any of the terms of any Subordinated Debt (except that without the consent of the Agent or any Bank, the terms of the Subordinated Debt may be amended, modified or changed if such amendment, modification or change would extend the maturity or reduce the amount of any payment of principal thereof, would reduce the rate or extend the date for payment of interest thereon, would eliminate covenants (other than covenants with respect to subordination to Indebtedness under this Agreement) or defaults in such Subordinated Debt or would make such covenants or defaults less restrictive); provided that, notwithstanding any

provision contained in this subsection 8.10, if no Default or Event of Default has occurred and is continuing or would occur and be continuing as a result of the following, the Subordinated Debt may be prepaid (A) in an amount equal to the net proceeds of any public offering of common stock of the Borrower occurring after the Closing Date and (B) in addition to any prepayment permitted pursuant to clause (A) above, in an amount not to exceed $135,000,000 in the aggregate; provided, that prior to December 31, 1995, prepayments permitted pursuant to clause (B) above shall not exceed $100,000,000 in the aggregate.

8.11 Transactions with Affiliates. (a) Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate unless such transactions are otherwise permitted under this Agreement, the Stockholders Agreement or the Subscription Agreements as in effect on the date hereof, or such transactions are in the ordinary course of the Borrower's or such Subsidiary's business and are upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person not an Affiliate; provided, however, that the Borrower may engage Lehman Brothers Inc., The Cypress Group, LLC, FIMA or any Affiliate of Lehman Brothers Inc., The Cypress Group, LLC or FIMA as financial advisor, underwriter, broker, dealer-manager or finder in connection with any transaction at the then customary market rates for similar services.

8.12 Sale and Leaseback. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of real or personal property which has been or is to be sold or transferred by the Borrower or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such Subsidiary except that the Borrower or any Subsidiary may enter into such transactions provided that the fair market value of the real or personal property sold or transferred by the Borrower or such Subsidiary does not exceed $50,000,000 in the aggregate.

8.13 Corporate Documents. Amend its Certificate of Incorporation or By-Laws, each as in effect on the Closing Date, in any way adverse to the interests of the Agent and the Banks.

8.14 Fiscal Year. Permit the fiscal year of the Borrower to end on a day other than December 31.

8.15 Limitation on Restrictions Affecting Subsidiaries. Enter into any agreement with any Person other than the Banks pursuant hereto which prohibits or limits the ability of any Subsidiary to (a) pay dividends or make other distributions or pay any Indebtedness owed to the Borrower or any Subsidiary, (b) make loans or advances to the Borrower or any

Subsidiary, (c) transfer any of its properties or assets to the Borrower or any Subsidiary or (d) create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, except (i) for any such restrictions existing by reasons of Contractual Obligations listed on Schedule 8.15 and (ii) with respect to clauses (c) and (d) above, agreements granting a Lien on such Subsidiary's assets which is permitted by subsection 8.3.

8.16 Hazardous Materials. Release, discharge or otherwise dispose of any Hazardous Material on any of the Mortgaged Properties or permit the manufacture, storage, transmission or presence of any Hazardous Material over or upon any of the Mortgaged Properties except in accordance in all material respects with all Environmental Laws.

8.17 Special Purpose Subsidiary. Permit (a) any Special Purpose Subsidiary to engage in any business other than Receivables Financing Transactions and activities directly related thereto or (b) at any time the Borrower or any of its Subsidiaries (other than a Special Purpose Subsidiary) or any of their respective assets to incur any liability, direct or indirect, contingent or otherwise, in respect of any obligation of a Special Purpose Subsidiary whether arising under or in connection with any Receivables Financing Transaction or otherwise.

8.18 Subsidiaries. Create, acquire or otherwise suffer to exist any Subsidiary which was not a direct or indirect Subsidiary on the Closing Date unless either (a) such new Subsidiary is organized under the laws of a jurisdiction within the United States and (i) is party to a Guarantee Supplement and (ii) all of the common stock of such new Subsidiary owned directly or indirectly by the Borrower is pledged to the Agent, for the ratable benefit of the Banks, pursuant to a pledge agreement in form and substance satisfactory to the Agent or (b) such new Subsidiary is a Foreign Subsidiary; provided that a Special Purpose Subsidiary shall not be required to enter into a Guarantee Supplement pursuant to this subsection 8.18.

SECTION 9. EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

(a) The Borrower shall fail to pay (i) any principal of any Notes when due (whether at the stated maturity, by acceleration or otherwise) in accordance with the terms thereof or hereof or (ii) any interest on any Notes, or any fee or other amount payable hereunder, within five days after any such interest, fee or other amount becomes due in accordance with the terms thereof or hereof; or

(b) Any representation or warranty made or deemed made by the Borrower or any other Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any other Loan Document shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The Borrower or any other Loan Party shall default in the observance or performance of (i) any negative covenant contained in Section 8 or in any Security Document to which it is a party or (ii) any covenant contained in subsection 7.12; or

(d) The Borrower or any other Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document other than as provided in (a) through (c) above, and such default shall continue unremedied for a period of 30 days; or

(e) Any Loan Document shall cease, for any reason, to be in full force and effect, or the Borrower or any other Loan Party shall so assert; or any security interest created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby, except, in each case, as provided in subsection 11.13; or

(f) The Subsidiary Guarantee shall cease, for any reason, to be in full force and effect, or any guarantor thereunder shall so assert; or

(g) The subordination provisions contained in any instrument pursuant to which the Subordinated Debt was created or in any instrument evidencing such Subordinated Debt shall cease, for any reason, to be in full force and effect or enforceable in accordance with their terms; or

(h) The Borrower or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any Indebtedness (other than the Notes), in the payment of any Guarantee Obligation or in the payment of any Interest Rate Agreement Obligation, in any case where the principal amount thereof then outstanding exceeds $20,000,000 beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness, Guarantee Obligation or Interest Rate Agreement Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of

which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or, beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; or

(i) (i) The Borrower or any Material Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Borrower or any Material Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Borrower or any Material Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Borrower or any Material Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Borrower or any Material Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) the Borrower or any Material Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(j) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Single Employer Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or

appointment of a trustee is, in the reasonable opinion of the Required Banks, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Borrower or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Banks is likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist, with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could subject the Borrower or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Borrower and its Subsidiaries taken as a whole; or

(k) One or more judgments or decrees shall be entered against the Borrower or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance) of $5,000,000 or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(l) (i) Any Person or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) (other than FIMA, the Merchant Banking Partnerships, The Cypress Group, LLC and the officers and directors of the Borrower) (A) shall have acquired beneficial ownership of 35% or more of any outstanding class of capital stock of the Borrower having ordinary voting power in the election of directors or (B) shall obtain the power (whether or not exercised) to elect a majority of the Borrower's directors or (ii) the Board of Directors of the Borrower shall not consist of a majority of Continuing Directors;

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (i) above with respect of the Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement, the Letters of Credit and the Notes shall immediately become due and payable, and (B) if such event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Required Banks, the Agent may, or upon the request of the Required Banks, the Agent shall, by notice to the Borrower declare the Commitments to be terminated forthwith, whereupon the Commitments shall immediately terminate; (ii) with the consent of the Required Banks, the Agent may, or upon the direction of the Required Banks, the Agent shall, by notice of default to the Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this

Agreement (including amounts payable in respect of Letters of Credit whether or not the beneficiaries thereof shall have presented the drafts and other documents required thereunder) and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable and (iii) the Agent may, and upon the direction of the Required Banks shall, exercise any and all remedies and other rights provided pursuant to this Agreement and/or the other Loan Documents. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 10. THE AGENT

10.1 Appointment. Each Bank hereby irrevocably designates and appoints Chemical Bank as the Agent of such Bank under this Agreement, and each Bank irrevocably authorizes Chemical Bank, as the Agent for such Bank, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement and such other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement or such other Loan Documents, the Agent shall not have any duties or responsibilities, except those expressly set forth herein and therein, or any fiduciary relationship with any Bank, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the other Loan Documents or otherwise exist against the Agent. Notwithstanding anything to the contrary contained in this Agreement, the parties hereto hereby agree that no Managing Agent, Co-Agent or Lead Manager identified on the signature pages hereof shall have any rights, duties or responsibilities in its capacity as Managing Agent, Co-Agent or Lead Manager, as the case may be, and that no Managing Agent, Co-Agent or Lead Manager shall have the authority to take any action hereunder in its capacity as such.

10.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

10.3 Exculpatory Provisions. Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or the other Loan Documents (except for its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any

of the Banks for any recitals, statements, representations or warranties made by the Borrower, any other Loan Party or any officer thereof contained in this Agreement or the other Loan Documents or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or the other Loan Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the other Loan Documents or for any failure of the Borrower or any other Loan Party to perform its obligations hereunder or thereunder. The Agent shall not be under any obligation to any Bank to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Borrower.

10.4 Reliance by Agent. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Agent. The Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Agent. The Agent shall be fully justified in failing or refusing to take any action under this Agreement and the other Loan Documents unless it shall first receive such advice or concurrence of the Required Banks as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the Notes in accordance with a request of the Required Banks (or, when required hereunder, all of the Banks), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks and all future holders of the Notes.

10.5 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Agent has received notice from a Bank or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall promptly give notice thereof to the Banks. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Banks; provided that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or

Event of Default as it shall deem advisable in the best interests of the Banks.

10.6 Non-Reliance on Agent and Other Banks. Each Bank expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent hereinafter taken, including any review of the affairs of the Borrower or the other Loan Parties, shall be deemed to constitute any representation or warranty by the Agent to any Bank. Each Bank represents to the Agent that it has, independently and without reliance upon the Agent, the Managing Agents or any other Bank, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties and made its own decision to make its Loans hereunder and enter into this Agreement. Each Bank also represents that it will, independently and without reliance upon the Agent, the Managing Agents or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Banks by the Agent hereunder or by the other Loan Documents, the Agent shall not have any duty or responsibility to provide any Bank with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Borrower and the other Loan Parties which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

10.7 Indemnification. The Banks agree to indemnify the Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to the respective amounts of their original Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement or the other Loan Documents, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing; provided that no Bank shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or

disbursements resulting solely from the Agent's gross negligence or willful misconduct. The agreements in this subsection shall survive the payment of the Notes and all other amounts payable hereunder.

10.8 Agent in Its Individual Capacity. The Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Borrower and the other Loan Parties as though the Agent were not the Agent hereunder. With respect to its Loans made or renewed by it and any Note issued to it, the Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Bank and may exercise the same as though it were not the Agent, and the terms "Bank" and "Banks" shall include the Agent in its individual capacity.

10.9 Successor Agent. The Agent may resign as Agent upon ten days' notice to the Banks. If the Agent shall resign as Agent under this Agreement, then the Required Banks shall appoint from among the Banks a successor agent for the Banks which successor agent shall be approved by the Borrower (which consent shall not be unreasonably withheld), whereupon such successor agent shall succeed to the rights, powers and duties of the Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes. After any retiring Agent's resignation hereunder as Agent, the provisions of this subsection 10.9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

SECTION 11. MISCELLANEOUS

11.1 Amendments and Waivers. Neither this Agreement, any Note or any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this subsection. With the written consent of the Required Banks, the Agent and the Borrower may, from time to time, enter into written amendments, supplements or modifications hereto for the purpose of adding any provisions to this Agreement, the Notes, or the other Loan Documents to which the Borrower is a party or changing in any manner the rights of the Banks or of the Borrower hereunder or thereunder or waiving, on such terms and conditions as the Agent may specify in such instrument, any of the requirements of this Agreement or the Notes or the other Loan Documents to which the Borrower is a party or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall directly (a) extend the expiry date of any Letter of Credit beyond the Termination Date or extend the maturity of any Note, or reduce the rate or

extend the time of payment of interest thereon, or reduce any fee, or extend the time of payment of such fee, payable to the Banks hereunder, or reduce the principal amount thereof, or increase the amount of any Bank's Commitment or amend, modify or waive any provision of subsection 2.8 or this subsection 11.1 or reduce the percentage specified in the definition of Required Banks, or consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement, or release all or substantially all the collateral security under the Security Documents, in each case without the written consent of all the Banks, or (b) amend, modify or waive any provision of Section 10 without the written consent of the then Agent or (c) except as provided in subsection 11.13, release less than all or substantially all of the collateral security under the Security Documents having a fair market value (as determined in good faith by the Board of Directors (or the executive committee thereof) of the Borrower and evidenced by a certificate delivered to the Agent) in excess of $25,000,000 in the aggregate while this Agreement is in effect without the written consent of the Required Banks. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Banks and shall be binding upon the Borrower, the Banks, the Agent and all future holders of the Notes. In the case of any waiver, the Borrower, the Banks and the Agent shall be restored to their former position and rights hereunder and under the outstanding Notes, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

11.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telegraph or telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the mail, postage prepaid, or, in the case of telegraph or telecopy notice, when sent and receipt has been confirmed, addressed as follows in the case of the Borrower and the Agent, and as set forth in Schedule 1.1(a) in the case of the other parties hereto, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Borrower:	Lear Seating Corporation 21557 Telegraph Road Southfield, Michigan 48034 Attention: Donald J. Stebbins Telecopy: (810) 746-1593
The Agent:	Chemical Bank 270 Park Avenue New York, New York 10017 Attention: Rosemary Bradley Telecopy: (212) 972-0009

; provided that any notice, request or demand to or upon the Agent or the Banks pursuant to subsections 2.3, 2.4, 2.6, 2.8 and 2.9 shall not be effective until received.

11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Bank, any right, remedy, power or privilege hereunder or under the Loan Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement, the Letters of Credit and the Notes.

11.5 Payment of Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Agent for all its reasonable out-of-pocket costs and reasonable expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes, the Letters of Credit and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees and disbursements of counsel to the Agent, (b) to pay or reimburse each Bank and the Agent for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes, the Letters of Credit and any such other documents, including, without limitation, fees and disbursements of counsel to the Agent and the reasonable fees and disbursements of counsel to the several Banks, and (c) to pay, indemnify, and hold each Bank and the Agent and their respective directors, officers, employees and agents harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes, the Letters of Credit and any such other documents, and (d) to pay, indemnify, and hold each Bank and the Agent harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and

administration of this Agreement, the Notes, the Letters of Credit and the other Loan Documents, the use or proposed use by the Borrower of the proceeds of the Loans (all the foregoing, collectively, the "indemnified liabilities"); provided that the Borrower shall have no obligation hereunder to the Agent or any Bank with respect to indemnified liabilities arising from the gross negligence or willful misconduct of the Agent or any such Bank as finally determined by a court of competent jurisdiction. The agreements in this subsection shall survive repayment of the Notes and all other amounts payable hereunder.

11.6 Successors and Assigns; Participations; Purchasing Banks. (a) This Agreement shall be binding upon and inure to the benefit of the Borrower, the Banks, the Agent, all future holders of the Notes and their respective successors and assigns, except that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Bank.

(b) Any Bank may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Bank, any Note held by such Bank, any Letter of Credit Participating Interest of such Bank, any Commitment of such Bank or any other interest of such Bank hereunder. In the event of any such sale by a Bank of participating interests to a Participant, such Bank's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Bank shall remain solely responsible for the performance thereof, such Bank shall remain the holder of any such Note for all purposes under this Agreement and the Borrower and the Agent shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement. The Borrower agrees that if amounts outstanding under this Agreement, the Letter of Credit and the Notes are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement, any Letter of Credit and any Note to the same extent as if the amount of its participating interest were owing directly to it as a Bank under this Agreement or any Note; provided that such right of setoff shall be subject to the obligation of such Participant to share with the Banks, and the Banks agree to share with such Participant, as provided in subsection 11.7. The Borrower also agrees that each Participant shall be entitled to the benefits of subsections 2.11, 2.12, 2.13, 2.14, 3.5 and 11.5 with respect to its participation in the Commitments and the Loans and Letters of Credit outstanding from time to time; provided that no Participant shall be entitled to receive any greater amount pursuant to such subsections than the transferor Bank would have been entitled to receive in respect of the amount of the

participation transferred by such transferor Bank to such Participant had no such transfer occurred.

(c) Any Bank may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to any Bank or any affiliate thereof, and, subject to the limitations set forth in the proviso to this sentence and with the consent of the Borrower and the Agent (which in each case shall not be unreasonably withheld) to one or more additional banks or financial institutions ("Purchasing Banks") all or any part of its rights and obligations under this Agreement and the Notes, pursuant to an Assignment and Acceptance, executed by such Purchasing Bank, such transferor Bank (and, in the case of a Purchasing Bank that is not then a Bank or an affiliate thereof, by the Borrower and the Agent), and delivered to the Agent for its acceptance and recording in the Register; provided, however, that (i) the Commitment purchased by any such Purchasing Bank that is not then a Bank shall be equal to or greater than $15,000,000 and (ii) the transferor Bank which has transferred part of its Commitment to any such Purchasing Bank shall retain a Commitment, after giving effect to such sale, equal to or greater than $15,000,000. Upon such execution, delivery, acceptance and recording, from and after the Transfer Effective Date determined pursuant to such Assignment and Acceptance, (x) the Purchasing Bank thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Bank hereunder with a Commitment as set forth therein, and (y) the transferor Bank thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of a transferor Bank's rights and obligations under this Agreement, such transferor Bank shall cease to be a party hereto). Such Assignment and Acceptance shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Bank and the resulting adjustment of Commitment Percentages arising from the purchase by such Purchasing Bank of all or a portion of the rights and obligations of such transferor Bank under this Agreement and the Notes. On or prior to the Transfer Effective Date determined pursuant to such Assignment and Acceptance, the Borrower, at its own expense, shall execute and deliver to the Agent in exchange for the surrendered Revolving Credit Note a new Revolving Credit Note to the order of such Purchasing Bank in an amount equal to the Commitment assumed by it pursuant to such Assignment and Acceptance and, if the transferor Bank has retained a Commitment hereunder, a new Revolving Credit Note to the order of the transferor Bank in an amount equal to the Commitment retained by it hereunder. Such new Note shall be dated the Closing Date and shall otherwise be in the form of the Note replaced thereby. The Note surrendered by the transferor Bank shall be returned by the Agent to the Borrower marked "cancelled". If any Letter of Credit Participation Certificates have been issued to the transferor

Bank and are then outstanding, new certificates shall be issued in the appropriate amounts by the Issuing Bank to the Purchasing Bank and, if appropriate, the transferor Bank, as promptly as practicable after the Transfer Effective Date.

(d) The Agent shall maintain at its address referred to in subsection 11.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Banks and the Commitment of, and principal amount of the Loans owing to, each Bank from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent and the Banks may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by a transferor Bank and a Purchasing Bank (and, in the case of a Purchasing Bank that is not then a Bank or an affiliate thereof, by the Borrower and the Agent) together with payment by the Purchasing Bank to the Agent of a registration and processing fee of $2,500, the Agent shall (i) promptly accept such Assignment and Acceptance (ii) on the Transfer Effective Date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Banks and the Borrower.

(f) The Borrower authorizes each Bank to disclose to any Participant or Purchasing Bank (each, a "Transferee") and any prospective Transferee any and all financial information in such Bank's possession concerning the Borrower and its affiliates which has been delivered to such Bank by or on behalf of the Borrower pursuant to this Agreement or which has been delivered to such Bank by or on behalf of the Borrower in connection with such Bank's credit evaluation of the Borrower and its affiliates prior to becoming a party to this Agreement; provided that the prospective Transferee shall agree to maintain the confidentiality of such information pursuant to subsection 11.10.

(g) If, pursuant to this subsection, any interest in this Agreement, any Note or any Letter of Credit is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Bank shall cause such Transferee, concurrently with the effectiveness of such transfer, (i) to represent to the transferor Bank (for the benefit of the transferor Bank, the Agent and the Borrower) that under applicable law and treaties no taxes will be required to be withheld by the Agent, the Borrower or the transferor Bank with respect to any payments to be made to such Transferee in respect of the Loans or the Letters of Credit, (ii) to furnish to the transferor Bank, the Agent and the

Borrower either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 or successor applicable form, as the case may be, certifying in each case that the Transferee is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, (iii) an Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, establish an exemption from United States backup withholding taxes, and (iv) to agree (for the benefit of the transferor Bank, the Agent and the Borrower) to provide the transferor Bank, the Agent and the Borrower a new Form 4224 or Form 1001 and from W-8 or W-9, or successor applicable forms, or other manner of certification, as the case may be, on or before the date that any such letter or from expires or becomes obsolete or after the occurrence of any event requiring change in the most recent letter and from previously delivered by it to the Borrower, and such extensions or renewals thereof as may reasonably be requested by the Borrower, certifying in the case of a Form 1001 or 4224 that such Transferee is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless in any such cases an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent the Transferee from duly completing and delivering any such letter or from with respect to it and such Transferee advises the transferor Bank, the Agent and the Borrower that it is not capable of receiving payments without any deduction or withholdings of United States federal income tax, and in the case of a Form W-8 or W-9, establishing an exemption from United States backup withholding tax.

(h) Nothing herein shall prohibit any Bank from pledging or assigning any Note to any Federal Reserve Bank in accordance with applicable law.

11.7 Adjustments; Set-off. (a) If any Bank (a "benefitted Bank") shall at any time receive any payment of all or part of its Loans, interest thereon or participations in Letters of Credit, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in clause (i) of Section 9, or otherwise) in a greater proportion than any such payment to and collateral received by any other Bank, if any, in respect of such other Bank's Loans, or interest thereon, such benefitted Bank shall purchase for cash from the other Banks such portion of each such other Bank's Loan, or shall provide such other Banks with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such benefitted Bank to share the excess payment or benefits of such collateral or proceeds ratably with each of the Banks; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such benefitted Bank, such purchase shall be rescinded, and the purchase price and benefits returned,

to the extent of such recovery, but without interest. The Borrower agrees that each Bank so purchasing a portion of another Bank's Loan may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Bank were the direct holder of such portion.

(b) In addition to any rights and remedies of the Banks provided by law, each Bank shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon the occurrence and continuance of a Default and any amount becoming due and payable by the Borrower hereunder or under the Notes (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Bank or any branch or agency thereof to or for the credit or the account of the Borrower. Each Bank agrees promptly to notify the Borrower and the Agent after any such set-off and application made by such Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application.

11.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Agent.

11.9 GOVERNING LAW. THIS AGREEMENT AND THE NOTES AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

11.10 Confidentiality. Each Bank and the Issuing Bank agrees to take normal and reasonable precautions to maintain the confidentiality of information designated in writing as confidential and provided to it by the Borrower or any Subsidiary in connection with this Agreement; provided, however, that any Bank may disclose such information (a) at the request of any bank regulatory authority or in connection with an examination of such Bank by any such authority, (b) pursuant to subpoena or other court process, (c) when required to do so in accordance with the provisions of any applicable law, (d) at the discretion of any other Governmental Authority, (e) to such Bank's Affiliates, independent auditors and other professional advisors or (f) to any Transferee or potential Transferee; provided that such Transferee agrees to comply with the provisions of this subsection 11.10.

11.11 Submission to Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement or any other Loan Document to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives trial by jury and any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower, as the case may be, at its address set forth in subsection 11.2 or at such other address of which the Agent shall have been notified pursuant thereto; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

11.12 Existing Credit Agreement. (a) On the Closing Date, all outstanding letters of credit under the Existing Credit Agreement set forth on Schedule 3.1 shall be converted into Letters of Credit hereunder on the terms and conditions set forth in this Agreement.

(b) The Required Banks (as defined in the Existing Credit Agreement) hereby waive compliance by the Borrower of its obligations under subsections 2.8 and 2.9 of the Existing Credit Agreement to notify the Agent of its intention to terminate the "Commitments" and prepay "Loans" under (and as defined in) the Existing Credit Agreement within the time periods specified in such subsections.

11.13 Release of Collateral. (a) The Banks hereby agree with the Borrower, and hereby instruct the Agent, that if (i) the implied senior long-term unsecured debt securities of the Borrower are rated at least BBB- by Standard and Poor's Ratings Group and at least BAA3 by Moody's Investors Service, Inc., (ii) the Agent has no actual knowledge of the existence of a Default and (iii) the Borrower shall have delivered a certificate of a Responsible Officer stating that such Responsible Officer has

obtained no knowledge of any Default or Event of Default, the Agent shall, at the request and expense of the Borrower, take such actions as shall be reasonably requested by the Borrower to release its security interest in all collateral held by it pursuant to the Security Documents.

(b) The Banks hereby agree with the Borrower, and hereby instruct the Agent, that upon any sale (i) of accounts receivable permitted by this Agreement or (ii) of any assets permitted by subsection 8.6(f) or upon any transfer of assets pursuant to the last sentence of subsection 8.5, the Agent shall release, to the extent necessary, its security interest in such accounts receivable or such assets, as the case may be.

(c) The Banks hereby agree with the Borrower and hereby instruct the Agent to release its security interest in assets on which Liens are being created by the Borrower or any Subsidiary as permitted by subsection 8.3(m).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New York, New York by their proper and duly authorized officers as of the day and year first above written.

LEAR SEATING CORPORATION

By: /s/

Title:

CHEMICAL BANK, as Agent and as
a Bank

By: /s/

Title:

ABN AMRO BANK N.V., as a Co-Agent
and as a Lender

By: /s/

Title:

By: /s/

Title:

THE ASAHI BANK, LTD.

By: /s/

Title:

BANKERS TRUST COMPANY, as a
Managing Agent and as a Lender

By: /s/

Title:

BANK OF AMERICA ILLINOIS, as a Co-
Agent and as a Lender

By: /s/

Title:

BANK OF MONTREAL, as a Co-Agent and
as a Lender

By: /s/

Title:

THE BANK OF NEW YORK, as a Co-Agent
and as a Lender

By: /s/

Title:

THE BANK OF NOVA SCOTIA, as a
Managing Agent and as a Lender

By: /s/

Title:

THE BANK OF TOKYO TRUST COMPANY, as
a Co-Agent and as a Lender

By: /s/

Title:

BANQUE PARIBAS

By: /s/

Title:

By: /s/

Title:

CAISSE NATIONALE de CREDIT AGRICOLE

By: /s/

Title:

CIBC INC., as a Co-Agent and as a Lender

By: /s/

Title:

CITICORP USA, INC., as a Managing Agent and as a Lender

By: /s/

Title:

COMERICA BANK, as a Co-Agent and as a Lender

By: /s/

Title:

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION EUROPEENNE, as a Lead Manager and as a Lender

By: /s/

Title:

By: /s/

Title:

COOPERATIEVE CENTRALE RAIFFEISEN - BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH

By: /s/

Title:

By: /s/

Title:

CREDITANSTALT CORPORATE FINANCE, INC.

By: /s/

Title:

By: /s/

Title:

CREDIT LYONNAIS CHICAGO BRANCH, as a Co-Agent and as a Lender

By: /s/

Title:

CREDIT LYONNAIS CAYMAN BRANCH, as a Co-Agent and as a Lender

By: /s/

Title:

THE DAI-ICHI KANGYO BANK, LTD.

By: /s/

Title:

DEUTSCHE BANK AG, CHICAGO BRANCH,
as a Co-Agent and as a Lender

By: /s/

Title:

By: /s/

Title:

DRESDNER BANK AG, CHICAGO AND GRAND
CAYMAN BRANCHES, as a Co-Agent
and as a Lender

By: /s/

Title:

By: /s/

Title:

FIRST AMERICAN NATIONAL BANK

By: /s/

Title:

FIRST BANK NATIONAL ASSOCIATION

By: /s/

Title:

THE FIRST NATIONAL BANK OF BOSTON,
as a Lead Manager and as a Lender

By: /s/

Title:

FIRST UNION NATIONAL BANK OF NORTH CAROLINA, as a Co-Agent and as a Lender

By: /s/

Title:

THE FUJI BANK, LIMITED, as a Co-Agent and as a Lender

By: /s/

Title:

THE INDUSTRIAL BANK OF JAPAN, LTD., CHICAGO BRANCH, as a Co-Agent and as a Lender

By: /s/

Title:

ISTITUTO BANCARIO SAN PAOLO DI TORNIO SPA

By: /s/

Title:

By: /s/

Title:

KREDIETBANK N.V.

By: /s/

Title:

By: /s/

Title:

LEHMAN COMMERCIAL PAPER INC., as
a Managing Agent and as a Lender

By: /s/

Title:

THE LONG-TERM CREDIT BANK OF JAPAN,
LTD., CHICAGO BRANCH

By: /s/

Title:

THE MITSUBISHI BANK, LIMITED
(CHICAGO BRANCH), as a Lead
Manager and as a Lender

By: /s/

Title:

THE MITSUBISHI TRUST & BANKING
CORPORATION, CHICAGO BRANCH

By: /s/

Title:

NATIONAL BANK OF CANADA

By: /s/

Title:

By: /s/

Title:

NATIONSBANK, N.A. (CAROLINAS), as a
Co-Agent and as a Lender

By: /s/

Title:

NBD BANK, as a Lead Manager and as a Lender

By: /s/

Title:

THE NIPPON CREDIT BANK, LTD., as a Co-Agent and as a Lender

By: /s/

Title:

ROYAL BANK OF CANADA, as a Lead Manager and as a Lender

By: /s/

Title:

THE ROYAL BANK OF SCOTLAND, plc.

By: /s/

Title:

THE SAKURA BANK, LIMITED

By: /s/

Title:

THE SANWA BANK, LIMITED, CHICAGO BRANCH, as a Lead Manager and as a Lender

By: /s/

Title:

SOCIETE GENERALE, CHICAGO BRANCH

By: /s/

Title:

SOCIETY NATIONAL BANK

By: /s/

Title:

THE SUMITOMO BANK, LIMITED,
CHICAGO BRANCH

By: /s/

Title:

By: /s/

Title:

THE SUMITOMO TRUST & BANKING CO.,
LTD., NEW YORK BRANCH

By: /s/

Title:

THE TOKAI BANK, LTD. (CHICAGO
BRANCH)

By: /s/

Title:

VIA BANQUE

By: /s/

Title:

By: /s/

Title:

WESTPAC BANKING CORPORATION

By: /s/

Title:

THE YASUDA TRUST & BANKING COMPANY,
LTD.

By: /s/

Title:

FIRST AMENDMENT AND CONSENT

FIRST AMENDMENT AND CONSENT, dated as of December 8, 1995 (this "Amendment"), to the Credit Agreement, dated as of August 17, 1995 (as amended, supplemented or otherwise modified, the "Credit Agreement"), among Lear Seating Corporation, a Delaware corporation (the "Borrower"), the several financial institutions parties thereto (the "Banks"), Chemical Bank, as administrative agent for the Banks (in such capacity, the "Agent"), and the Managing Agents, Co-Agents and Lead Managers identified therein.

W I T N E S S E T H :

WHEREAS, pursuant to the Credit Agreement, the Banks have agreed to make, and have made, extensions of credit to the Borrower; and

WHEREAS, the Borrower has requested that certain provisions of the Credit Agreement and other Loan Documents be modified in the manner provided for in this Amendment, and the Banks are willing to agree to such modifications as provided for in this Amendment;

NOW, THEREFORE, in consideration of the premises and mutual agreements contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Credit Agreement. (a) Subsection 1.1 of the Credit Agreement is hereby amended by (i) deleting the definition of "Security Documents" contained therein in its entirety and (ii) adding the following new definitions in correct alphabetical order:

"`Additional Subsidiary Guarantee': the Additional Subsidiary Guarantee made by Lear Operations Corporation and NAB Corporation in favor of the Agent, substantially in the form of Exhibit A of the First Amendment and Consent, dated December 8, 1995, to this Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

`Security Documents': the collective reference to the Security Agreements, the Pledge Agreements, the Mortgages, the Subsidiary Guarantee and the Additional Subsidiary Guarantee."

(b) Subsection 8.4(a) of the Credit Agreement is hereby amended by deleting it in its entirety and inserting in lieu thereof the following:

"(a) Guarantee Obligations in respect of the Subsidiary Guarantee and the Additional Subsidiary Guarantee;"

(c) Subsection 8.5 of the Credit Agreement is hereby amended by adding the following sentence to the end of such subsection:

"Notwithstanding any provision contained in paragraphs (a) and (c) of this subsection, no Subsidiary of the Borrower may (i) be merged or consolidated with or into either Lear Operations Corporation or NAB Corporation or any Subsidiary thereof or (ii) sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to either Lear Operations Corporation or NAB Corporation or any Subsidiary thereof unless, in each case, (A) the Additional Subsidiary Guarantee shall have been amended in writing to remove the limitation on such transferee's liability thereunder contained in clause (ii) of paragraph 2(b) of the Additional Subsidiary Guarantee or (B) the Agent shall have received a certificate of a Responsible Officer of the Borrower in form and substance satisfactory to the Agent describing such sale, lease, transfer or other disposition and certifying the fair market value of the assets to be so sold, leased, transferred or otherwise disposed. Upon the Agent's approval of the certificate described in clause (B) of the preceding sentence, the limitation on the transferee's liability under clause (ii) of paragraph 2(b) of the Additional Subsidiary Guarantee shall automatically increase by an amount equal to the fair market value of the assets described in such certificate. For purposes of the preceding two sentences, if the transferee is a Subsidiary of either Lear Operations Corporation or NAB Corporation, the term transferee in such two sentences shall refer to either Lear Operations Corporation or NAB Corporation, whichever is the parent of such Subsidiary."

(d) Subsection 8.6 of the Credit Agreement is hereby amended by (i) deleting the word "and" at the end of paragraph (e) thereof, (ii) deleting the period at the end of paragraph (f) thereof and inserting in lieu thereof the word "; and" and (iii) adding the following to the end of such subsection:

"(g) the transfer or other disposition of assets permitted pursuant to subsection 8.9(e) to any Subsidiary."

(e) Subsection 8.8 of the Credit Agreement is hereby amended by deleting the table contained therein in its entirety and inserting in lieu thereof the following table:

"Fiscal Year	Amount
1995	$150,000,000
1996	160,000,000
1997	125,000,000
1998	125,000,000
1999	100,000,000
2000	100,000,000
2001	100,000,000;"

(f) Subsection 8.9 of the Credit Agreement is hereby amended by (i) deleting paragraph (d) thereof in its entirety and inserting in lieu thereof the following:

"(d) investments, loans and advances listed on Schedule 8.9, together with any replacements, substitutions or refinancings thereof that do not increase the amount thereof;",

(ii) deleting the word "and" at the end of paragraph (s) thereof, (iii) deleting the period at the end of paragraph (t) thereof and inserting in lieu thereof the word "; and" and (iv) adding the following to the end of such subsection:

"(u) the contribution by the Borrower to a Subsidiary of the Borrower formed under the laws of the Cayman Islands of loans or participating interests in loans made to Lear Italia and permitted pursuant to paragraph (o) of this subsection 8.9."

3. Consents and Waivers. (a) Notwithstanding any provision contained in subsections 8.5 and 8.6 of the Credit Agreement, paragraph 5(j) of the Security Agreement or any Mortgage to which the Borrower is a party, the Banks consent to the Borrower's transfer of (i) substantially all of its non-Michigan assets to Lear Operations Corporation, a Delaware corporation and a newly formed, Wholly Owned Subsidiary of the Borrower ("LOC"), (ii) all of its assets obtained in connection with the November 1993 acquisition of Ford Motor Company's North American seat cover and seat systems business, and assets currently used in the operation of such business, to NAB Corporation, a Delaware corporation and a newly formed and Wholly Owned Subsidiary of the Borrower ("NAB Co."), (iii) the Borrower's existing participating interest in loans made to Lear Italia to a direct Subsidiary of the Borrower to be formed under the laws of the Cayman Islands ("Cayman Co."), provided that simultaneously with such transfer described in this clause (iii), (A) the Borrower shall have executed and delivered a pledge agreement in form and substance reasonably satisfactory to the Agent whereby the Borrower shall have pledged 65% of the stock of Cayman Co. to the Agent, (B) the Agent shall have received certificates of Cayman Co. representing such pledged stock together with related executed stock transfer forms and (C) the Agent shall have received, with a copy for each Bank, (I) the

opinion of Cayman Islands counsel in form and substance reasonably satisfactory to the Agent and (II) the opinion of Winston & Strawn in form and substance reasonably satisfactory to the Agent.

(b) Notwithstanding any provision contained in any Loan Document, but subject to the adjustments provided in subsection 8.5 of the Credit Agreement, the maximum liability of each of LOC and NAB Co. under the Additional Subsidiary Guarantee and, without duplication, the maximum amount of Obligations secured pursuant to the Security Agreements or Mortgages to which either LOC or NAB Co. is a party or by assets owned or held by LOC or NAB Co. (including, without limitation, any real property transferred by the Borrower to either LOC or NAB Co., whether or not subject to a Mortgage) shall in no event exceed $54,000,000, in the case of LOC, and $59,000,000, in the case of NAB Co.

(c) Notwithstanding any provision contained in subsection 8.5 of the Credit Agreement or any provision of the Pledge Agreements, AIHI and any of its Subsidiaries may merge, in one or more transactions, into Automotive Industries Manufacturing Inc., a Delaware corporation and a newly formed and Wholly Owned Subsidiary of the Borrower ("AII"), which shall be the surviving corporation of such mergers.

(d) The Banks hereby waive compliance with the provisions of subsection 8.18 of the Credit Agreement with respect to (i) each of LOC and NAB Co. being parties to a Guarantee Supplement and (ii) having the stock of each of LOC and NAB Co. pledged to the Agent, for the ratable benefit of the Banks; provided that such waiver is given subject to the condition that the Borrower, LOC and NAB Co., as applicable, execute and deliver the Additional Subsidiary Guarantee, the First Amendment to the Domestic Pledge Agreement and the Additional Security Agreement (as such documents are described in Section 5(b), (c) and (e) hereof).

(e) Notwithstanding any provision contained in the Lear Seating Canada Ltd. Share Pledge Agreement, dated as of August 17, 1995, made by the Borrower in favor of the Agent, the Banks consent to the amalgamation of Lear Seating Canada Ltd. and 115335 Ontario Inc., a newly formed Subsidiary of the Borrower ("Holdco"), provided that such consent is given subject to the condition that upon the amalgamation of Lear Seating Canada Ltd. and Holdco (the continuing corporation after such amalgamation being referred to herein as "Lear Canada"), the Borrower and Lear Canada shall deliver the First Amendment to the Lear Seating Canada Ltd. Share Pledge Agreement in substantially the form of Exhibit E hereto, and the Borrower shall deliver to the Agent share certificates in the name of the Agent representing 65% of the issued and outstanding shares of each class of capital stock of Lear Canada.

4. Agreements of Banks. The Banks hereby consent to (a) the First Amendment to Domestic Pledge Agreement in substantially the form of Exhibit D hereto, (b) the First Amendment to Lear Seating Canada Ltd. Share Pledge Agreement in substantially the form of Exhibit E hereto and (c) after the contribution of the capital stock of Lear Seating (U.K.) Limited into Automotive Industries Holdings Limited ("AIHL"), the release of the charge over 65% of the stock of Lear Seating (U.K.) Limited pursuant to the Charge Over Shares, dated August 17, 1995 (the "Old Charge"), between the Borrower and the Agent, provided that simultaneously with such release (i) AII and the Agent shall have executed and delivered a new Charge Over Shares in substantially the form of the Old Charge whereby AII shall have pledged 65% of the stock of AIHL to the Agent, (ii) the Agent shall have received certificates of AIHL representing such pledged stock, together with related executed stock transfer forms and (iii) the Agent shall have received, with a copy for each Bank, (A) the opinion of English counsel to the Agent in form and substance reasonably satisfactory to the Agent and (B) the opinion of Winston & Strawn in form and substance reasonably satisfactory to the Agent.

5. Conditions to Effectiveness. This Amendment shall become effective on the date (the "Amendment Effective Date") on which all of the following conditions precedent have been satisfied or waived:

(a) execution and delivery of this Amendment by the Borrower, the Agent and the Required Banks;

(b) receipt by the Agent, with a counterpart for each Bank, of the Additional Subsidiary Guarantee in substantially the form of Exhibit A hereto duly executed by each of LOC and NAB Co.;

(c) receipt by the Agent, with a counterpart for each Bank, of the Additional Security Agreement in substantially the form of Exhibit B hereto duly executed by each of LOC and NAB Co.;

(d) receipt by the Agent, with a counterpart for each Bank, of the Second Additional Security Agreement in substantially the form of Exhibit C hereto, duly executed by AII;

(e) receipt by the Agent, with a counterpart for each Bank, the First Amendment to Domestic Pledge Agreement in substantially the form of Exhibit D hereto duly executed by the Borrower and consented to by AII, LOC and NAB Co.;

(f) receipt by the Agent of certificates representing shares pledged pursuant to the First Amendment to Domestic Pledge Agreement, together with an undated stock power for

each such certificate executed in blank by a duly authorized officer of the Borrower;

(g) receipt by the Agent of evidence in form and substance satisfactory to it that all filings, recordings, registrations and other actions, including, without limitation, the filing of duly executed financing statements on form UCC-1, necessary or, in the opinion of the Agent, desirable to perfect the Liens created by the Additional Security Agreement, the Second Additional Security Agreement and the First Amendment to Domestic Pledge Agreement shall have been completed;

(h) receipt by the Agent of the results of a recent search by a Person satisfactory to the Agent, of the Uniform Commercial Code, judgment and the tax lien filings which may have been filed with respect to personal property of each of LOC, NAB Co. and AII, and the results of such search shall be reasonably satisfactory to the Agent;

(i) receipt by the Agent, with a counterpart for each Bank, of a certificate of the Secretary or Assistant Secretary of each of the Borrower, LOC, NAB Co. and AII, dated the Amendment Effective Date, as to the incumbency and signature of their respective officers executing each of this Amendment, the Additional Subsidiary Guarantee, the Additional Security Agreement, the Second Additional Security Agreement and the First Amendment to Domestic Pledge Agreement, as applicable, together with satisfactory evidence of the incumbency of such Secretary or Assistant Secretary;

(j) receipt by the Agent, with a counterpart for each Bank, of a copy of the resolutions in form and substance satisfactory to the Agent, of the Board of Directors of each of the Borrower, LOC, NAB Co., and AII authorizing (i) the execution, delivery and performance of this Amendment and the other documents being executed and delivered in connection herewith and (ii) the granting by it of the pledge and security interest granted by it pursuant to such documents, certified by their respective Secretary or an Assistant Secretary as of the Amendment Effective Date, which certificate shall state that the resolutions therein certified have not been amended, modified revoked or rescinded as of the date of such certificate; and

(k) receipt by the Agent, with a copy for each Bank, of an opinion, dated the Amendment Effective Date, of Winston & Strawn in substantially the form of Exhibit F hereto.

6. Representations and Warranties. The Borrower represents and warrants that the representations and warranties made by the Borrower in the Loan Documents are true and correct

in all material respects on and as of the Amendment Effective Date, before and after giving effect to the effectiveness of this Amendment, as if made on and as of the Amendment Effective Date, except to the extent such representations and warranties expressly relate to an earlier date.

7. Payment of Expenses. The Borrower agrees to pay or reimburse the Agent for all of its out-of-pocket costs and reasonable expenses incurred in connection with this Amendment and any other documents prepared in connection herewith and the transactions contemplated hereby, including, without limitation, the reasonable fees and disbursements of counsel to the Agent.

8. No Other Amendments; Confirmation. Except as expressly amended, modified and supplemented hereby, the provisions of the Credit Agreement, the Notes and the other Loan Documents are and shall remain in full force and effect.

9. Governing Law; Counterparts. (a) This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

(b) This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Amendment signed by all the parties shall be lodged with the Borrower and the Agent. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

LEAR SEATING CORPORATION

By: /s/

Title:

CHEMICAL BANK, as Agent and as a Bank

By: /s/

Title:

ABN AMRO BANK N.V.

By: /s/

Title:

By: /s/

Title:

THE ASAHI BANK, LTD.

By:

Title:

BANKERS TRUST COMPANY

By: /s/

Title:

BANK OF AMERICA ILLINOIS

By: /s/

Title:

BANK OF MONTREAL

By: /s/

Title:

THE BANK OF NEW YORK

By: /s/

Title:

THE BANK OF NOVA SCOTIA

By: /s/

Title:

THE BANK OF TOKYO TRUST COMPANY

By:

Title:

BANQUE PARIBAS

By: /s/

Title:

By: /s/

Title:

CAISSE NATIONALE DE CREDIT AGRICOLE

By: /s/

Title:

CIBC INC.

By: /s/

Title:

CITICORP USA, INC.

By: /s/

Title:

COMERICA BANK

By: /s/

Title:

COMPAGNIE FINANCIERE DE CIC ET DE
L'UNION EUROPEENNE

By: /s/

Title:

By: /s/

Title:

COOPERATIEVE CENTRALE RAIFFEISEN - BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH

By: /s/

Title:

By: /s/

Title:

CREDITANSTALT CORPORATE FINANCE, INC.

By: /s/

Title:

By: /s/

Title:

CREDIT LYONNAIS CHICAGO BRANCH

By: /s/

Title:

CREDIT LYONNAIS CAYMAN ISLANDS BRANCH

By: /s/

Title:

THE DAI-ICHI KANGYO BANK, LTD.

By: /s/

Title:

DEUTSCHE BANK AG, CHICAGO AND/OR CAYMAN ISLANDS BRANCHES

By: /s/

Title:

By: /s/

Title:

DRESDNER BANK AG, CHICAGO AND GRAND CAYMAN BRANCHES

By: /s/

Title:

By: /s/

Title:

FIRST AMERICAN NATIONAL BANK

By:

Title:

FIRST BANK NATIONAL ASSOCIATION

By: /s/

Title:

THE FIRST NATIONAL BANK OF BOSTON

By: /s/

Title:

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

By: /s/

Title:

THE FUJI BANK, LIMITED

By: /s/

Title:

THE INDUSTRIAL BANK OF JAPAN, LTD., CHICAGO BRANCH

By: /s/

Title:

ISTITUTO BANCARIO SAN PAOLO
DI TORNIO SPA

By: /s/

Title:

By: /s/

Title:

KREDIETBANK N.V.

By:

Title:

By:

Title:

LEHMAN COMMERCIAL PAPER INC.

By:

Title:

THE LONG-TERM CREDIT BANK OF JAPAN,
LTD., CHICAGO BRANCH

By: /s/

Title:

THE MITSUBISHI BANK, LIMITED
(CHICAGO BRANCH)

By: /s/

Title:

THE MITSUBISHI TRUST & BANKING
CORPORATION, CHICAGO BRANCH

By: /s/

Title:

NATIONAL BANK OF CANADA

By: /s/

Title:

By: /s/

Title:

NATIONSBANK, N.A. (CAROLINAS)

By: /s/

Title:

NBD BANK

By: /s/

Title:

THE NIPPON CREDIT BANK, LTD.

By: /s/

Title:

ROYAL BANK OF CANADA

By: /s/

Title:

THE ROYAL BANK OF SCOTLAND, PLC.

By: /s/

Title:

THE SAKURA BANK, LIMITED

By: /s/

Title:

THE SANWA BANK, LIMITED, CHICAGO BRANCH

By:

Title:

SOCIETE GENERALE, CHICAGO BRANCH

By: /s/

Title:

SOCIETY NATIONAL BANK

By: /s/

Title:

THE SUMITOMO BANK, LIMITED,
CHICAGO BRANCH

By:

Title:

By:

Title:

THE SUMITOMO TRUST & BANKING CO.,
LTD., NEW YORK BRANCH

By: /s/

Title:

THE TOKAI BANK, LTD. (CHICAGO
BRANCH)

By: /s/

Title:

VIA BANQUE

By:

Title:

By:

Title:

WESTPAC BANKING CORPORATION

By: /s/

Title:

THE YASUDA TRUST & BANKING COMPANY, LTD.

By: /s/

Title:

VAN KAMPEN AMERICAN CAPITAL PRIME RATE INCOME TRUST

By: /s/

Title:

MITSUI TRUST & BANKING COMPANY, LIMITED,NEW YORK BRANCH

By: /s/

Title:

THE TOYO TRUST AND BANKING COMPANY, LIMITED

By: /s/

Title:

ACKNOWLEDGEMENT AND CONSENT

Each of the undersigned corporations as guarantors under the Subsidiary Guarantee, dated as of August 17, 1995, made by LS Acquisition Corp. No. 14, Lear Seating Holdings Corp. No. 50, Progress Pattern Corp., Lear Plastics Corp., LS Acquisition Corporation No. 24, Fair Haven Industries, Inc. and Automotive Industries Holding, Inc. (as successor by merger to AIHI Acquisition Corp.) in favor of the Agent as supplemented by the Guarantor Supplements, each dated September 12, 1995, by ASAA, Inc., Gulfstream Automotive, Inc. and Automotive Industries, Inc. hereby (a) consents to the transaction contemplated by this Amendment and (b) acknowledges and agrees that the guarantees contained in such Subsidiary Guarantee as supplemented by such Guarantor Supplements (and all collateral security therefor) are, and shall remain, in full force and effect after giving effect to this Amendment and all prior modifications to the Credit Agreement.

LS ACQUISITION CORP., NO. 14

By: /s/

Title:

LEAR SEATING HOLDINGS CORP.
No. 50

By: /s/

Title:

PROGRESS PATTERN CORP.

By: /s/

Title:

LEAR PLASTICS CORP.

By: /s/

Title:

LS ACQUISITION CORPORATION
NO. 24

By: /s/

Title:

FAIR HAVEN INDUSTRIES, INC.

By: /s/

Title:

AUTOMOTIVE INDUSTRIES HOLDING, INC. (as successor by merger to AIHI Acquisition Corp.)

By: /s/

Title:

ASSA, INC.

By: /s/

Title:

GULFSTREAM AUTOMOTIVE, INC.

By: /s/

Title:

AUTOMOTIVE INDUSTRIES, INC.

By: /s/

Title:

EXHIBIT 99.1(c)

AGREEMENT AND PLAN OF MERGER DATED MAY 23, 1996

BY AND AMONG LEAR CORPORATION;

PA ACQUISITION CORP. AND

MASLAND CORPORATION

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER dated May 23, 1996 (this "Agreement") by and among LEAR CORPORATION, a Delaware corporation ("Purchaser"), PA ACQUISITION CORP., a Delaware corporation and a wholly-owned subsidiary of Purchaser ("Sub") and MASLAND CORPORATION, a Delaware corporation (the "Company") (Sub and the Company being hereinafter collectively referred to as the "Constituent Corporations").

W I T N E S S E T H

WHEREAS, the Board of Directors of Purchaser and the Board of Directors of the Company have approved the acquisition of the Company by Purchaser, by means of the merger of Sub with and into the Company, upon the terms and conditions set forth in this Agreement;

WHEREAS, to effectuate such acquisition, Purchaser proposes to make or to cause Sub or another direct or indirect wholly-owned subsidiary of Purchaser to make a tender offer for any and all Shares of Common Stock of the Company, $.01 par value, which are issued and outstanding (the "Shares") (including the associated rights (the "Rights") to purchase Series A Junior Participating Preferred Stock, par value $.01 per share, of the Company (or other securities) issued pursuant to the Rights Agreement dated as of November 16, 1995, as amended (the "Rights Agreement"), between the Company and Mellon Securities Trust Company, as Rights Agent) on the terms set forth in the Offer to Purchase (as hereinafter defined), and the Board of Directors of the Company has approved such tender offer and recommended that it be accepted by the stockholders of the Company;

WHEREAS, Purchaser and Sub are unwilling to enter into this Agreement (and effect the transactions contemplated hereby) unless, contemporaneously with the execution and delivery hereof, certain beneficial and record holders of the Shares identified on Schedule I hereto enter into agreements (collectively, the "Stockholders Agreement") providing for certain matters with respect to their Shares, including the tender of their Shares and certain other

actions relating to the Offer (as defined in Section 1.01) and the other transactions contemplated by this Agreement, and in order to induce Purchaser and Sub to enter into this Agreement, such stockholders have agreed to enter into the Stockholders Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, Purchaser, Sub and the Company hereby agree as follows:

ARTICLE I

THE OFFER

1.01 The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 6.01 and that nothing shall have occurred which would result in a failure to satisfy any of the conditions set forth in Exhibit A hereto, Purchaser or Sub shall as promptly as practicable, and in no event later than one business day after the date hereof, publicly announce the execution and delivery of this Agreement, and within five business days after such public announcement commence (within the meaning of Rule 14d-2(a) of the Securities Exchange Act of 1934, as amended, (including the rules and regulations promulgated thereunder, the "Exchange Act")), a tender offer for all outstanding Shares (including the associated Rights) at a price of $26.00 per Share net to the Seller in cash (the "Offer") and, subject to the satisfaction of the conditions set forth in such Exhibit A, shall use its best efforts to consummate the Offer on the terms set forth herein.

(b) As soon as practicable on the date the Offer is commenced, Purchaser and Sub shall file with the Securities and Exchange Commission (the "Commission") a Tender Offer Statement on Schedule 14D-1 with respect to the Offer (the "Schedule 14D-1") which shall include as an exhibit and incorporate by reference an offer to purchase (the "Offer to Purchase") (or portions thereof) and forms of the related letter of transmittal and summary advertisement (which documents, together with any supplements or amendments thereto, are referred to collectively herein as the "Offer Documents"). The Company and its counsel shall be given the opportunity to review the Offer Documents and any amendments thereto prior to the filing thereof with the Commission. Each of Purchaser, Sub and the Company represents and warrants that the written information supplied and to be supplied for inclusion by Purchaser, Sub and the Company, respectively, in the Schedule 14D-1 and the Offer Documents shall, on the date the Schedule 14D-1 is filed with the Commission, and on the date the Offer Documents are first published, sent or given to holders of Shares, as the case

may be, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and each of Purchaser, Sub and the Company agrees promptly to correct any such information provided by them which shall have become false or misleading in any material respect and take all steps necessary to cause such Schedule 14D-1 as so corrected to be filed with the Commission and such Offer Documents as so corrected to be disseminated to holders of Shares, in each case as and to the extent required by applicable law. Purchaser and Sub agree that the Schedule 14D-1 shall comply as to form in all material respects with the provisions of applicable law.

(c) Without the prior written consent of the Company, the Purchaser shall not (i) decrease the price per Share or change the form of consideration payable in the Offer, (ii) decrease the number of Shares sought, (iii) amend or waive satisfaction of the Minimum Condition (as defined in Exhibit A), (iv) impose additional conditions to the Offer or amend any other term of the Offer in any manner adverse to the holders of Shares, or (v) extend the expiration date of the Offer (except as required by law and except that Sub may extend the expiration date of the Offer for up to ten (10) business days after the initial expiration date or for longer periods in the event that at the expiration date of the Offer the conditions to the Offer described in Exhibit A hereto shall not have been satisfied or earlier waived); provided, however, that, except as set forth above, Sub may waive any other condition to the Offer in its sole discretion; and provided further, that the Offer may be extended in connection with an increase in the consideration to be paid pursuant to the Offer so as to comply with applicable rules and regulations of the Commission. Upon the terms and subject to the conditions of the Offer, the Purchaser will accept for payment and purchase, as soon as permitted under the terms of the Offer, all Shares validly tendered and not withdrawn prior to the expiration of the Offer (it being understood that the Offer shall expire as soon as is permissible under the Exchange Act and the Rules and Regulations of the New York Stock Exchange Inc. subject to the provisions of this Subsection (c) and Section 6.01 below).

1.02 Company Action. (a) The Company hereby consents to the Offer and represents that (i) the Board of Directors of the Company (the "Board") at a meeting duly called and held (x) has unanimously approved this Agreement and the transactions contemplated hereby, including the Offer and the Merger (as such term is defined in Section 2.01), (y) has resolved to recommend acceptance of the Offer and approval of this Agreement and the Merger by the Company's stockholders and (z) by the unanimous vote

of the Board, determined that each of this Agreement, the Offer and the Merger are fair to and in the best interests of the stockholders of the Company, and (ii) Goldman Sachs & Co. ("Goldman Sachs") has delivered to the Board its opinion that the per Share (including the associated Rights) consideration to be received by the Company's stockholders pursuant to the Offer and the Merger is fair to such stockholders. The Company hereby consents to the inclusion in the Offer Documents of the recommendations of the Board referred to in this Section 1.02 (a). On the date the Offer is commenced, the Company shall file with the Commission and mail to the holders of Shares a Solicitation/ Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9"), which shall reflect such recommendations and actions of the Board. The Company and with respect only to information that they have supplied for inclusion in the Schedule 14D-9, Purchaser and Sub, represent and warrant that the Schedule 14D-9 and any amendments or supplements thereto shall not, at the time filed with the Commission and on the date such Schedule or any amendment or supplement thereto is first mailed to the holders of Shares, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company agrees promptly to correct any information in the Schedule 14D-9 which shall have become false or misleading in any material respect and take all steps necessary to cause the Schedule 14D-9 as so corrected to be filed with the Commission and disseminated to holders of Shares, as and to the extent required by applicable law. The Company agrees that the Schedule 14D-9 shall comply as to form in all material respects with all provisions of applicable law. Purchaser, Sub and their counsel shall be given the opportunity to review the Schedule 14D-9 and any amendments thereto prior to the filing thereof with the Commission.

(b) The Company shall promptly furnish Purchaser with a list of the record holders of Shares and mailing labels containing the names and addresses of all record holders of Shares and lists of securities positions of Shares held in stock depositories, each as of the latest practicable date, and shall promptly furnish Purchaser with such additional information, including updated lists of stockholders of the Company, mailing labels and lists of securities positions, and assistance as Purchaser or its agents may reasonably request in connection with the Offer.

1.03 Directors. (a) Promptly upon the purchase by Sub of Shares pursuant to the Offer, and from time to time thereafter, Purchaser or Sub shall be entitled to designate such number of directors, rounded up to the next whole number (but in no event more than one less than the total number of directors on the Board)

as will give Purchaser, subject to compliance with Section 14(f) of the Exchange Act, representation on the Board equal to the product of (x) the number of directors on the Board (giving effect to any increase in the number of directors pursuant to this Section 1.03) and (y) the percentage that such number of Shares so purchased bears to the aggregate number of Shares outstanding (such number being, the "Board Percentage"), and the Company shall, upon request by Purchaser, promptly satisfy the Board Percentage by (i) increasing the size of the Board or (ii) using its best efforts to secure the resignations of such number of directors as is necessary to enable Purchaser's designees to be elected to the Board and shall cause Purchaser's designees promptly to be so elected. At the request of Purchaser, the Company shall take, at the Company's expense, all lawful action necessary to effect any such election. In addition, the Company shall mail to its stockholders the information required by Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder with the Schedule 14D-9. Purchaser will supply to the Company in writing and will be solely responsible for any information with respect to it and its designees, officers, directors and affiliates required by Section 14(f) of the Exchange Act and Rule 14f-1.

(b) Following the election or appointment of Purchaser's designees pursuant to this Section 1.03 and prior to the Effective Time of the Merger, any amendment or termination of this Agreement, extension for the performance or waiver of the obligations or other acts of Purchaser or Sub or waiver of the Company's rights hereunder, shall require the concurrence of a majority of directors of the Company then in office who are directors on the date hereof and who voted to approve this Agreement.

ARTICLE II

THE MERGER

2.01 The Merger. (a) Subject to the terms and conditions hereof, at the Effective Time (as such term is defined in Section 2.01(b)), Sub will be merged with and into the Company (the "Merger") in accordance with the General Corporation Law of Delaware (the "Delaware Law"), the separate existence of Sub shall cease and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation") under the name "MASLAND CORPORATION"

(b) At the Closing (as hereinafter defined) the parties hereto shall cause the Merger to be consummated by filing with the Secretary of State of Delaware the appropriate certificate of merger (the "Certificate of Merger") duly executed by the Company

in accordance with the requirements of the Delaware Law and with this Agreement. The date and time of filing of the Certificate of Merger with the Secretary of State of Delaware is referred to herein as the "Effective Time."

(c) From and after the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers, immunities and franchises, and be subject to all of the restrictions, disabilities and duties of each of the Constituent Corporations; and all property, real, personal and mixed, and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interests, of or belonging to or due to each of the Constituent Corporations shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of the Constituent Corporations shall not revert or be in any way impaired by reason of the Merger; all in accordance with Section 259 of the Delaware Law.

(d) Notwithstanding anything to the contrary herein, the parties to this Agreement may, by mutual consent prior to the Effective Time, elect, instead of merging Sub into the Company as hereinabove provided, to merge the Company into Sub. In such event, the parties agree to execute an appropriate amendment to this Agreement in order to reflect the foregoing change.

2.02 Closing. The closing of the Merger (the "Closing") shall take place (i) at the offices of Winston & Strawn, 35 West Wacker Drive, Chicago, IL 60601, at 10:00 A.M., local time, on the later of (x) the day of the Special Meeting provided for in Section 4.02, if such Special Meeting is required to be held or (y) the first business day after the day on which the last of the conditions set forth in Article V is fulfilled or waived (subject to applicable law) or (ii) at such other time and place and on such other date as Purchaser and the Company shall agree (the "Closing Date").

2.03 Conversion of Shares. At the Effective Time, by virtue of the Merger and without any action on the part of the holders of any securities of the Constituent Corporations:

(a) each Share (including the associated Rights) then issued and outstanding, other than Dissenting Shares (as such term is defined in Section 2.04) and Shares to be cancelled pursuant to Section 2.03(b), shall be converted into and represent the right to receive $26.00 net in cash, without any interest thereon, or an amount in cash, without interest, having a value equal to such greater amount per Share (including the associated Rights) as may be paid (in cash or other property or a combination thereof) by

Purchaser for any Shares (including the associated Rights) validly tendered and not withdrawn pursuant to the Offer (the "Merger Consideration"); in the event the price per Share (including the associated Rights) paid by Purchaser in the Offer is paid in whole or in part in property other than cash, such price shall be deemed to be equal to the sum of (i) the amount of cash, if any, paid for each Share (including the associated Rights) plus (ii) the fair value of such property, as agreed to by the Company and the Purchaser, or, if they are unable to agree, as determined by a nationally recognized investment banking firm, selected by the Company and approved by the Purchaser, which approval shall not be unreasonably withheld, and the fees of which shall be shared equally by the Company and the Purchaser;

(b) each Share (including the associated Rights) then held, directly or indirectly, by Purchaser, Sub or any subsidiary of Purchaser, Sub or the Company or held in the Company's treasury shall be cancelled and retired without payment of any consideration therefor; and

(c) each Share of common stock, par value $.01 per share, of Sub ("Sub Common Stock") issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and non-assessable share of common stock, $.01 par value, of the Surviving Corporation ("Surviving Corporation Common Stock"). After the Effective Time, Purchaser shall be the holder of all outstanding shares of Surviving Corporation Common Stock.

2.04 Dissenting Shares. Notwithstanding any other provision of this Agreement to the contrary, Shares (including the associated Rights) held by each stockholder who has not voted such Shares in favor of the Merger and with respect to which the holder thereof has properly exercised the right to dissent and demanded the fair value thereof in accordance with Section 262 of the Delaware Law ("Dissenting Shares") shall not be converted into and represent the right to receive the Merger Consideration; provided, however, that if any such stockholder ceases to be entitled to an appraisal of his Shares pursuant to Section 262 of the Delaware Law, then such holder's Dissenting Shares shall cease to be Dissenting Shares and shall, subject to the terms of this Agreement, be converted into and represent the right to receive the Merger Consideration.

2.05 Payment. (a) Pursuant to an agreement (the "Disbursing Agent Agreement") to be entered into on or before the Closing Date between Purchaser and a disbursing agent (the "Disbursing Agent") which shall be a commercial bank with capital of at least $1,000,000,000, Purchaser or the Surviving Corporation shall

deposit with the Disbursing Agent, in trust for the benefit of the Company's stockholders, at the Closing, the cash (in immediately available funds) to which holders of Shares shall be entitled pursuant to Section 2.03(a). The Disbursing Agent may invest portions of the cash deposited with it in such manner as Purchaser or the Surviving Corporation, as the case may be, directs, provided that all such investments be in obligations of or guaranteed by the United States of America, in commercial paper obligations receiving the highest rating from either Moody's Investors Service, Inc. or Standard & Poor's Corporation, or in certificates of deposit, bank repurchase agreements or bankers' acceptances of commercial banks with capital exceeding $1,000,000,000 the securities of which, or the securities of the holding company of which, are rated in the highest category by a nationally recognized credit agency (collectively, "Permitted Investments") or in money market funds which are invested solely in Permitted Investments; provided, further, that the maturities of Permitted Investments shall be such as to permit the Disbursing Agent to make prompt payment of the Merger Consideration to former stockholders of the Company entitled thereto. Any net profit resulting from, or interest or income produced by, Permitted Investments shall be payable to the Surviving Corporation. Purchaser shall replace any monies lost through any investment made at its direction pursuant to this Section 2.05(a) prior to the Effective Time, and the Surviving Corporation shall replace any monies lost through any investment made at its direction pursuant to this Section 2.05(a) after the Effective Time. Any funds remaining with the Disbursing Agent one year after the Effective Time shall be released and repaid by the Disbursing Agent to the Surviving Corporation, after which time persons entitled thereto may look, subject to applicable escheat and other similar laws, only to the Surviving Corporation for payment thereof.

(b) As soon as practicable after the Effective Time, the Disbursing Agent shall send a notice and a transmittal form to each holder of certificates formerly evidencing Shares (other than certificates formerly representing Shares to be cancelled pursuant to Section 2.03(b) and certificates representing Dissenting Shares) advising such holder of the effectiveness of the Merger and the procedure for surrendering to the Disbursing Agent (who may appoint forwarding agents with the approval of Purchaser) such certificates for exchange into the Merger Consideration. Each holder of certificates theretofore evidencing Shares, upon proper surrender thereof to the Disbursing Agent together with and in accordance with such transmittal form, shall be entitled to receive in exchange therefor the Merger Consideration deliverable in respect of the Shares theretofore evidenced by the certificates so surrendered. Upon such proper surrender, the Disbursing Agent shall promptly deliver the Merger Consideration. Until properly

surrendered, certificates formerly evidencing Shares (other than Dissenting Shares) shall be deemed for all purposes to evidence only the right to receive the Merger Consideration. Notwithstanding the foregoing, neither the Disbursing Agent nor any party hereto shall be liable to a holder of certificates theretofore representing Shares for any amount which may be required to be paid to a public official pursuant to an applicable abandoned property, escheat or similar law.

(c) If the Merger Consideration (or any portion thereof) is to be delivered to a person other than the person in whose name the certificates surrendered in exchange therefor are registered, it shall be a condition to the payment of such Merger Consideration that the certificates so surrendered shall be properly endorsed or accompanied by appropriate stock powers and otherwise in proper form for transfer, that such transfer otherwise be proper and that the person requesting such transfer pay to the Disbursing Agent any transfer or other taxes payable by reason of the foregoing or establish to the satisfaction of the Disbursing Agent that such taxes have been paid or are not required to be paid.

(d) In the event any certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Surviving Corporation will issue in exchange for such lost, stolen or destroyed certificate the Merger Consideration deliverable in respect thereof as determined in accordance with this Article II. When authorizing such issue of the Merger Consideration in exchange therefor, the Board of Directors of the Surviving Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate to give the Surviving Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Surviving Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

2.06 No Further Rights. From and after the Effective Time, holders of certificates theretofore evidencing Shares shall cease to have any rights as stockholders of the Company, except as provided herein or by law.

2.07 Closing of Company Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and no transfer of Shares shall thereafter be made.

2.08 Certificate of Incorporation By-Laws: Directors and Officers. The Restated Certificate of Incorporation and By-Laws of the Company in effect immediately prior to the Effective Time shall be the Certificate of Incorporation and By-Laws of the Surviving

Corporation until thereafter amended as provided therein and under the Delaware Law, except that (i) Article Seven (c) and (h) of the Restated Certificate of Incorporation shall be deleted; (ii) Article Four of the Restated Certificate of Incorporation shall be amended to read in its entirety as follows:

"ARTICLE FOUR

The total number of shares of stock that the corporation is authorized to issue is One Hundred (100) shares of common stock, having a par value of $.01 per share";

and (iii) Article Seven (d) of the Restated Certificate of Incorporation shall be amended to read in its entirety as follows:

"(d) Vacancies and newly erected directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until their successors are duly elected and qualified, or until their earlier resignation or removal."

The directors of Sub immediately prior to the Effective Time shall be the directors of the Surviving Corporation and the officers of the Company immediately prior to the Effective Time shall be the officers of the Surviving Corporation, in each case until their successors are duly elected and qualified. The Company will use its best efforts to obtain the resignations of its directors at the Effective Time.

2.09 Withholding Rights. Purchaser shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Shares such amounts as Purchaser is required to deduct and withhold with respect to the making of such payment under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by Purchaser, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by Purchaser.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.01 Resentation and Warranties of Purchaser and Sub. Purchaser and Sub hereby jointly and severally represent and warrant to the Company as follows:

(a) Organization. Each of Purchaser and Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Authorization and Validity of Agreements. Each of Purchaser and Sub has all requisite corporate power and authority to enter into this Agreement and to perform its respective obligations hereunder. The execution, delivery and performance by each of Purchaser and Sub of this Agreement, and the consummation by it of the transactions contemplated hereby, have been duly authorized by its Board of Directors, and by Purchaser, as the sole stockholder of Sub. No other corporate action on the part of Purchaser or Sub is necessary to authorize the execution, delivery or performance by Purchaser and Sub of this Agreement and the consummation by Purchaser and Sub of the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and Sub and is the legal, valid and binding obligation of Purchaser and Sub, enforceable against each of them in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought.

(c) No Approvals or Notices Required; No Conflict with Instruments to which Purchaser or Sub is a Party. Neither the execution and delivery of this Agreement by Purchaser and Sub nor the performance by Purchaser and Sub of their respective obligations hereunder nor the consummation of the transactions contemplated hereunder will: (i) conflict with or violate the Certificate of Incorporation or By-Laws of Purchaser or Sub; (ii) assuming satisfaction of the requirements set forth in clause (iii) below, conflict with or violate any provision of law applicable to Purchaser or Sub; or (iii) except for (1) requirements of the Exchange Act, (2) requirements, if any, arising out of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (3) applicable requirements, if any, of any non-United States competition, antitrust or investment laws (including, without limitation, Council Regulation (EEC) 4064/89, the Investment Canada Act, the Competition Act (Canada), the Fair

Trading Act 1973 (UK), and any rules or regulations promulgated by the Secretary of State for Trade and Industry (U.K.), collectively, "Foreign Antitrust Laws") and (4) the delivery of the Certificate of Merger in accordance with the Delaware Law, require any order, consent, material authorization or permit or approval of, or filing with or notice to any governmental, administrative or regulatory commission, agency, authority or other public body, domestic or foreign (each a "Governmental Entity") under any provision of law applicable to Purchaser or Sub; or (iv) other than the Credit Agreement Waiver (as defined in Exhibit A attached hereto), require any consent, approval or notice under, or violate, be in conflict with or result in any breach of or constitute a default under, or permit the termination of any provision of or loss of any material benefit under, or result in the acceleration of the maturity or performance of any obligation of or result in the creation or imposition of any lien or other encumbrance upon any properties, assets or businesses of Purchaser or Sub under any note, bond, indenture, mortgage, deed of trust, lease, franchise, permit, authorization, license, contract, instrument or other agreement or commitment, or any order, judgment or decree to which Purchaser or Sub is a party or by which it or any of its assets or properties is bound or encumbered, which in any of the foregoing cases in this clause (iv) would, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business, assets or liabilities of Purchaser and its subsidiaries taken as a whole.

(d) Financing. Assuming that the Credit Agreement Waiver Condition (as defined in Exhibit A attached hereto) is satisfied, Purchaser has or will have, prior to the expiration of the Offer, sufficient funds available to purchase all of the Shares outstanding and to pay all related fees and expenses on a fully diluted basis pursuant to the Offer and this Agreement.

3.02 Representations and Warranties of the Company. The Company hereby represents and warrants to Purchaser and Sub as follows:

(a) Organization. Each of the Company and the Subsidiaries (as such term is defined in Section 3.02(c)) is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as now being conducted. Each of the Company and its Subsidiaries is duly qualified or licensed as a foreign corporation to do business, and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such

qualification necessary, except where the failure to be so duly qualified or licensed would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), results of operations, business, assets or liabilities of the Company and the Subsidiaries taken as a whole (a "Company Material Adverse Effect").

(b) Capitalization. The authorized capital stock of the Company consists of 60,000,000 shares, of which 50,000,000 shares are Common Stock, having a par value of $.01 per share (the "Common Stock"), and 10,000,000 shares are Preferred Stock, having a par value of $.01 per share (the "Preferred Stock"). As of the date hereof, 13,590,393 Shares of Common Stock and no shares of Preferred Stock were issued and outstanding and no Shares were held in the Company's treasury. All outstanding Shares have been duly authorized and validly issued and are fully paid and nonassessable and have no preemptive rights. There are 1,883,204 Shares reserved for issuance upon exercise of the stock options and warrants to acquire Common Stock (collectively, the "Company Stock Options") issued pursuant to the Company's 1991 Stock Purchase and Option Plan, 1993 Stock Option Incentive Plan and the Non-Employee Director Stock Option Plan (the "Stock Option Plans") of which Company Stock Options to acquire (1) 1,883,204 Shares have been granted, (2) 1,196,030 Shares are fully vested and exercisable on the date hereof and (3) 108,174 Shares will become fully vested and exercisable upon consummation of the Offer. Except as disclosed in the preceding sentence and as set forth in the Rights Agreement, the Company does not have outstanding any subscriptions, options, warrants, rights, convertible securities or other agreements or commitments of any character relating to the issued or unissued capital stock or other securities of the Company obligating the Company to issue any securities. All Shares subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the Company Stock Options, will be duly authorized, validly issued, fully paid and nonassessable. There are no outstanding contractual obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any shares of Common Stock or any capital stock of any Subsidiary or make any material investment (in the form of a loan, capital contribution or otherwise) in any Subsidiary.

(c) Subsidiaries. The only corporation, partnership, joint venture or other entity in which the Company, directly or indirectly, has an equity or other interest of 50% or greater or otherwise controls (the "Subsidiaries") are those named in Exhibit 21.1 to the Company's Annual Report on Form 10-K dated September 26, 1995 for the fiscal year ended June 30, 1995 (the "1995 10-K"), as filed with the Commission and heretofore delivered to Purchaser. Except as otherwise disclosed in Schedule 3.02(c), the Company is,

directly or indirectly, the record and beneficial owner of all of the outstanding shares of capital stock of each of the Subsidiaries, there are no irrevocable proxies with respect to such shares, and no equity securities of any of the Subsidiaries are or may become required to be issued for any reason including, without limitation, by reason of any options, warrants, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of any capital stock of any Subsidiary, and there are no contracts, understandings or arrangements by which any Subsidiary is bound to issue additional shares of its capital stock or securities convertible into or exchangeable for such shares. All of such shares so owned by the Company or any of the Subsidiaries have been duly authorized and validly issued and are fully paid and nonassessable and are owned by it free and clear of any claim, lien, encumbrance or agreement with respect thereto.

(d) Authorization and Validity of Agreements. The Company has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder (subject to obtaining any necessary approval of its stockholders with respect to the Merger). The execution, delivery and performance by the Company of this Agreement and the consummation by it of the transactions contemplated hereby have been duly authorized by the Board (by a vote of at least two-thirds of the directors) and no other corporate action on the part of the Company is necessary to authorize the execution and delivery by the Company of this Agreement and the consummation by it of the transactions contemplated hereby (other than obtaining any necessary approval of its stockholders with respect to the Merger). This Agreement has been duly executed and delivered by the Company and is the legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights generally and except that the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any proceeding therefor may be brought.

(e) No Approvals or Notices Required; No Conflict with Instruments to which the Company is Party. Neither the execution and delivery of this Agreement by the Company nor the performance by the Company of its obligations hereunder nor the consummation of the transactions contemplated hereunder will (i) conflict with or violate the Certificate of Incorporation or By-Laws of the Company or any of its Subsidiaries; (ii) assuming satisfaction of the requirements set forth in clause (iii) below, conflict with or violate any provision of law applicable to the Company or its Subsidiaries or by which any property or asset of the Company or

any of its Subsidiaries is bound or affected; (iii) except for (1) requirements of the Exchange Act, (2) requirements, if any, arising out of the HSR Act, (3) applicable requirements, if any, of Foreign Antitrust Laws and (4) the delivery of the Certificate of Merger in accordance with the Delaware Law, require any order, consent, material authorization or permit, or approval of, or filing with or notice to any Governmental Entity under any provision of law applicable to the Company or any of the Subsidiaries; (iv) except as disclosed on Schedule 3.02(e) hereto, require any consent, approval or notice under, or violate, be in conflict with or result in any breach of or constitute a default under, or permit or cause the termination of any provision of or loss of any material benefit under, or result in the acceleration of the maturity or performance of any obligation of or result in the creation or imposition of any lien or other encumbrance upon any properties, assets or businesses of the Company or any of the Subsidiaries under any note, bond, indenture, mortgage, deed of trust, lease, franchise, permit, authorization, license, contract, instrument or other agreement or commitment, or any order, judgment or decree to which the Company or any of the Subsidiaries is a party or by which it or any of the Subsidiaries or any of their respective assets or properties is bound or encumbered, which in any of the foregoing cases in this clause (iv) would have, either individually or in the aggregate, a Company Material Adverse Effect. The Board of Directors of the Company, at a meeting duly called and held, has taken all actions necessary under the Delaware Law, including approving the transactions contemplated by this Agreement and the Stockholders Agreement, to ensure that the restrictions on "business combinations" set forth in Section 203 of the Delaware Law do not, and will not, apply to Purchaser, Sub, affiliates or associates of Purchaser or Sub or the transactions contemplated by this Agreement or the Stockholders Agreement. The affirmative vote of the holders of a majority of the Shares is the only vote of the holders of any class or series of the Common Stock necessary to approve the Merger. The Board has taken all necessary actions under the Rights Agreement to amend the Rights Agreement so that the Rights Agreement shall not be applicable to the purchase of the Shares pursuant to the Offer or the Merger or the consummation of the transactions contemplated hereby, and so that none of the execution or delivery of this Agreement, the purchase of Shares pursuant to the Offer or the Merger or the consummation of the transactions contemplated by this Agreement or the Stockholders Agreement will cause the Distribution Date (as defined in the Rights Agreement) to occur, the Rights to become exercisable or Purchaser or Sub or any affiliate or associate of Purchaser or Sub to become an Acquiring Person (as defined in the Rights Agreement). Except as so amended in accordance with the previous sentence, the Rights Agreement is otherwise in full force and effect. On the date hereof, the Company has delivered to Purchaser a certificate of the Company,

signed by an executive officer of the Company and dated on the date of execution thereof, to evidence satisfaction by the Company of all of the conditions set forth in the four preceding sentences.

(f) Legal Proceedings. Except as set forth in the 1995 10-K, there is no suit, action, proceeding or investigation pending or, to the best knowledge of the Company, threatened, against or involving the Company or any of its Subsidiaries, or any of their respective properties or rights, which (i) if adversely determined, would have, either individually or in the aggregate, a Company Material Adverse Effect or (ii) seeks to, or is reasonably likely to, delay or prevent the consummation of the Offer, the Merger or any other transaction contemplated by this Agreement, nor is there any judgment, decree, injunction, rule or order of any court, arbitrator or Governmental Entity outstanding against the Company or any of the Subsidiaries having any such effect. Neither the Company nor any of the Subsidiaries nor any property or asset of the Company or of any of the Subsidiaries is subject to, or in violation of, any term of any judgment, decree, injunction or order outstanding against it which would have, either individually or in the aggregate, a Company Material Adverse Effect.

(g) Commission Filings. The Company has heretofore delivered to Purchaser true and complete copies of all reports, registration statements, proxy statements and other filings (including all notes, exhibits and schedules thereto and documents incorporated by reference therein) filed by the Company with the Commission since August 31, 1993 (such reports, registration statements and other filings, together with any amendments thereto, are sometimes collectively referred to as the "Commission Filings"). The Commission Filings and any forms, reports and other documents filed by the Company with the Commission after the date of this Agreement (1) were or will be prepared in all material respects in accordance with the requirements of the Securities Act of 1933, as amended (including the rules and regulations promulgated thereunder, the "Securities Act") and the Exchange Act, as the case may be, and (2), at the time they were or will be filed with the Commission, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. No Subsidiary is required to file any form, report or other document with the Commission. Each of the audited consolidated financial statements and unaudited interim financial statements (including any related notes or schedules) included in the Commission Filings was prepared in accordance with generally accepted accounting principles applied on a consistent basis exceptas may be indicated therein or in the notes or schedules thereto, and fairly presents the financial position of the Company and its

consolidated subsidiaries as at the dates thereof and the results of their operations, cash flows, changes in financial position and changes in stockholders' equity for the periods then ended, subject, in the case of the unaudited interim financial statements to normal year end audit adjustments and except that such unaudited interim financial statements do not include all of the notes required by generally accepted accounting principles to be included therein. Since March 31, 1996, neither the Company nor any of the Subsidiaries has incurred any liability or obligation material to the Company and the Subsidiaries taken as a whole, except as disclosed in Schedule 3.02(g) hereto or as disclosed in the Commission Filings.

(h) Conduct of Business in the Ordinary Course; Absence of Certain Changes and Events. Since June 30, 1995, the Company and the Subsidiaries have conducted their businesses only in the ordinary and usual course, and, except as disclosed in Schedule 3.02(h) hereto or in the Commission Filings or as specifically contemplated by this Agreement, there has not been: (i) any Company Material Adverse Effect; (ii) any declaration, setting aside or payment of any dividend (whether in cash, stock or property) with respect to the capital stock of the Company (except regular quarterly cash dividends of $.05 per Share prior to the date hereof) or any redemption, purchase or other acquisition by the Company of any of its securities; (iii) any entry into any agreement or understanding between the Company or the Subsidiaries and any of their respective executive officers or key employees providing for employment of any such officer or key employee or any general or material increase in the compensation (including without limitation deferred compensation), severance or termination benefits payable or to become payable by the Company or the Subsidiaries to any of their respective officers or key employees, or any increase in any bonus, insurance, pension or other employee benefit plan, payment or arrangement (including without limitation the granting of stock options, stock appreciation rights, performance awards or restricted stock awards) made to, for or with any such officer or key employee; (iv) any labor dispute, which is or may be material to the Company and the Subsidiaries taken as a whole; (v) other than in the ordinary course of business, any entry into, or material modification of, any material commitment, agreement, or license or transaction (including, without limitation, any borrowing or capital expenditure or sale of assets); (vi) any change in any significant accounting methods, principles or practices of the Company; (vii) any damage, destruction or loss (whether or not covered by insurance) with respect to any property or asset of the Company or any Subsidiary having or which could reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (viii) any revaluation by the Company of any material asset (including,

without limitation, any writing down of the value of inventory or writing off of notes or accounts receivable), other than in the ordinary course of business consistent with past practice, or (ix) any failure by the Company to revalue any material asset in accordance with generally accepted accounting principles consistent with past practice.

(i) Compliance. Neither the Company nor any Subsidiary is in conflict with, or in default or violation of (a) any law, rule, regulation, order, judgment or decree applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected, or (b) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any property or asset of the Company or any Subsidiary is bound or affected, except for any such conflicts, defaults or violations that would not, individually or in the aggregate, have a Company Material Adverse Effect.

(j) Certificate of Incorporation and By-Laws. The Company has heretofore made available to Purchaser a complete and correct copy of the Certificate of Incorporation and the By-Laws, each as amended to date, of the Company and each Subsidiary. Such Certificates of Incorporation and By-Laws are in full force and effect. Neither the Company nor any Subsidiary is in violation of any provision of its Certificate of Incorporation or By-Laws.

(k) Employee Benefit Plans/ERISA.

(i) Except as disclosed on Schedule 3.02(k) hereto, no employee benefit plan within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") which (a) is maintained for, or to which contributions have been made on behalf of, employees ("Employees") of the Company of any current or former corporation, person or trade or business which is a member of a group which is under common control with the Company, or together with the Company, is treated as a single employer, within the meaning of Sections 4 14(b)-(o) of the Code or Sections 4001(a) and (b) of ERISA (an "ERISA Affiliate") or (b) has at any time within the preceding three (3) years (or six (6) years for the purposes of Section 4069 of ERISA) been maintained for, or to which contributions have been made on behalf of, employees of the Company or any ERISA Affiliate (an "Employee Benefit Plan"), exists or has ever existed.

(ii) Except as disclosed on schedule 3.02(k) hereto, none of the Employee Benefit Plans is or was a

"multiemployer plan" as defined in Section 4001(a)(3) of ERISA. Neither the Company nor any ERISA Affiliate is a participating employer in any Employee Benefit Plan in which more than one employer makes contributions as described in Sections 4063 and 4064 of ERISA.

(iii) Except as disclosed on Schedule 3.02(k) hereto, neither the Company nor any ERISA Affiliate has any contingent liability with respect to any post-retirement benefit under any Employee Benefit Plan which is a welfare benefit plan as defined in Section 3(1) of ERISA (a "Welfare Plan"), other than liability for health plan continuation coverage described in Part 6 of Title I of ERISA.

(iv) Except as disclosed on Schedule 3.02(k) hereto, none of the Employee Benefit Plans is a severance plan, arrangement or program, and none of the Employee Benefit Plans provides for compensation or benefits after a termination of employment with the Company or any ERISA Affiliate for any reason. Except as set forth on Schedule 3.02(k) hereto, the consummation of the transactions contemplated by this Agreement will not directly (or indirectly upon a termination of employment): (i) entitle any Employee to severance pay, unemployment compensation or any other payment or (ii) accelerate the timing of any payment or the vesting of any rights or increase the amount of any compensation due any Employee.

(v) The Company has given to the Purchaser true and complete copies of all the following: each Employee Benefit Plan and related trust agreement (including all amendments to such Employee Benefit Plan or trust) which the Company or any ERISA Affiliate maintains or is committed to contribute to as of the date hereof and the most recent summary plan description, actuarial report, determination letter issued by the Internal Revenue Service and Form 5500 filed in respect of each such Employee Benefit Plan for the past three (3) years.

(vi) Each Employee Benefit Plan complies, in both form and operation in all material respects, with its terms, ERISA and the Code, including, without limitation, Code Section 4980B, and no condition exists or event has occurred with respect to any such plan which would result in the incurrence by the Company or any ERISA Affiliate of any material liability, fine or penalty. Neither the Company nor any ERISA Affiliate has incurred any liability to the Pension Benefit Guaranty Corporation ("PBGC") which remains outstanding other than the payment of premiums, and there are no premiums which have become due which are unpaid. Neither the Company nor any ERISA Affiliate has engaged in any

transaction which could subject it to any material liability under Section 4069 or Section 4212(c) of ERISA. Each Employee Benefit Plan, related trust agreement, arrangement and commitment of each of the Company and any ERISA Affiliate is legally valid and binding in full force and effect. Each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter for "TRA" (as defined in Rev. Proc. 93-39) from the IRS or has filed for such a determination letter within the remedial amendment period, and each trust related to such plan has been determined to be exempt under Section 501(a) of the Code. To the knowledge of the Company, nothing has occurred or is expected to occur that would adversely affect the qualified status of the Employee Benefit Plan or any related trust subsequent to the issuance of such determination letter. To the knowledge of the Company, no Employee Benefit Plan is being audited or investigated by any government agency or subject to any pending or threatened claim or suit (other than for ordinary claims for benefits).

(vii) Each employee pension benefit plan that is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is maintained either (a) by the Company or any ERISA Affiliate for employees of the Company or such ERISA Affiliate or (b) pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and, with respect to either (a) or (b), the Company or any ERISA Affiliate is then making or accruing an obligation to make contributions or has within the preceding three (3) plan years made contributions ("Pension Plan") currently meets the minimum funding standard of Section 302 of ERISA and Section 412 of the Code (without regard to any funding waiver). Except as disclosed on Schedule 3.02(k) hereto, all contributions or payments due and owing as required by Section 302 of ERISA, Section 412 of the Code or the terms of any Pension Plan have been made by the due date for such contributions or payments. Except as disclosed on Schedule 3.02(k) hereto, with respect to each Pension Plan, the market value of assets (exclusive of any contribution due to the Pension Plan) equals or exceeds the present value of benefit liabilities as of the latest actuarial valuation date for such plan (but not prior to 12 months prior to the date hereof), determined on the basis of a shutdown of the company in accordance with actuarial assumptions used by the PBGC in single-employer plan terminations and since its last valuation date, there have been no amendments to such plan that materially increased the present value of accrued benefits nor any other material adverse changes in the funding status of such plan. Neither the Company nor any ERISA Affiliate is required to provide security to a Pension Plan pursuant to Section 307 of ERISA or Section 401(a)(29) of the Code.

(viii) Neither the Company nor any ERISA Affiliate nor any fiduciary of any Employee Benefit Plan has engaged in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code that will have a Company Material Adverse Effect.

(ix) No Termination Event has occurred or is reasonably expected to occur. A "Termination Event" means any of the following:

(1) a "Reportable Event" by the Company or any ERISA Affiliate described in Section 4043 of ERISA and the regulations issued thereunder; or

(2) the withdrawal of the Company or any ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or was deemed such under Section 4068(f) of ERISA; or

(3) the distress termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan as a distress termination or the treatment of a Pension Plan amendment as a termination under Section 4041 of ERISA; or

(4) the institution of proceedings to terminate a Pension Plan by the PBGC; or

(5) any other event or condition which would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or

(6) the imposition of a lien pursuant to Section 412 of the Code or Section 302 of ERISA.

(x) Except as disclosed on Schedule 3.02(k) hereto, there are no agreements which will provide payments to any Company officer, employee, shareholder or highly compensated individual which will be "parachute payments" under Section 280G of the Code that are nondeductible to the payor of such benefits and which will be subject to the tax under Section 4999 of the Code for which any payor would have a material withholding liability.

(xi) Except as disclosed on Schedule 3.02(k) hereto, the Stock Option Plans are the only plans, program or arrangement sponsored or maintained by the Company or any ERISA Affiliate which provides stock options, or any other form of compensation or benefits to Employees, based upon the equity of the Company ("Equity-Based Compensation"). Other than as disclosed on

Schedule 3.02(k) hereto, there are no existing grants of Equity-Based Compensation held by Employees.

(xii) Except as disclosed on Schedule 3.02(k) hereto, none of the options granted pursuant to the Stock Option Plans are "incentive stock options" as defined under Section 422 of the Code.

(xiii) With respect to any Employee Benefit Plan which provides for medical or health benefits for Employees (such plan or plans, the "Medical Plans"), such plan or plans satisfy the nondiscrimination requirements of Code Section 105(h).

(l) Labor Matters. Except as disclosed on Schedule 3.02(l) hereof, (i) there are no controversies pending or, to the best knowledge of the Company, threatened between the Company or any Subsidiary and any of their respective employees, which controversies have or are reasonably likely to have a Company Material Adverse Effect; (ii) except as set forth in Schedule 3.02(1) hereto, neither the Company nor any Subsidiary is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any Subsidiary, nor, to the best knowledge of the Company, are there nor have there been during the five (5) years prior to the date hereof, any activities or proceedings of any labor union to organize any such employees; (iii) neither the Company nor any Subsidiary has breached or otherwise failed to comply with any provision of any such agreement or contract and there are no grievances outstanding against the Company or any Subsidiary under any such agreement or contract which breach, failure or grievance has or is reasonably likely to have a Company Material Adverse Effect; (iv) there are no unfair labor practice charges or complaints pending against the Company or any Subsidiary before the National Labor Relations Board or any current union representation questions involving employees of the Company or any Subsidiary which charges, complaints or questions have or are reasonably likely to have a Company Material Adverse Effect; and (v) there is no strike, slowdown, work stoppage or lockout, or, to the best knowledge of the Company, threat of any such action, by or with respect to any employees of the Company or any Subsidiary.

(m) Tangible Property: Real Property and Leases.

(1) The Company and each Subsidiary have sufficient title to all their tangible properties and assets to conduct their respective businesses as currently conducted or as contemplated to be conducted, with only such exceptions as, individually or in the aggregate, would not have a Company Material Adverse Effect.

(2) Each parcel of real property owned or leased by the Company or any Subsidiary (i) is owned or leased free and clear of all mortgages, pledges, liens, security interests, conditional and installment sale agreements, encumbrances, charges or other claims of third parties of any kind (collectively, "Liens"), other than (A) Liens for current taxes and assessments not yet past due, (B) workmen's, repairmen's, warehousemen's and carriers' Liens arising in the ordinary course of business of the Company or such Subsidiary consistent with past practice, and (C) all matters of record, Liens and other imperfections of title and encumbrances which, individually or in the aggregate, would not have a Company Material Adverse Effect (collectively, "Permitted Liens"), and (ii) no material portion of which is either subject to any governmental decree or order to be sold or is being condemned, expropriated or otherwise taken by any public authority with or without payment of compensation therefor, nor, to the best knowledge of the Company, has any such condemnation, expropriation or taking been proposed.

(3) All leases of real property leased for the use or benefit of the Company or any Subsidiary to which the Company or any Subsidiary is a party requiring annual rental payments in excess of $100,000 during the period of the lease and all amendments and modifications thereto are in full force and effect and have not been otherwise modified or amended, the Company is in possession of such leased real property, and there exists no default under any such lease by the Company or any Subsidiary, nor any event which with notice or lapse of time or both would constitute a default thereunder by the Company or any Subsidiary, except as, individually or in the aggregate, would not have a Company Material Adverse Effect.

(n) Trademarks, Patents and Copyrights. The Company and the Subsidiaries own or possess adequate licenses or other valid rights to use all patents, trademarks, trade names, trade dress, copyrights, servicemarks, trade secrets, applications for trademarks and for servicemarks, mask works, know-how and other proprietary rights and information used or held for use in connection with the business of the Company and the Subsidiaries as conducted since June 30, 1995, as currently conducted or as contemplated to be conducted and the Company is unaware of any assertion or claim challenging the validity of any of the foregoing, which, individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect. The conduct of the business of the Company and the Subsidiaries as conducted since June 30, 1995, as currently conducted and as contemplated to be conducted did not, does not and will not infringe in any way with any patent, license, trademark, trade dress, trade name, service mark, mask work or copyright of any third party that, individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect. There are no infringements of any proprietary rights owned by or licensed by or to the Company or any Subsidiary which, individually or in the aggregate, is reasonably likely to have a Company

Material Adverse Effect. Neither the Company nor any Subsidiary has licensed or otherwise authorized the use by any third party of any proprietary information on terms or in a manner which, individually or in the aggregate, is reasonably likely to have a Company Material Adverse Effect.

(o) Taxes. (a) The Company and the Subsidiaries (i) have filed or caused to be filed with the appropriate taxing authorities on a timely basis all federal Tax Returns (as hereinafter defined), all required state income Tax Returns and all other Tax Returns which are required to have been filed, and such Tax Returns are true, correct and complete in all material respects, and (ii) have paid on a timely basis or have made adequate provision on their balance sheet for all Taxes (as hereinafter defined) related to such Tax Returns and the periods covered thereby. Except as disclosed on Schedule 3.02(o) hereto, there are no material liens for Taxes upon the assets of the Company and the Subsidiaries, except liens for Taxes not yet due. Except as disclosed on Schedule 3.02(o) hereto, neither the Company nor any Subsidiary has received a notice of any pending audits, actions, proceedings, investigations or claims with respect to any Taxes payable by or asserted against the Company and the Subsidiaries, which if resolved adversely would be material. Except as disclosed on Schedule 3.02(o) hereto, neither the Company nor any Subsidiary is or has been a member of any affiliated, consolidated, combined or unitary group for Tax purposes in any jurisdiction. Except as disclosed on Schedule 3.02(o) hereto, no claim has ever been made by a jurisdiction where the Company or any of the Subsidiaries does not pay Taxes or file Tax Returns that such entity may be subject to material Taxes in such jurisdiction for any period beginning after December 31, 1989. Except as disclosed on Schedule 3.02(o) hereto, the taxable years or periods for the assessment of federal income tax of the Company and the Subsidiaries (including assessments relating to consolidated federal income tax returns, if any, that include the Company or any of the Subsidiaries) are closed either by agreement with the Internal Revenue Service or by operation of the applicable statute of limitations for all taxable periods through 1993. Except as set forth in Schedule 3.02(o) hereto, the taxable years or periods hereto, the taxable years or periods for the assessment of state and local income tax of the Company and the Subsidiaries (including assessments relating to consolidated, combined or unitary Tax Returns, if any, that include the Company or any Subsidiary) are closed either by agreement with the appropriate taxing authority or by application of the applicable statute of limitations for all periods through 1993. Except as disclosed on Schedule 3.02(o) hereto, the Company and the Subsidiaries are not and have not been

subject to any material tax in any jurisdiction outside the United States of America. Except as disclosed on Schedule 3.02(o) hereto, no agreements relating to allocation or sharing of Taxes exists among the Company and the Subsidiaries or among the Company and any of its stockholders. Except as disclosed on Schedule 3.02(o) hereto, there are no outstanding waivers or comparable consents or extensions given by the Company or the Subsidiaries regarding the application of the statute of limitations with resect to any Taxes or Tax Returns. Except as disclosed on Schedule 3.02(o) hereto, neither the Company nor any Subsidiary has filed a consent pursuant to Section 341(f) of the Code or agreed to have Section 341(f)(2) of the Code apply to any disposition of a Section 341(f) asset (as such term is defined in Section 341(f)(4) of the Code). Except as disclosed on Schedule 3.02(o) hereto, there is no contract, agreement, plan or arrangement that individually or collectively could give rise to the payment by the Company or the Subsidiaries of any amount that would not be deductible by reason of Section 280G of the Code. Except as disclosed on Schedule 3.02(o) hereto, neither the Company nor any Subsidiary has any outstanding Corporate Acquisition Indebtedness as such term is used in Code Section 279(b).

(b) For purposes of this Agreement, (i) the term "Taxes" shall mean all taxes, charges, fees, levies or other like assessments, including without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, license, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, capital stock, property or other taxes, customs duties, fees, assessments or charges of any kind whatsoever, together with any interest, penalties or additional amounts attributable to Taxes imposed by any governmental authority, and (ii) the term "Tax Returns" shall mean all returns (including information returns), declarations, reports, estimates and statements regarding Taxes required to be filed under the United States federal, state or local laws or any foreign laws.

(p) Environmental Matters. (i) For purposes of this Agreement, the following terms shall have the following meanings: (I) "Hazardous Substances" means (A) all substances, wastes, pollutants, contaminants and materials regulated, or defined or designated as hazardous, extremely or imminently hazardous, dangerous, or toxic under federal or state statutes and implementing regulations, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Atomic Energy Act, the Resource Conservation and Recovery Act, the Clean Air Act and the Hazardous Materials Transportation Act; (B)

any asbestos or asbestos-containing material, petroleum and petroleum products, including crude oil and any fractions thereof, natural gas, natural gas liquids, synthetic gas, polychlorinated biphenyls, radioactive substances, urea formaldehyde or radon; or (C) any substance with respect to which a federal, state or local agency requires environmental investigator monitoring, reporting or remediation; and (II) "Environmental Law" means any applicable statute, code, enactment, ordinance, rule, regulation, permit, consent, authorization, judgment, order, common law rule (including without limitation the common law respecting nuisance and tortious liability) or other requirement having the force and effect of law, whether local, state, territorial or national, at any time in force or effect relating to: (A) emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances into ambient air, surface water, ground water, water courses, publicly or privately owned treatment works, drains, sewer systems, wetlands, septic systems or onto land; (B) the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances or materials containing Hazardous Substances; (C) the regulation of storage tanks; or (D) otherwise relating to pollution or the protection of human health, safety or the environment.

(ii) In each case when the failure to comply with this Section 3.02(p)(ii) would result in a Company Material Adverse Effect, (I) neither the Company nor any Subsidiary has violated or is in violation of any Environmental Law; (II) the Company and each Subsidiary has all permits, licenses and other authorizations required under any Environmental Law and the Company and each Subsidiary has always been and is in compliance with their requirements; (III) no Hazardous Substances have been used, stored, manufactured, treated or processed on or transported to or from, the property owned or leased by the Company or any Subsidiary except as necessary to conduct the business of the Company and the Subsidiaries, and in compliance with all Environmental Laws; (IV) there has been no disposal, release or threatened release of Hazardous Substances from or to the property owned or leased by the Company or any Subsidiary; (V) none of the properties owned or leased by the Company or any Subsidiary (including, without limitation, soils and surface and ground waters) are contaminated with any Hazardous Substance; (VI) neither the Company nor any Subsidiary is liable for any off-site contamination and neither the Company nor any Subsidiary has transported or arranged for the transportation of any Hazardous Substances to any location that is listed or proposed for listing on the National Priorities List or on the CERCLIS or any analogous state list; and (VII) neither the Company nor any Subsidiary has received nor reasonably expects to receive any notice, letter, citation, order, warning, complaint, inquiry, claim or demand alleging or asserting a violation of or

potential responsibility under any Environmental Law or a release or threatened release of any Hazardous Substances at, from or onto the properties. As to leased properties for the time period prior to occupancy or use by the Company or any Subsidiary, Subparagraphs (III), (IV) and (V) herein are to the knowledge of the Company and its Subsidiaries.

(iii) Subject to the same qualification that a failure to comply would result in a Company Material Adverse Effect, with respect to each of the former operations or properties owned or operated by the Company or any of the Subsidiaries each of the representations and warranties set forth in Section 3.02(p)(ii) is true and correct as to or concerning activities of the Company or any Subsidiary during the period of such ownership or operation.

(q) Material Contracts. Each contract or agreement to which the Company or any of the Subsidiaries is a party that is material to the Company or any Subsidiary (a "Material Contract"), including, but not limited to, any contracts or agreements (i) involving payments to or from the Company or any Subsidiary in excess of $500,000, (ii) with the Government of the United States of America or any department or instrumentality thereof or (iii) containing a provision purporting to limit the ability of the Company to compete in any line of business, with any person, in any geographic area or during any time, is in full force and effect and is enforceable against the parties thereto in accordance with its terms and no condition or state of facts exists that, with notice or the passage of time, or both, could constitute a material default by the Company or any Subsidiary or, to the best knowledge of the Company, any third party under such Material Contracts. The Company or each applicable Subsidiary has duly complied in all material respects with the provision of each Material Contract to which it is a party.

(r) Absence of Undisclosed Liabilities. Neither the Company nor any Subsidiary has any liabilities or obligations of any kind, whether absolute, accrued, asserted or unasserted, contingent or otherwise, which would have been required to be recorded on a balance sheet prepared as of April 30, 1996, or as disclosed in the notes thereto, in accordance with generally accepted accounting principles consistently applied, except for liabilities, obligations or contingencies (a) which are accrued or reserved against in the audited consolidated balance sheet of the Company as of June 30, 1995 contained in the 1995 10-K or reflected in the notes thereto, (b) which were disclosed in the Commission Filings filed with the Commission after the 1995 1O-K, (c) which arise under this Agreement or the Stockholders Agreement or the transactions contemplated hereby or are otherwise expressly

disclosed in this Agreement or any Schedule hereto, or (d) which, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect.

(s) Insurance. There is no default by the Company or any Subsidiary with respect to any provision contained in any insurance policy maintained by the Company or any Subsidiary, and there has not been any failure to give any notice or present any claim under any such policy in a timely fashion or in the manner or detail required by the policy, except for defaults or failures which, individually or in the aggregate, are not reasonably likely to have a Company Material Adverse Effect.

(t) Opinion of Financial Advisor. The Company has received the written opinion of Goldman Sachs to the effect that the consideration to be received by the stockholders of the Company pursuant to the Offer and the Merger is fair to such stockholders, a copy of which opinion has been delivered to Purchaser and will be included in the Schedule 14D-9 and the Proxy Statement.

(u) Affiliate Transactions. Except for employment relationships with executive officers and except as set forth on Schedule 3.02(u) hereto, neither the Company nor any Subsidiary is a party to any transaction (including, without limitation, the purchase or sale of any property or service) with, or involving the making of any payment or transfer to, any Affiliate (as defined below) other than the Company or a Subsidiary. Except for employment relationships with executive officers and except as set forth on Schedule 3.02(u) hereto, all of such transactions shall be terminated and be of no further legal force or effect, and neither the Company nor any Subsidiary shall have any obligation or liability thereunder, from and after the Effective Time. "Affiliate" of any person means any other person directly or indirectly controlling, controlled by or under common control with such person. A person shall be deemed to control another person if the controlling person owns 10% or more of any class of voting securities (or other ownership interests) of the controlled person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled person, whether through ownership of stock, by contract or otherwise.

(v) Use of Name. The Company has the legal right to use the name "Masland" and each derivative thereof in each jurisdiction where the Company and each Subsidiary conduct business. The use of such name by the Company and/or any Subsidiary does not conflict with or infringe on the rights of any other person, and the Company

is not aware of any claim or written notice from any person to such effect.

ARTICLE IV

COVENANTS

4.01 Proxy Statement. As promptly as practicable after expiration of the Offer, the Company shall, if required by applicable law or otherwise deemed advisable by Purchaser, file with the Commission under the Exchange Act, and shall use all reasonable efforts to have cleared by the Commission, and as promptly as practicable after expiration of the Offer shall mail to its stockholders, a proxy statement or information statement, as appropriate (the "Proxy Statement"), with respect to the Special Meeting (as such term is defined in Section 4.02). Each of Purchaser, Sub and the Company represents that the written information supplied or to be supplied for inclusion by Purchaser, Sub or the Company, respectively, in the Proxy Statement will, at the times when the definitive Proxy Statement is filed with the Commission and when it is first mailed to stockholders of the Company, not contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and each of Purchaser, Sub and the Company agrees promptly to correct any such information provided by them which shall have become false or misleading in any material respect and take all steps necessary to cause the Proxy Statement as so corrected to be filed with the Commission and mailed to stockholders of the Company as and to the extent required by applicable law. The Company agrees that the Proxy Statement shall comply as to form in all material respects with the provisions of applicable law. The Proxy Statement shall contain the recommendation of the Board in favor of this Agreement and the Merger; provided, however that nothing in this sentence shall require the Board to act, or refrain from acting, in any manner which, in the opinion of independent legal counsel for the Company (who may be the Company's regularly engaged independent legal counsel), would conflict with the proper discharge of their fiduciary duties to stockholders under applicable law.

4.02 Meeting of Stockhoiders of the Company. Promptly after expiration of the Offer, the Company shall take all action necessary, in accordance with the Delaware Law and its Certificate of Incorporation and By-Laws, to convene a meeting of its Stockholders (the "Special Meeting") as promptly as practicable to consider and vote on this Agreement and the Merger. The Company shall, to the extent the Proxy Statement has been filed with, and

cleared by, the Commission, solicit from stockholders of the Company proxies in favor of the approval and adoption of this Agreement and the Merger and to take all other action necessary or, in the reasonable judgment of Purchaser, helpful to secure a vote of Stockholders in favor of this Agreement and the Merger; provided, however, that nothing in this sentence shall require the Board to act, or refrain from acting, in any manner which, in the opinion of independent legal counsel for the Company (who may be the Company's regularly engaged independent legal counsel), would conflict with the proper discharge of their fiduciary duties to stockholders under applicable law. At the Special Meeting, Purchaser shall vote, or cause to be voted, all of the Shares then owned by Purchaser (or any subsidiary of Purchaser) in favor of this Agreement and the Merger.

4.03 Merger Without Meeting of Stockholders. The foregoing to the contrary notwithstanding, in the event that Purchaser and Sub or any other wholly-owned subsidiary of Purchaser shall acquire in the aggregate at least 90% of the outstanding Shares, the parties hereto agree, at the request of Purchaser, to take all necessary and appropriate action to cause a merger of the Company and Sub to become effective without a meeting of Stockholders of the Company, in accordance with Section 253 of the Delaware Law.

4.04 Interim Operations. During the period from the date of this Agreement to the earlier of the Effective Time or until Purchaser's designees constitute a majority of the members of Company's Board under Section 1.03(a), except as specifically contemplated by this Agreement or otherwise as consented to or approved in writing by Purchaser:

(a) the business of the Company and each of the Subsidiaries shall be conducted only in, and the Company and each of its Subsidiaries shall not take any action except in, the ordinary and usual course of business and consistent with past practice;

(b) neither the Company nor any of the Subsidiaries shall make or propose any change or amendment in its charter or By-Laws or the Rights Agreement;

(c) neither the Company nor any of the Subsidiaries shall (i) issue or sell, or authorize the issuance or sale of, any shares of its capital stock or any of its other securities or issue any securities convertible into or exchangeable for, or options, warrants to purchase, scrip, rights to subscribe for, calls or commitments of any character whatsoever relating to, or enter into any contract, understanding or arrangement with respect to the issuance of, any shares of its capital stock or any of its other

securities, or enter into any arrangement or contract with respect to the purchase or voting of shares of its capital stock or adjust, split, combine or reclassify any of its securities, or make any other changes in its capital structure; provided that the Company may issue shares of its Common Stock pursuant to the terms of vested and currently exercisable Company Stock Options upon the exercise of such Common Stock Options or (ii) except as contemplated by Section 6.07, amend, waive or otherwise modify any of the terms of any Stock Option Plan or Company Stock Option;

(d) the Company shall not declare, pay or make any dividend or other distribution or payment with respect to, or purchase, redeem or otherwise acquire any shares of its capital stock or otherwise make any payments to stockholders in their capacity as stockholders, except for the regular quarterly dividend of $.05 per share declared on May 9, 1996;

(e) the Company shall, and shall cause the Subsidiaries to, use all reasonable efforts to preserve intact the business organization of the Company and each of the Subsidiaries, to keep available the services of its and their present officers and key employees, and to preserve the good will of those having business relationships with it and the Subsidiaries;

(f) neither the Company nor any of the Subsidiaries shall take any action with respect to the grant of any severance or termination pay (otherwise than pursuant to written plans of the Company or any of the Subsidiaries in effect on the date hereof) or with respect to any increase of benefits payable under its written plans providing for severance or termination pay in effect on the date hereof;

(g) neither the Company nor any of the Subsidiaries shall (except for salary increases or other employee benefit arrangements in the ordinary course of business consistent with past practice that do not result in a material increase in benefits or compensation expense to the Company or any Subsidiary or pursuant to collective bargaining agreements as presently in effect) adopt or amend any bonus, profit sharing, compensation, stock option, pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, plan, fund or other arrangement for the benefit or welfare of any Employee or increase in any manner the compensation or fringe benefits of any Employee or pay or grant any benefit not required by any existing plan or arrangement;

(h) except with respect to transactions between and among the Company and any of the Subsidiaries or the endorsement of negotiable instruments in the ordinary course of its business,

neither the Company nor any of the Subsidiaries shall incur or assume any indebtedness for money borrowed (other than borrowings in the ordinary course of business) or guarantee any such indebtedness (other than any guaranty of Subsidiary indebtedness in the ordinary course of business) or the obligations of any person;

(i) the Company shall not and shall not permit any Subsidiary to pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted, unasserted, contingent or otherwise), other than payment, discharge or satisfaction in the ordinary course of business and consistent with past practices, pursuant to existing contractual arrangements or as required by law;

(j) except in the ordinary course of business consistent with past practice or in the case of obsolete or redundant assets, or those requiring replacement, the Company shall not and shall not permit any Subsidiary to sell, lease or otherwise dispose of any of its assets;

(k) the Company shall not and shall not permit any Subsidiary to acquire (for cash, shares of stock or other consideration) (including, without limitation, by merger, consolidation, or acquisition of stock or assets) any corporation, partnership, other business organization or any division thereof or the assets thereof or any other assets;

(l) the Company shall not and shall not permit any Subsidiary to take any action, other than reasonable actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures;

(m) the Company shall not and shall not permit any Subsidiary to authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of the Company or any of its Subsidiaries:

(n) the Company shall not and shall not permit any Subsidiary to make any material tax elections or settle or compromise any material income tax liability;

(o) other than in the ordinary course of business and consistent with past practice, the Company shall not and shall not permit any Subsidiary to waive any material rights or make any payment, direct or indirect, of any material liability of the Company or any of the Subsidiaries before the same comes due in accordance with its terms;

(p) the Company shall not and shall not permit any Subsidiary to fail to maintain its existing material insurance coverage in effect or, in the event any such coverage shall be terminated or lapse, to the extent available at reasonable cost, procure substantially similar substitute insurance policies which in all material respects are in at least such amounts and against such risks as are currently covered by such policies;

(q) the Company shall not and shall not permit any Subsidiary to enter into any new collective bargaining agreement or any successor collective bargaining agreement; and

(r) the Company shall not and shall not permit any Subsidiary to enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

4.05 Appraisal Rights. The Company shall give Purchaser prompt notice of any demands received by the Company for appraisal of Shares, and Purchaser shall have the right to participate in all negotiations and proceedings with respect to such demands. The Company shall not settle or compromise any claim for appraisal rights prior to the Effective Time without the prior written consent of Purchaser.

4.06 Additional Agreements. (a) Upon reasonable notice the Company shall, and shall cause each of the Subsidiaries to, afford Purchaser and Sub and their respective officers, employees and authorized representatives reasonable access during normal business hours throughout the period prior to the Effective Time to all of its properties, books, contracts, commitments, records, tax records and accountants' working papers. During such period, the Company shall, and shall cause each of the Subsidiaries to, furnish promptly to Purchaser (i) a copy of each report, schedule and other document filed or received by it pursuant to the requirements of federal or state securities laws and (ii) all such other information concerning its business, properties and personnel as Purchaser may reasonably request and which is customarily prepared by the Company or is in the Company's possession, provided that no investigation pursuant to this Section shall affect or be deemed to modify any representations or warranties made in this Agreement or the conditions to the obligations of Purchaser and Sub to accept Shares pursuant to the Offer or the parties hereto to consummate the Merger under this Agreement.

(b) Subject to the terms and conditions herein provided, each of the parties hereto agrees, subject to its legal obligations, to use all reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the

transactions contemplated by this Agreement, including using all reasonable efforts to (i) obtain all necessary waivers, consents and approvals and effect all necessary registrations and filings, including, but not limited to, (a) filings under the HSR Act, including responses to requests for additional information, and (b) submissions of information requested by any Governmental Entity and (ii) rectify any event or circumstance which would impede consummation of the transactions contemplated hereby.

No Solicitation (a) From and after the date hereof until the termination of this Agreement the Company shall not, and shall cause each of its Subsidiaries and its and their respective officers, directors, employees, representatives, agents and affiliates (including, without limitation, any investment banker, attorney or accountant retained by the Company or any of its Subsidiaries) not to, (i) directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), any inquiries with respect to or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal (as defined below), or (ii) enter into or maintain or continue discussions or negotiations with any person or entity in furtherance of such inquiries or to obtain an Acquisition Proposal or (iii) agree to endorse any Acquisition Proposal. Notwithstanding the foregoing, nothing contained herein shall prohibit the Board from furnishing information to, or entering into discussions or negotiations with, any person or entity that makes an unsolicited written, bona fide Acquisition Proposal or, after payment of the Termination Fee as described in Section 6.03, endorsing such an Acquisition Proposal, if and only to the extent that, (A) the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to its stockholders under applicable law, and (B) prior to taking such action, the Company receives from such person or entity an executed confidentiality agreement on terms no less favorable to the Company than the Confidentiality Agreement (excluding the standstill provisions thereof). For purposes of the Agreement, "Acquisition Proposal" shall mean any of the following (other than the transactions between the Company and Purchaser and Sub contemplated by this Agreement): (i) any merger, consolidation, share exchange, recapitalization, business combination, or other similar transaction involving the Company or its Subsidiaries (other than business combinations or similar transactions involving only foreign Subsidiaries); (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the assets of the Company and its Subsidiaries, taken as a whole, in a single transaction or series of transactions; (iii) any tender offer or

exchange offer for 20% or more of the outstanding shares of capital stock of the Company or the filing of a registration statement under the Securities Act in connection therewith or (iv) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing. The Company represents that neither it, its Subsidiaries nor, to its knowledge, any of its stockholders is a party to or bound by any agreement with respect to an Acquisition Proposal. In the event that the Company receives or becomes aware of any Acquisition Proposal, the Company will promptly notify Purchaser in writing of such communication, of the identity of the person or entity making such Acquisition Proposal and of the terms and conditions of such Acquisition Proposal; provided, however, that the Company shall not be required to disclose the identity of the person or entity making the Acquisition Proposal or the terms and conditions of such Acquisition Proposal if the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel) determines in good faith that nondisclosure would be necessary for the Board to comply with its fiduciary duties to its stockholders under applicable law.

4.08 Certain Litigation. The Company agrees that it will not settle any litigation commenced after the date hereof against the Company or any of its directors by any stockholder of the Company relating to the Offer, the Merger or this Agreement, without the prior written consent of Purchaser. In addition, the Company will not voluntarily cooperate with any third party which may hereafter seek to restrain or prohibit or otherwise oppose the Offer or the Merger and will cooperate with Purchaser and Sub to resist any such effort to restrain or prohibit or otherwise oppose the Offer or the Merger, unless the Board determines in good faith, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent counsel) that failing so to cooperate with such third party or cooperating with Purchaser or Sub, as the case may be, would constitute a breach of the Board's fiduciary duties to stockholders under applicable law.

4.09 Notice of Certain Events. Each party shall promptly notify the other parties of:

(i) Any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) Any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement; and

(iii) Any actions, suits, claims, investigations or proceedings commenced or, to the best of its knowledge threatened against, relating to or involving or otherwise affecting any party hereto which relates to the consummation of the transactions contemplated by this Agreement.

4.10 Confidentiality. (a) In addition to, and not in limitation of, that certain Confidentiality and Standstill Agreement between Purchaser and the Company dated as of March 14, 1996 (the "Confidentiality Agreement"), prior to the consummation of the Offer and after any termination of this Agreement, Purchaser and Sub will hold, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of law, all confidential documents and information concerning the Company and the Subsidiaries furnished to Purchaser and Sub in connection with the transactions contemplated by this Agreement, including, without limitation, the stockholder lists furnished by the Company pursuant to Section 1.02(b), except to the extent that such information can be shown to have been (i) previously known on a non-confidential basis by Purchaser or Sub, (ii) in the public domain through no fault of purchaser or Sub or (iii) later lawfully acquired by Purchaser or Sub from sources other than the Company; provided that Purchaser and Sub may disclose such information to its officers, directors, employees, accountants, counsel, consultants, advisors and agents in connection with the transactions contemplated by this Agreement so long as such persons are informed by purchaser and Sub of the confidential nature of such information and are directed by Purchaser and Sub to treat such information confidentially. Purchaser's and Sub's obligation to hold any such information in confidence shall be satisfied if it exercises the same degree of care with respect to such information as it would take to preserve the confidentiality of its own similar information. If this Agreement is terminated pursuant to Section 6.01 and Purchaser thereafter ceases to pursue the acquisition of the Company, Purchaser and Sub will, and will use its best efforts to cause its officers, directors, employees, accountants, counsel, consultants, advisors and agents to destroy or deliver to the Company, upon request, all documents and other materials, and all copies thereof, obtained by Purchaser and Sub or on its behalf from the Company in connection with this Agreement that are subject to such confidence.

(b) The Confidentiality Agreement shall terminate and be of no further force or effect upon consummation of the Offer.

(c) From and after the time an Acquisition Proposal, as defined in Section 4.07, is made to the Company, Purchaser and Sub shall not be prohibited by the Confidentiality Agreement from taking any or all of the actions described in the "standstill" provisions of the Confidentiality Agreement, in which case the Confidentiality Agreement shall be deemed to be modified to the extent required to permit Purchaser and Sub to engage in any and all such actions.

4.11 Credit Agreement Waiver. Purchaser will use its best efforts to obtain from its lenders the Credit Agreement Waiver.

ARTICLE V

CONDITIONS

5.01 Conditions to the Obligations of Each Party. The obligations of each party hereto to consummate the Merger shall be subject to the fulfillment at or prior to the Effective Time of the following conditions:

(a) Approval of Stockholders. The approval of the stockholders of the Company referred to in Section 4.02 shall have been obtained, if required by applicable law.

(b) HSR and Other Antitrust. Any applicable waiting period (and any extension thereof) applicable to the Merger under the HSR Act shall have expired or been terminated and any approvals under any applicable Foreign Antitrust Laws shall have been granted.

(c) Litigation, etc.. No preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction in the United States or by a Governmental Entity nor any statute, rule, regulation or executive order promulgated or enacted by any Governmental Entity shall be in effect, which would prevent the consummation of the Merger.

5.02 Conditions to the Obligations of Purchaser and Sub. The obligations of Purchaser and Sub to consummate the Merger shall be subject to the fulfillment at or prior to the Effective Time of the further condition that Purchaser or any affiliate thereof shall have purchased all of the Shares validly tendered and not withdrawn pursuant to the Offer; provided, that this condition shall be deemed to be satisfied if the Offer shall have terminated without

the purchase of such Shares thereunder and all of the conditions to the Offer set forth in Exhibit A hereto were satisfied upon the expiration of the Offer.

ARTICLE VI

MISCELLANEOUS

6.01 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether or not it has been approved by the stockholders of the Company:

(a) by the mutual written consent of the respective Boards of Directors of the Company and Purchaser;

(b) by Purchaser or the Company, if the Offer expires or is terminated or withdrawn pursuant to its terms without any Shares being purchased thereunder; provided however, that Purchaser may not terminate this Agreement pursuant to this Section 6.01(b) if Purchaser's termination of, or failure to accept for payment or pay for any Shares tendered pursuant to, the Offer does not follow the failure of one or more of the conditions set forth in Exhibit A hereto to be satisfied or is otherwise in violation of the terms of the Offer or this Agreement;

(c)(i) by Purchaser prior to the purchase of and payment for any Shares pursuant to the Offer if there has been a material breach of any representation or warranty set forth in this Agreement on the part of the Company and (ii) by the Company prior to the purchase of and payment for any Shares pursuant to the Offer if there has been a material breach of any representation or warranty set forth in this Agreement on the part of Purchaser or Sub;

(d)(i) by Purchaser if there has been a material breach of any covenant or agreement set forth in this Agreement on the part of the Company, which is incapable of being, or is not, cured (other than by mere disclosure of the breach) within five days after written notice from the Purchaser to the Company, and (ii) by the Company if there has been a material breach of any covenant or agreement set forth in this Agreement on the part of the Purchaser or Sub, which is incapable of being, or is not, cured (other than by mere disclosure of the breach) within five days after written notice from the Company to Purchaser of such breach;

(e) by either Purchaser or the Company if the Merger has not been consummated on or before October 31, 1996, which date may

be extended by the mutual written consent of the Board of Directors of the Company and the Board of Directors of Purchaser;

(f) (i) by the Company if the Offer has not been commenced within the period of time required under the Exchange Act following the date hereof and (ii) by the Purchaser if the Company has failed to mail the Schedule 14D-9 to its stockholders on or prior to the date on which the Offer has been commenced or failed to include in such Schedule 14D-9 when first mailed to stockholders the approval and recommendations of the Board of the Offer and the Merger required by Section 1.02(a) to be included in the Schedule 14D-9;

(g) by the Company or Purchaser if any permanent injunction or final nonappealable order, decree or ruling issued by a court of competent jurisdiction within the United States or Governmental Entity is in effect which would prevent the consummation of the Merger;

(h) by the Company, if the Board modifies, in a manner adverse to Purchaser, or withdraws its approval or recommendation of, the Offer or the Merger referred to in Section 1.02(a) hereof, so long as the Board, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to stockholders under applicable law; or

(i) by Purchaser if (i) the Board modifies, in a manner adverse to Purchaser, or withdraws its approval or recommendation of, the Offer or the Merger referred to in Section 1.02(a) hereof, (ii) the Board shall have recommended or accepted any Acquisition Proposal; (iii) the Board shall have resolved to do any of the acts referred to in (i) or (ii); (iv) Purchaser shall request that the Board reaffirm its approval or recommendation of the Offer or the Merger and the Board shall fail to do so within ten business days after such request; or (v) any corporation, partnership, person, other entity or group (as defined in Section 13(d)(3) of the Exchange Act) other than Purchaser or Sub or any of their respective subsidiaries shall have become the beneficial owner of more than 20% of the outstanding shares other than for purposes of arbitrage, but provided that such termination under (i) and (iv) (or under (iii) as it relates to (i) only) above relates to actions of the Board which, after consultation with and based upon the advice of independent legal counsel (who may be the Company's regularly engaged independent legal counsel), it has determined in good faith are necessary for the Board to comply with its fiduciary duties to stockholders under applicable law, in which case the

effectiveness of such termination may not be prior to the later of (x) the close of business immediately preceding the then scheduled termination date of the Offer or (y) ten days following such modification or withdrawal, and then only if the Board has not reinstated its affirmative recommendation or approval of the Purchaser's Offer or the Merger within such period of time.

6.02 Liabilities in Event of Termination. In the event of any termination of this Agreement pursuant to Section 6.01, the Company, Purchaser and Sub shall have no obligation or liability to each other except as provided in Sections 4.10 and 6.03, and except that nothing herein will release any party from liability for any willful breach of this Agreement.

6.03 Fees and Expenses. (a) If (i) an Acquisition Proposal (as defined in Section 4.07) is made prior to the termination of this Agreement (other than a termination pursuant to Section 6.01(f)(ii), 6.01(h) or 6.01(i)), and within nine months of such termination the Company shall have entered into an agreement with respect to, approved, recommended or taken any affirmative action to facilitate, an Acquisition Proposal, or any transaction constituting an Acquisition Proposal is consummated, (ii) this Agreement is terminated pursuant to Section 6.01(f)(ii) and an Acquisition Proposal exists, or (iii) this Agreement is terminated pursuant to Section 6.01(h) or 6.01(i), then the Company shall pay to Purchaser a fee equal to $10,000,000 in cash (the "Termination Fee"). The Termination Fee shall be payable (x) in the case of entering into an agreement with respect to an Acquisition Proposal or the consummation of a transaction constituting an Acquisition Proposal as described in clause (i) of this Section 6.03(a), upon the signing of a definitive agreement relating to such Acquisition Proposal or, if no such agreement is executed, then at the closing (and as a condition to the closing) of such transaction constituting an Acquisition Proposal, (y) upon the occurrence of any other event described in clause (i) of this Section 6.03(a) and (z) within one business day of the termination of this Agreement upon any termination of this Agreement under Sections 6.01(f)(ii), 6.01(h) or 6.01(i). The Company acknowledges that the agreements contained in this Section 6.03 are an integral part of the transactions contemplated by this Agreement.

(b) Except as specifically provided in Section 6.03(a), each party shall bear all expenses incurred by it in connection with this Agreement and the transactions contemplated hereby, including those incident to the negotiation and preparation of this Agreement and to its performance of and compliance with all agreements and conditions contained herein to be performed or complied with by it.

(c) Except for the Company's fee engagement letter with Goldman Sachs dated April 25, 1996, or as previously disclosed by a party to this Agreement in writing to the other parties hereto, no broker, finder or investment banker is entitled to a brokerage, finder's or other fee or commission in connection with the Offer or the Merger or the transactions contemplated by this Agreement. Such fees or other commissions payable by the Company and its Subsidiaries shall not exceed the amount previously disclosed to Purchaser.

6.04 Waiver and Amendment. Any provision of this Agreement may be waived at any time by the party which is, or whose stockholders are, entitled to the benefits thereof. This Agreement may not be amended or supplemented at any time, except by an instrument in writing signed on behalf of each party hereto; provided, that after this Agreement has been approved by the stockholders of the Company no such amendment shall reduce the amount or change the form of consideration to be paid to the stockholders of the Company in the Merger or alter or change any of the terms or conditions of this Agreement if such alteration or change would adversely affect the stockholders of the Company.

6.05 Officers' and Directors' Liability Insurance; Indemnification. (a) After the Effective Time, or such earlier date as Purchaser acquires control of the Company, Purchaser shall cause the Surviving Corporation to (i) maintain the Company's current directors' and officers' insurance and indemnification policy or an equivalent policy, subject to terms and conditions no less advantageous, for all directors and officers of the Company on the date hereof, for six years after the Effective Time to cover acts and omissions of directors and officers of the Company occurring at or prior to the Effective Time; provided that Purchaser shall not be required to pay an annual premium for such insurance in excess of 300% of the last annual premium paid by the Company prior to the date hereof, but in such case Purchaser shall purchase as much coverage as possible for such amount and (ii) maintain in effect for six years after the Effective Time provisions no less favorable to the indemnified parties than those contained in the Certificate of Incorporation of the Company on the date hereof (which shall be contained in the Certificate of Incorporation of the Surviving Corporation) relating to the rights to indemnification of officers and directors with respect to indemnification for acts and omissions occurring at or prior to the Effective Time.

(b) This Section 6.05 is intended to benefit the Company, the Surviving Corporation and each of the directors and officers of the Company on the date hereof (each of whom shall be entitled to enforce this Section 6.05 against the Purchaser or the

Surviving Corporation, as the case may be) and shall be binding on all successors and assigns of the Purchaser and the Surviving Corporation.

6.06 Employee Benefit Plans. For a period ending no earlier than (i) with respect to Employee Benefit Plans which are Pension Plans or Welfare Plans (other than severance plans), the last day of the first plan year beginning after the Effective Time, (ii) with respect to Employee Benefit Plans which are cafeteria plans as defined in Section 125 of the Code, the last day of the plan year during which the Effective Time occurs and (iii) one year from the date of this Agreement with respect to any other employee benefits, Purchaser agrees that after the Effective Time it shall cause the Surviving Corporation to maintain all of the Company's and the Subsidiaries' existing employee retirement benefit plans and other employee benefit plans or plans providing benefits generally comparable thereto or provide compensation which in the aggregate is substantially comparable thereto.

(b) The foregoing shall not constitute any commitment, contract, understanding or guarantee (express or implied) on the part of the Surviving Corporation of a post-Effective Time employment relationship of any term or duration or on any terms other than those the Surviving Corporation may establish. Employment of any of the Employees by the Surviving Corporation shall be "at will" and may be terminated by the Surviving Corporation at any time for any reason (subject to any legally binding agreement, applicable laws or collective bargaining agreement). No provision of this Agreement shall create any third-party beneficiary rights in any employee or former employee (including any beneficiary or dependent thereof) of the Company or any of its subsidiaries in respect of continued employment or resumed employment.

6.07 Stock Options. (a) At the Effective Time, each Company Stock Option issued under the 1991 Stock Purchase and Option Plan, whether or not then exercisable and whether or not then vested, at the election of the optionee, shall be either cancelled or assumed and converted by Purchaser. If cancelled, then each holder of a cancelled option shall be entitled to receive, in consideration for the cancellation of such option, an amount in cash equal to the product of (x) the number of Shares previously subject to such option and (y) the excess, if any, of the Merger Consideration over the exercise price per Share previously subject to such option. If assumed, each option shall be amended to be exercisable into Purchaser's Common Stock (a "Substitute Option"); provided, however, that the excess aggregate value of each option following the substitution and assumption shall be the same as the excess

aggregate value of such outstanding option before the substitution and assumption. The number of shares of Purchaser's Common Stock subject to such Substitute Option and the exercise price thereunder shall be computed in compliance with the requirements of Section 424(a) of the Code, and, except as agreed in writing by Purchaser and the Company, such Substitute Option shall not confer any additional rights upon the optionee and shall be subject to substantially all of the other terms and conditions of the original option granted by the Company to which it relates except in the case of an optionee whose employment with the Company or its successor is terminated, other than for cause, within one year following the Effective Time, for whom the exercise period of the vested Substitute Option will be extended to a period of two years. At the Effective Time, each Company Stock Option issued under the Non-Employee Directors Stock Option Plan shall be cancelled in the manner provided above, and each Company Stock Option issued under the 1993 Stock Option Incentive Plan shall be assumed and converted into a Substitute Option in the manner provided above.

(b) Prior to the Effective Time, the Company shall obtain any consents or elections required or deemed necessary and the original Company Stock Option agreements (i) for cancellation from holders of outstanding Company Stock Options or (ii) to make any amendments to the terms of the Stock Option Plans or Company Stock Option Agreements that, in the case of clause (a) of this Section 6.07, are necessary to give effect to the transactions contemplated hereby.

6.08 Representations, Warranties and Agreements. No representations and warranties in this Agreement shall survive the purchase by Purchaser of any Shares pursuant to the Offer. All representations, warranties and agreements made by Purchaser or Sub in this Agreement shall be deemed to be made jointly and severally by Purchaser and Sub. All agreements in this Agreement shall not survive the Merger, except for the agreements contained in Sections 6.03 and 6.05 of this Agreement.

6.09 Public Statements. The Company, on the one hand, and Purchaser or Sub, on the other, agree to consult with each other in issuing any press release or otherwise making any public statement with respect to the transactions contemplated hereby, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by law or any listing agreement with any national securities exchange (as advised by independent legal counsel (who may be the Company's regularly engaged independent legal counsel)).

6.10 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties

hereto and their respective successors and assigns; provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto, except that Sub may assign its rights and obligations hereunder to another wholly-owned subsidiary of Purchaser without the consent of the other parties hereto.

6.11 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by delivery, by facsimile transmission, or by registered or certified mail, first class postage prepaid, return receipt requested, to the respective parties as follows:

If to the Company:

MASLAND CORPORATION
50 Spring Road
Carlisle, PA 17013
Attention: William J. Branch, Jr.
Chairman of the Board
Telephone: (717) 258-7214
Facsimile: (717) 258-7576

With a copy to:

Peter O. Clauss, Esquire
Clark, Ladner, Fortenbaugh & Young
One Commerce Square
2005 Market Street, 22nd Floor
Philadelphia, PA 19103
Telephone: (215) 241-1876
Facsimile: (215) 241-1857

If to Purchaser or Sub:

LEAR CORPORATION
21557 Telegraph Road
Southfield, MI 48034

Attention: Joseph F. McCarthy, Esquire
Telephone: (810) 746-1714
Facsimile: (810) 746-1677

With a copy to:

John L. MacCarthy, Esquire
Winston & Strawn
35 West Wacker Drive
Chicago, IL 60601-9703
Telephone: (312) 558-5876
Facsimile: (312) 558-5700

or to such other address as either party may have furnished to the other in writing in accordance herewith. Any such notice, request, claim, demand or other communication shall only be effective upon receipt.

6.12 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the substantive law of the State of Delaware without giving effect to the principles of conflicts of laws thereof. Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any state or federal court located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a state or federal court sitting in the State of Delaware, except as otherwise required by applicable law.

6.13 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

6.14 Integration. This Agreement constitutes the entire Agreement and understanding among the parties hereto relating to the subject matter hereof and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof, including without limitation (i) the Confidentiality Agreement, except as provided in Section 4.10, and (ii) the Agreement to Negotiate Exclusively dated May 2, 1996 between the Company and the Purchaser.

6.15 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

6.16 Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

6.17 No Third-Party Beneficiaries. Except for Section 6.05 (which is intended to and shall confer upon such persons all rights and remedies by reason of this Agreement as if such person was a party hereto), no provision of this Agreement is intended to, or shall, confer any third-party beneficiary or other rights or remedies upon any person other than the parties hereto.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of the parties hereto on the date first above written.

LEAR CORPORATION

By: /s/ JH Vandenberghe

PA ACQUISITION CORP.

By: /s/ JH Vandenberghe

MASLAND CORPORATION

By: /s/ WJ Branch

EXHIBIT A

The capitalized terms used in this Exhibit have the meanings set forth in the attached Agreement, except that the term "Merger Agreement" shall be deemed to refer to the attached Agreement, "Purchaser" shall be deemed to refer to PA ACQUISITION CORP. and "Parent" shall be deemed to refer to LEAR CORPORATION.

Notwithstanding any other provision of the Offer, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), to pay for any Shares (including the associated Rights) tendered, and may postpone the acceptance for payment or, subject to the restriction referred to above, payment for any Shares (including the associated Rights) tendered, and, except as otherwise provided in the Merger Agreement, may amend or terminate the Offer (whether or not any Shares (including the associated Rights) have theretofore been accepted for payment) if, (i) prior to the expiration of the Offer, (A) the condition that there shall be validly tendered and not withdrawn prior to the expiration of the Offer a number of Shares which represents at least a majority of the number of Shares outstanding on a fully diluted basis on the date of purchase shall not have been satisfied (the "Minimum Condition") ("on a fully-diluted basis" meaning, as of any date: the number of Shares outstanding, together with Shares the Company is then required to issue pursuant to obligations outstanding at that date under employee stock option or other benefit plans or otherwise (assuming all options and other rights to acquire Shares are fully vested and exercisable and all Shares issuable at any time have been issued), including without limitation, pursuant to the Company Stock Options (defined in Section 3.02(b) of the Merger Agreement)), (B) any applicable waiting period under the HSR Act shall not have expired or been terminated prior to the expiration of the Offer, (C) all material regulatory and related approvals shall not have been obtained on terms reasonably satisfactory to the Purchaser or (D) the financial institutions (the "Banks") party to the Credit Agreement dated as of August 17, 1995, as amended, among Parent, the Banks, Chemical Bank, as Administrative Agent and the Managing Agents, Co-Agents and Lead Managers named therein (the "Credit Agreement"), shall not have granted the Parent a waiver (the "Credit Agreement Waiver") under the Credit Agreement permitting the consummation of the Offer and the Merger (the "Credit Agreement Waiver Condition"), or (ii) at any time after the date of the Merger Agreement and before the time of payment for any such Shares (including the associated Rights) (whether or not any Shares (including the associated Rights) have theretofore been accepted for payment), any of the following conditions exists:

(a) the Purchaser and the Company shall have reached a written agreement that the Purchaser shall amend the Offer to terminate the Offer or postpone payment for Shares pursuant thereto;

(b) there shall be instituted or pending any action or proceeding by any Governmental Entity or before any court or Governmental Entity, (1) challenging the acquisition by Parent or Purchaser of Shares or otherwise seeking to restrain or prohibit the consummation of the Offer, the Merger or the transactions contemplated by the Merger Agreement, (2) seeking to materially restrict or prohibit Parent's or Purchaser's ownership or operation of all or a material portion of its or the Company's business or assets, or to compel Parent or Purchaser to dispose of or hold separate all or a material portion of its or the Company's business or assets, as a result of the Offer or the Merger, which in either case, in the sole judgment of Parent and Purchaser, might, directly or indirectly, result in the relief sought being obtained or (3) which might result, directly or indirectly, in any of the consequences set forth in clauses (2) through (5) of paragraph (c) below;

(c) there shall have been any statute, rule, executive order, decree, injunction, regulation or other order (whether temporary, preliminary or permanent) enacted, promulgated, entered or issued or deemed applicable to the Offer or the Merger, by any Governmental Entity or court, which, in the sole judgment of Parent and Purchaser would, directly or indirectly, (1) materially restrict or prohibit Parent's or Purchaser's ownership or operation of all or a material portion of its or the Company's business or assets or compel Parent or Purchaser to dispose of or hold separate all or a material portion of its or the Company's business or assets as a result of the Offer or the Merger, (2) render Parent or Purchaser unable to purchase or pay for some or all of the Shares pursuant to the Offer or to consummate the Merger, or otherwise prevent consummation of the Offer or the Merger, except for the waiting period provisions of the HSR Act, (3) make such purchase, payment or consummation illegal, (4) impose or confirm material limitations on the ability of Parent or Purchaser effectively to acquire or hold, or to exercise full rights of ownership of, any Shares purchased by it, including, without limitation, the right to vote any Shares purchased by it on all matters (including the Merger and the Merger Agreement) properly presented to the Company's stockholders, or (5) otherwise materially adversely affect the condition (financial or otherwise), results of operations, business, assets or liabilities of the Company and its Subsidiaries taken as a whole (a "Company Material Adverse Effect");

(d) there shall have occurred (1) any general suspension of, or limitation on prices for, or trading in, securities on the New York Stock Exchange, any national securities exchange or in the over-the-counter market, (2) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, (3) a commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving the United States, (4) from the date of this Agreement through the date of termination or expiration of the Offer, a decline of at least 25% in the Standard & Poor's 500 Index, or (5) in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

(e) there shall have occurred a Company Material Adverse Effect, or the Merger Agreement shall have been terminated in accordance with its terms;

(f) beneficial ownership of 20% or more of the outstanding Shares shall have been acquired by another person or by a "group" as defined in Section 13(d)(3) of the Exchange Act other than for purposes of arbitrage;

(g) any of the representations and warranties of the Company contained in the Merger Agreement shall not be true and correct as of the date of consummation of the Offer as though made on and as of such date, except (i) for changes specifically permitted by the Merger Agreement, (ii) that those representations and warranties which address matters only as of a particular date shall remain true and correct as of such date, and (iii) with respect to those representations and warranties which are not qualified by materiality or a similar qualification, in any case where such failures to be true and correct would not, individually or in the aggregate, have a Company Material Adverse Effect; or

(h) the Company shall not have performed or complied in all material respects with all agreements and covenants required by the Merger Agreement to be performed or complied with by the Company on or prior to the date of consummation of the Offer, which, in the sole judgment of Parent and Purchaser in any such case and regardless of the circumstances (including any action by Parent or Purchaser) giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment or payment for such Shares.

The foregoing conditions are for the sole benefit of Parent and Purchaser and may be asserted by Parent and Purchaser regardless of the circumstances giving rise to any such conditions or may be waived by Parent and Purchaser in whole or in part at any

time and from time to time in the sole discretion of each of Parent and Purchaser. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by Parent or Purchaser concerning the events described herein will be final and binding upon all parties.

EXHIBIT 99.2(c)

STOCKHOLDERS AGREEMENT

AGREEMENT dated May 23, 1996, among LEAR CORPORATION, a Delaware corporation ("Purchaser"), PA ACQUISITION CORP., a Delaware corporation and a direct wholly-owned subsidiary of Purchaser ("Sub"), and the other parties signatory hereto (each a "Stockholder", and collectively, the "Stockholders").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Purchaser, Sub and MASLAND CORPORATION, a Delaware corporation (the "Company"), are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein have the respective meanings ascribed to them in the Merger Agreement), pursuant to which Sub will be merged with and into the Company (the "Merger"); and

WHEREAS, as an inducement and a condition to entering into the Merger Agreement, Purchaser has required that the Stockholders agree, and the Stockholders have agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having ownership of record or "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities Beneficially Owned by a Person shall include securities Beneficially Owned by all other Persons with whom such Person would constitute a "group" as within the meanings of Section 13(d)(3) of the Exchange Act.

(b) "Company Common Stock" shall mean at any time the Common Stock, $.01 par value, of the Company.

(c) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(d) "Person" shall mean an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity.

2. Tender of Shares.

(a) Each Stockholder hereby agrees to validly tender (and not to withdraw) pursuant to and in accordance with the terms of the Offer, not later than the fifth business day after commencement of the Offer pursuant to Section 1.01(a) of the Merger Agreement, (i) all of the shares of Company Common Stock owned of record or Beneficially Owned by such Stockholder, including, without limitation, the number of shares of Company Common Stock set forth opposite such Stockholder's name on Schedule I hereto (the "Existing Shares"), and (ii) any shares of Company Common Stock acquired by such Stockholder after the date hereof and prior to the termination of this Agreement whether upon the exercise of options, warrants or rights, the conversion or exchange of convertible or exchangeable securities, or by means of purchase, dividend, distribution or otherwise (each Stockholder shall promptly provide written notice to Purchaser upon consummation of such acquisition from the date hereof and such Shares shall together with the Existing Shares be referred to herein as the "Shares"). Each Stockholder hereby acknowledges and agrees that Purchaser's obligation to accept for payment and pay for Shares in the Offer, including the Shares Beneficially Owned by such Stockholder, is subject to the terms and conditions of the Offer. Anything to the contrary herein notwithstanding if (x) the Merger Agreement is terminated, (y) the Offer is terminated without the purchase of Shares thereunder or (z) the Minimum Condition is not satisfied (other than by waiver) upon termination of the Offer, within two business days thereof the Shares tendered under the Offer pursuant to this Agreement by each Stockholder shall be returned to such Stockholder.

(b) Through the transfer by each Stockholder of his or its Shares to Sub in the Offer, Sub shall acquire good, valid and marketable title to the Shares, free and clear of all claims, liens, charges, encumbrances, restrictions, security interests, pledges, limitations, conditional sales agreements, or obligations relative to the sale or transfer thereof, and not subject to any adverse claim.

(c) Each Stockholder hereby agrees to permit Purchaser, Sub and the Company to publish and disclose in the documents relating to the Offer and Merger (including all documents, schedules and proxy statements filed with the Commission) his or its identity and ownership of Company Common Stock and the nature of his or its commitments, arrangements and understandings under this Agreement.

3. Proxy; Provisions Concerning Company Common Stock. Each Stockholder, by this Agreement, does hereby constitute and appoint Purchaser, or any nominee of Purchaser, with full power of substitution, as his or its true and lawful attorney and proxy, for and in his or its name, place and stead, to vote as his or its

proxy at any meeting of the holders of Company Common Stock, however called, and to sign such Stockholder's name to any written consent of the holders of Company Common Stock with respect to, the Shares held of record or Beneficially Owned by such Stockholder, whether issued, heretofore owned or hereafter acquired, (i) in favor of the Merger, the execution and delivery by the Company of the Merger Agreement and the approval of the terms thereof and each of the other actions contemplated by the Merger Agreement and this Agreement and any actions reasonably required in furtherance thereof and hereof; (ii) against any action or agreement that would reasonably be expected to result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or this Agreement; and (iii) against the following actions or agreements (other than the Merger and the transactions contemplated by the Merger Agreement): (A) any extraordinary corporate transaction, such as a merger, consolidation or other business combination involving the Company or any of its Subsidiaries; (B) a sale, lease or transfer of a material amount of assets of the Company or its Subsidiaries, or a reorganization, recapitalization, dissolution or liquidation of the Company or its Subsidiaries; (C)(1) any change in a majority of the persons who constitute the board of directors of the Company; (2) any change in the present capitalization of the Company or any amendment of the Company's Certificate of Incorporation or Bylaws; (3) any other material change in the Company's corporate structure or business; or (4) any other action or agreement which, in the case of each of the matters referred to in clauses C(1), (2) or (3), is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, discourage, or adversely affect the Merger and the transactions contemplated by this Agreement and the Merger Agreement. Such Stockholder further agrees to cause his or its Shares to be voted in accordance with the foregoing. Such Stockholder acknowledges receipt and review of a copy of the Merger Agreement.

4. Other Covenants, Representations and Warranties. Each Stockholder hereby represents and warrants to Purchaser as follows:

(a) Ownership of Shares. Such Stockholder is the record owner of the number of Shares set forth opposite such Stockholder's name on Schedule I hereto. On the date hereof, the Existing Shares set forth opposite such Stockholder's name on Schedule I hereto constitute all of the Shares owned of record by such Stockholder. The Shares are not subject to any voting trust agreement or to such Stockholder's knowledge other agreement restricting or otherwise relating to the voting, dividend rights or disposition of the Shares, other than this Agreement. Such Stockholder has sole power with respect to the matters set forth in this Agreement with respect to all of the Existing Shares set forth opposite such Stockholder's name on Schedule I hereto, with no limitations,

qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Power; Binding Agreement. Such Stockholder has the legal capacity, power and authority to enter into and perform all of such Stockholder's obligations under this Agreement. The execution, delivery and performance of this Agreement by such Stockholder will not violate any other agreement to which such Stockholder is a party including, without limitation, any voting agreement, stockholders agreement or voting trust. This Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and binding agreement of such Stockholder, enforceable against such Stockholder in accordance with its terms. There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which such Stockholder is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by such Stockholder of the transactions contemplated hereby.

(c) No Conflicts. (i) No filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby other than filings required under the Exchange Act and (ii) none of the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any agreement to which such Stockholder is a party or by which such Stockholder may be bound or affected.

(d) No Encumbrances. Except as applicable in connection with the transactions contemplated by Section 2 hereof, such Stockholder's Shares and the certificates representing such Shares are, and at all times during the term hereof will be, held by such Stockholder, or by a nominee or custodian for the benefit of such Stockholder, free and clear of all liens, security interests, proxies, voting trusts or agreements, or to such Stockholder's knowledge any other encumbrances whatsoever, except for any such encumbrances or proxies arising hereunder.

(e) No Finder's Fees. Except as provided in the Merger Agreement, no broker, investment banker, financial advisor or other person is entitled to any broker's, finder's, financial adviser's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of such Stockholder.

(f) No Solicitation. No Stockholder shall, in his capacity as such, directly or indirectly, through any agent or representative or otherwise invite, initiate, solicit or knowingly encourage (including by way of furnishing information), or respond to, any inquiries or the making of any proposal by any person or entity (other than Purchaser or any affiliate of Purchaser) that constitutes or any reasonably be expected to lead to, an Acquisition Proposal, or otherwise cooperate with, or assist or participate in or facilitate or encourage any effort or attempt by any person to do or seek any of the foregoing. If any Stockholder receives or becomes aware of any such inquiry or proposal or Acquisition Proposal, then such Stockholder will promptly inform Purchaser in writing of the existence thereof. Each Stockholder will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. However, nothing in this Section 4(f) or this Agreement shall restrict, limit or prohibit such Stockholder from taking any actions necessary in his capacity as a Director of the Company to satisfy his fiduciary duties as a Director under Delaware law.

(g) Restriction on Transfer, Proxies and Non-Interference. Except as applicable in connection with the transactions contemplated by Section 2 hereof, no Stockholder shall, directly or indirectly: (i) except for transfers to such Stockholder's family or trusts established for the benefit of members of such Stockholder's family (provided that in the case of this clause (i) the transferee of such shares agrees in writing to be bound by the terms hereof in form satisfactory to Purchaser), offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to or consent to the offer for sale, sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of such Stockholder's Shares or any interest therein; (ii) except as contemplated by this Agreement, grant any proxies or powers of attorney, deposit any Shares into a voting trust or enter into a voting agreement with respect to any Shares; or (iii) take any action that would make any representation or warranty of such Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling such Stockholder from performing such Stockholder's obligations under this Agreement.

(h) Waiver of Appraisal Rights. Each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger that such Stockholder may have.

(i) Reliance by Purchaser. Such Stockholder understands and acknowledges that Purchaser is entering into, and causing Sub to enter into, the Merger Agreement in reliance upon such Stockholder's execution and delivery of this Agreement.

(j) Further Assurances. From time to time, at the other party's request and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further lawful action as may be necessary or desirable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement. Without limiting the foregoing, each Stockholder agrees, upon the written request of Purchaser, to use his best efforts to cause all certificates representing such Stockholder's Shares to bear in a conspicuous place the following legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS AGREEMENT DATED AS OF MAY 23, 1996, A COPY OF WHICH IS ON FILE AT THE OFFICES OF THE CORPORATION AND WILL BE FURNISHED BY THE CORPORATION TO THE HOLDER HEREOF UPON WRITTEN REQUEST. SUCH STOCKHOLDERS AGREEMENT PROVIDES, AMONG OTHER THINGS, FOR THE GRANTING OF CERTAIN PROXIES TO VOTE THE SHARES REPRESENTED HEREBY AND FOR CERTAIN RESTRICTIONS ON THE SALE, TRANSFER, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE. BY ACCEPTANCE OF THIS CERTIFICATE, EACH HOLDER HEREOF AGREES TO BE BOUND BY THE PROVISIONS OF SUCH STOCKHOLDERS AGREEMENT. THE CORPORATION RESERVES THE RIGHT TO REFUSE TO TRANSFER THE SHARES REPRESENTED BY THIS CERTIFICATE UNLESS AND UNTIL THE CONDITIONS TO TRANSFER SET FORTH IN SUCH STOCKHOLDERS AGREEMENT HAVE BEEN FULFILLED.

5. Stop Transfer. Each Stockholder agrees with, and covenants to, Purchaser that such Stockholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of such Stockholder's Shares, unless such transfer is made in compliance with this Agreement (including the provisions of Section 2 hereof). In the event of a stock dividend or distribution, or any change in the Company Common Stock by reason of any stock dividend, split-up, recapitalization, combination, exchange of shares or the like, the term "Shares" shall be deemed to refer to and include the Shares as well as all such stock dividends and distributions and any shares into which or for which any or all of the Shares may be changed or exchanged.

6. Termination. Except as otherwise provide herein, the covenants and agreements contained herein with respect to the Shares shall terminate upon the termination of the Merger Agreement in accordance with its terms.

7. Confidentiality. The Stockholders recognize that successful consummation of the transactions contemplated by this Agreement may be dependent upon confidentiality with respect to the matters referred to herein. In this connection, pending public disclosure thereof or of the Merger Agreement, each Stockholder

hereby agrees not to disclose or discuss this Agreement with anyone not a party to this Agreement (other than such Stockholder's counsel and advisors, if any) without the prior written consent of Purchaser, except for filings required pursuant to the Exchange Act and the rules and regulations thereunder or as required by law, in which event such Stockholder shall give notice of such disclosure to Purchaser as promptly as practicable so as to enable Purchaser to seek a protective order from a court of competent jurisdiction with respect thereto.

8. Miscellaneous.

(a) Entire Agreement. This Agreement, the Consulting and Noncompete Agreement, the Merger Agreement and the agreements contemplated thereby constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) Certain Events. Each Stockholder agrees that this Agreement and the obligations hereunder shall attach to such Stockholder's Shares and shall be binding upon any person or entity to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, including, without limitation, such Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(c) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Purchaser may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Purchaser, but no such assignment shall relieve Purchaser of its obligations hereunder.

(d) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, with respect to any one or more Stockholders, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule I hereto may be supplemented by Purchaser by adding the name and other relevant information concerning any stockholder of the Company who agrees to be bound by the terms of this Agreement without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(e) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail

(registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses:

If to Stockholder: At the addresses set forth on Schedule I hereto

If to Purchaser: Lear Corporation
21557 Telegraph Road
Southfield, MI 48034
810/746-1500 (telephone)
810/746-1677 (telecopier)
Attention: Joseph F. McCarthy, Esq.

copy to: Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
312/558-5600 (telephone)
312/558-5700 (telecopier)
Attention: John L. MacCarthy, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(f) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(g) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(h) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(i) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(j) No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person or entity who or which is not a party hereto.

(k) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(l) Jurisdiction. Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any state or federal court located in the State of Delaware in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a state or federal court sitting in the State of Delaware.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Purchaser, Sub and each Stockholder have caused this Agreement to be duly executed as of the day and year first above written.

LEAR CORPORATION

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title:

PA ACQUISITION CORP.

By: /s/ James H. Vandenberghe

Name: James H. Vandenberghe
Title:

/s/ William J. Branch

William J. Branch

/s/ Larry W. Owen

Larry W. Owen

/s/ Darrell F. Sallee

Darrell F. Sallee

SCHEDULE I

NAME AND ADDRESS	NUMBER OF SHARES*
William J. Branch c/o Masland Corporation 50 Spring Road Carlisle, PA 17013 717/249-1866 (telephone) 717/249-7576 (telecopier)	62,156
Larry W. Owen c/o Masland Corporation 50 Spring Road Carlisle, PA 17013 717/249-1866 (telephone) 717/249-7576 (telecopier)	132,411
Darrell F. Sallee c/o Masland Corporation 50 Spring Road Carlisle, PA 17013 717/249-1866 (telephone) 717/249-7576 (telecopier)	36,204

* This figure does not include Shares subject to stock options or warrants which have not been exercised.

EXHIBIT 99.3(c)

CONFIDENTIALITY AND STANDSTILL AGREEMENT

This Agreement is dated as of March 14, 1996, between and among Masland Corporation, a Delaware corporation, and its subsidiaries (collectively, "Company"), and Lear Seating Corporation, a Delaware corporation, and its subsidiaries (collectively, "Recipient"). Company and Recipient anticipate that in connection with a possible transaction between them and/or their stockholders, Company may share with Recipient certain non-public, confidential or proprietary information which requires protection upon the terms set forth in this Agreement. Accordingly, once this Agreement has been executed and returned by appropriate officers of Recipient to Company the dissemination of the information contemplated hereby will be facilitated.

References to Company and Recipient in this Agreement shall refer, in each case, to that company and the entities under its control, severally and not jointly. As a condition to Recipient being furnished the information contemplated by this Agreement by Company, Recipient agrees to treat any such information (whether prepared by Company, its advisors or otherwise, and whether oral or written) that is furnished to the Recipient or its directors, officers, partners, employees, agents, advisors, investment bankers and potential financing sources (collectively, the "Representatives") by or on behalf of Company (herein collectively referred to as the "Evaluation Material") in accordance with the provisions of this Agreement, and as a further condition to being furnished such information, Recipient agrees to take or abstain from taking certain other actions herein set forth.

The term "Evaluation Material" includes the information described above, but does not include information that (i) is already Recipient's possession, provided that such information is not known by Recipient to be subject to another confidentiality agreement with or other obligation of secrecy to Company or another person or (ii) is or becomes generally available to the public other than as a result of a disclosure by Recipient or Recipient's Representatives or (iii) becomes available to Recipient on a non-confidential basis from a source other than Company or its advisors, provided that such source is not known by Recipient to be bound by a confidentiality agreement with or other obligation of secrecy to Company or another person.

Recipient hereby agrees that the Evaluation Material will be used solely for the purpose of evaluating a possible transaction between Company and Recipient, or involving either or both of their stockholders, will not be used in any way knowingly detrimental to Company, and will be kept strictly confidential by Recipient and Recipient's Representatives; provided, however, that (i) any of such information may be disclosed to Recipient's Representatives who need to know such information for the purpose of evaluating any such possible transaction (it being understood that (a) under no circumstances shall Recipient's Representatives include any employees, suppliers or customers of Company, and (b) Recipient's Representatives shall be informed by Recipient of the confidential nature of such information and shall agree to keep such information confidential and to be bound by the confidential provisions of this Agreement to the same extent as if they were parties hereto) (ii) any such information may be disclosed if disclosure is, in the reasonable opinion of Recipient's counsel necessary to comply with applicable statutes, or regulations, or is otherwise legally compelled (provided Recipient complies with the provisions of the fourth paragraph following this paragraph) and (iii) disclosure of such information may be made if Company has given Recipient its prior written consent. Recipient will be responsible for any breach by Recipient's Representatives of this Agreement. It is recognized that Company shall be entitled to directly enforce this Agreement.

Recipient hereby acknowledges that it is aware, and that it will so advise its Representatives who are informed as to the matters which are the subject of this Agreement, that the United States securities laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this Agreement from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

In addition, without the prior written consent of Company, Recipient will not, and will advise its Representatives not to, disclose to any person the fact that the Evaluation Material has been made available to Recipient or the Representatives, that discussions or negotiations are taking place concerning a possible transaction between Company and Recipient or of any of the terms, conditions or other facts with respect to such possible transaction, including the status thereof (collectively, the "Status Information") provided,

however that status information may be disclosed if disclosure is, in the reasonable opinion of Recipient's counsel, necessary to comply with applicable statutes or regulations, or is otherwise legally compelled (provided Recipient complies with the provisions of the second paragraph following this paragraph).

For a period of one year from the date hereof, Recipient agrees that neither it nor any entity under its control will actively solicit for employment any employees of Company, and for a period of two years from the date hereof any management employees of Company met during the process of its due diligence or review and evaluation of the Evaluation Material; provided that the foregoing shall not be deemed to prohibit general solicitations of employment in the Recipient's ordinary course of business of persons who are not officers of Company and the employment of such persons.

In the event that Recipient or its Representatives are requested or become legally compelled (by oral questions, interrogatories, requests for information or documents subpoena, civil investigative demand, or similar process, or pursuant to an applicable statute or regulation) to disclose any Evaluation Material or Status Information, Recipient agrees to (i) immediately notify Company of the existence, terms and circumstances surrounding such a request, so that it may seek an appropriate protective order and/or waive Recipient's compliance with the provisions of this Agreement (and, if Company seeks such an order, to provide such cooperation as Company shall reasonably request) and (ii) if disclosure of such information is required in the reasonable opinion of Recipient's counsel, exercise Recipient's best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such of the disclosed information which Company so designates.

Although Company has and will endeavor to include in the Evaluation Material information which it believes to be relevant for the purpose of Recipient's investigation, Recipient understands that neither Company nor any of its representatives or advisors have made or make any representation or warranty as to the accuracy or completeness of the Evaluation Material. Recipient agrees that neither Company nor its Representatives or advisors shall have any liability to Recipient or any of its Representatives resulting from the use or contents of the Evaluation Material or from any action taken or any inaction occurring in reliance on the Evaluation Material.

Subject to compliance with applicable statutes and regulations, at the request of Company or in the event that the parties do not proceed with a possible transaction which is the subject of this letter, each of Recipient and Recipient's Representatives shall promptly redeliver to Company all written Evaluation Material and any other written material containing or reflecting any information in the Evaluation Material (whether prepared by the Company, its advisors, agents) and will not retain any copies, extracts or other reproductions thereof. At the request of the Company, all documents, memoranda, notes and other writings whatsoever prepared by Recipient or Recipient's Representatives based on any information in the Evaluation Material shall be destroyed, and such destruction shall be certified in writing to Company by an authorized officer supervising such destruction.

It is further understood and agreed that no failure or delay by Company or Recipient in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

Recipient agrees that it will be liable to Company for the unauthorized use or disclosure of the Evaluation Material or the Status Information by Recipient or Recipient's Representatives.

The parties to this Agreement also desire to enter into a mutual "standstill agreement" as contained in this and the following paragraph, and Recipient hereby acknowledges that the Evaluation Material is being furnished to it in specific reliance upon that portion of this Agreement as well as the confidentiality undertakings. Accordingly, for the period specified below, each party further agrees not to enter into any discussions, negotiations, arrangements or understandings with any third person which would be in derogation of such "standstill agreement". If at any time during the term of such "standstill agreement" either party is approached by any third person concerning its or their participation in a transaction involving the assets or businesses of the other party it will promptly inform the other party of the nature of such contact and the parties thereto.

For a period of three (3) years from the date of this Agreement, neither party nor any entities under their control, either alone or in concert with one another, shall launch, cause any other person to launch, participate in, or advise or encourage any other Person with respect to, a takeover bid, proxy contest or solicitation of stockholder consents against the other party nor accumulate more than a 4% stock ownership or voting interest in such other party without the prior written consent of such other party's Board of Directors. More specifically, neither party shall, unless following the prior written consent of the Board of Directors of the other party:

(a) make, or in any way participate, or permit any other entity under its control to make or participate, directly or indirectly, in any "solicitation" of "proxies" to vote or stockholder written consents (as such terms are used in Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Act") and in the Delaware General Corporation Law, Section 228, respectively) in the election of directors or in opposition to the recommendation of the majority of the directors of the other party with respect to any matter or seek to advise any person or entity with respect to the voting of any Voting Securities of such other party; or

(b) acquire, offer to acquire or agree to acquire, directly or indirectly, or permit any other entity under its control (including but not limited to its parents, subsidiaries, and any pension, profit sharing or other trusts under the investment management control of such party or any of them) (but excluding shares issued to any such entity in connection with (A) a stock split, reverse split or other reclassification affecting outstanding securities, or (B) a stock dividend or other pro rata distribution to holders of its outstanding securities), to acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase, tender offer, exchange offer, or otherwise, more than an aggregate 4% interest in all classes of securities of the other party (whether Voting Securities or not) or direct or indirect rights or options to acquire any such securities, or one or more classes of equity securities which would give it effective control over any other Person, which, prior to the time such party acquires effective control over such other Person, is publicly disclosed (by filing with the Securities and Exchange Commission or otherwise) to be the beneficial owner of more than 4% of any class of securities of the other party, but provided that if such party or other entities controlled by it acquires control of such other Person by inadvertence or without knowledge of such beneficial ownership, such other party shall have the right, but not the obligation, to purchase all of the other party's securities owned by such other Person at current fair market value (and for purposes of this clause all such other party's securities held by all such entities or Persons shall be aggregated so as not to exceed the 4% permitted); or

(c) form or join, encourage, advise or permit any other entity under its control to form, join, actively encourage or advise a partnership, limited partnership, syndicate or other "group" for the purpose of acquiring, holding, disposing, or otherwise with respect to any class or classes of securities of the other party within the meaning of Section 13(d) of the Act; or

(d) initiate, propose, advise or otherwise solicit, or permit any other entity under its control to initiate, propose, advise or solicit, any stockholder of the other party regarding any matter relating to the other party, or induce or attempt to induce any other person to initiate any stockholder proposal or a tender offer for shares or securities of the other party, or any change of control of the other party, or for the purpose of actively soliciting proxies from stockholders or stockholders' written consents to accomplish any of the foregoing, or for the purpose of convening a stockholders' meeting of the other party; or

(e) otherwise act, or permit any other entity under its control to act, alone or in concert with others, to seek to control the management, Board of Directors or policies of the other party.

For purposes of this Agreement, the following terms shall have the following definitions. The term "Person" shall mean any individual, partnership, corporation, trust or other entity. The term "Voting Securities" shall mean common stock or any other securities entitled to vote generally for the election of directors, or any security convertible into or exchangeable for or exercisable for the purchase of common stock or other securities entitled to vote generally for the election of directors. Any other provision of the "standstill" provisions of this Agreement to the contrary notwithstanding, either party may terminate the "standstill"

provisions of this Agreement if (i) the other party fails to perform or observe any of its covenants and obligations pursuant to this Agreement or (ii) if either party shall, but only to the extent permitted under the "standstill" provisions of this Agreement, acquire more than fifty percent (50%) control over the Voting Securities of the other with the prior written consent of the other's Board of Directors.

Both parties agree that unless and until a definitive agreement between them with respect to any transaction referred to in the first paragraph of this letter has been executed and delivered, neither party will be under any legal obligation of any kind whatsoever with respect to such a transaction by virtue of this or any written or oral expression with respect to such a transaction by any of its directors, officers, employees, agents or any other representatives or its advisors except for the matters specifically agreed to in this letter. Each party further agrees that the other party shall have no obligation to authorize or pursue with it or any other party any transaction referred to in the first paragraph of this letter and each party understands that the other has not, as of the date hereof, authorized any such transaction. The agreements set forth in this letter may be modified or waived only by a separate writing by each party expressly so modifying or waiving such agreements.

The parties hereto acknowledge that money damages are an inadequate remedy for breach of this Agreement because of the difficulty of ascertaining the amount of damage that will be suffered by Company in the event that this Agreement is breached, and agree that they would be irreparably damaged in the event any of the provisions of this Agreement (and, particularly the "standstill" provisions hereof) were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each party agrees that the other party shall be entitled to such specific remedies upon proper application to appropriate courts, including specific performance of this Agreement and injunctive relief against any breach hereof, in addition to any other remedy to which the other party may be entitled at law or in equity. Each party hereby expressly consents to the jurisdiction of any court within the State of Delaware over it without regard to personal service upon it within such jurisdiction, in addition to any other court of appropriate jurisdiction. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of each party that it would have executed the remaining terms, provisions, covenants and restrictions in this Agreement without including any of such which may be hereafter declared invalid, void or unenforceable by any court of competent jurisdiction and final recourse.

If and to the extent Company or its Stockholders enter into a confidentiality or standstill agreement with respect to a possible transaction in which Company would effectively be acquired and which contains material terms that are less restrictive than those in this Agreement (for example, as to the term of any such standstill arrangement), then this Agreement shall be deemed amended and modified to incorporate such less restrictive terms. This Agreement shall be binding upon and enure to the benefit of, and be enforceable by, the successors and assigns of the parties hereto. Each party shall cause entities under its control to observe and adhere to all of the provisions of this Agreement to the same extent as if such entities were parties hereto.

All notices, consents, requests, instructions, approvals and other communications provided for herein and all legal process in regard hereto shall be validly given, made or served, if in writing and delivered personally, by telex or telecopier (except for legal process), by recognized courier service or sent by registered or certified mail, first class postage prepaid, if to:

Company:

Masland Corporation
50 Spring Road, Box 40
Carlisle, PA 17013
Telephone: (717) 249-1866
Telecopy: (717) 254-7576

Recipient:

Lear Seating Corporation
21557 Telegraph Road
Southfield, MI 48086
Attn: Joseph F. McCarthy
Telephone: (810) 746-1714
Telecopy: (810) 746-1677

Or to such other address, telex or telecopier number as either party may, from time to time, designate in a written notice given in a like manner. Notice given by telex or telecopier shall be deemed delivered on the day sender receives telex or telecopier information that such notice was received at the telex or telecopier number of the addressee. Notice given by mail as set forth above shall be deemed delivered three (3) days after the date the same as postmarked.

This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein, and shall take effect as an instrument under seal.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and delivered by a properly authorized officer of each, and such officer affirms by his signature below that this Agreement constitutes a valid and binding agreement of the corporate party he represents and that he has been duly authorized by such party to execute and deliver same.

MASLAND CORPORATION

By: /s/ W. BRANCH

LEAR SEATING CORPORATION

By: /s/ JH VANDENBERGHE

EXHIBIT 99.4(c)

CONFIDENTIAL

AGREEMENT TO NEGOTIATE EXCLUSIVELY

This Agreement ("Agreement") is entered into this 2nd day of May, 1996 by and between Lear Seating Corporation, a Delaware corporation ("Lear"), and Masland Corporation, a Delaware corporation ("Masland").

WHEREAS, Lear and Masland have had discussions concerning the acquisition of Masland by Lear, and Masland and Lear have entered into a Confidentiality and Standstill Agreement dated as of March 14, 1996 (the "Confidentiality Agreement") pursuant to which Lear received certain confidential non-public information concerning Masland (the "Confidential Information");

WHEREAS, based on the Confidential Information received to date and discussions with representatives of Masland, Lear is willing to continue its due diligence review of Masland and to enter into negotiations with representatives of Masland to attempt to reach agreement on a definitive Merger Agreement (a "Merger Agreement") pursuant to which Lear and/or a wholly-owned subsidiary of Lear would make an all cash tender offer for the outstanding common stock of Masland, provided that Masland enters into this Agreement to negotiate exclusively with Lear.

NOW THEREFORE, Masland and Lear hereby agree as follows:

1. Exclusive Negotiation; No Solicitation. (a) From and after the date hereof until the earlier of the execution of a Merger Agreement or May 24, 1996 (the "Expiration Date"), Masland shall, and shall cause its officers, directors, representatives and agents, including, without limitation, any investment banker, attorney or accountant retained by Masland or any subsidiary of Masland (collectively, the "Masland Representatives") to, negotiate exclusively with Lear and its officers, directors, representatives and agents with respect to any Acquisition Transaction (as defined below). Further, prior to the Expiration Date, Masland shall not, and shall cause the Masland Representatives not to, directly or indirectly, invite, initiate, solicit or knowingly encourage (including by way of furnishing non-public information or assistance), any inquiries with respect to, the making of any proposal for, or the taking of any actions that could reasonably be expected to lead to any proposal for, an Acquisition Transaction. Notwithstanding the foregoing, nothing contained herein shall prohibit the Board of Directors of Masland (the "Board") from furnishing information to, or entering into discussions or negotiations with, any person or entity that makes an unsolicited proposal for an Acquisition Transaction if, and only to the extent that, (A) the Board, after consultation with and based upon the advice of independent legal counsel (who may be Masland's regularly engaged independent legal counsel), determines in good faith that such action is necessary for the Board to comply with its fiduciary duties to stockholders under applicable law, and (B) prior to taking such action, Masland receives from such person or entity an executed confidentiality and standstill agreement on terms no less favorable to Masland than the Confidentiality Agreement. For purposes of this Agreement, "Acquisition Transaction" shall mean any of the following (other than the transactions between Masland and Lear contemplated by a Merger Agreement): (i) any acquisition

of Masland or any of its U.S. subsidiaries as a result of a merger, consolidation, share exchange, recapitalization, business combination, or other similar transaction; (ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the assets of Masland and its subsidiaries, taken as a whole, in a single transaction or series of transactions; or (iii) any tender offer or exchange offer for 20% or more of the outstanding shares of capital stock of Masland or the filing of a registration statement under the Securities Act of 1933, as amended, in connection therewith. Masland represents that neither it nor, to its knowledge, any of its stockholders is a party to or bound by any agreement with respect to an Acquisition Transaction. In the event that Masland receives or becomes aware of any Acquisition Transaction or any proposal for an Acquisition Transaction, Masland will promptly notify Lear in writing of such communication, of the identity of the person proposing such Acquisition Transaction and of the terms and conditions of such Acquisition Transaction, except disclosure of the identity of such person or of the terms and conditions of such proposal will not be required where such disclosure would violate the terms of any confidentiality agreement existing on the date hereof by which Masland is bound.

(b) In consideration of the foregoing, from and after the date hereof until the Expiration Date, Lear shall not, and shall cause its officers, directors, representatives and agents, including, without limitation, any investment banker, attorney or accountant retained by Lear or a subsidiary of Lear, not to, enter into or proceed with any negotiations for the acquisition of any company or other entity engaged in the business of providing automotive carpet to Original Equipment Manufacturers in North America.

2. Standstill Provisions. From and after the time at which any proposal for an Acquisition Transaction is made to Masland, Lear shall not be prohibited by the Confidentiality Agreement from taking any or all of the actions described in the "standstill" provisions of the Confidentiality Agreement (which, in which case the Confidentiality Agreement, shall be deemed to be modified to the extent required to permit Lear to engage in all such transactions). Following the Expiration Date, Lear shall again be prohibited by the Confidentiality Agreement from taking any or all of the actions described in the "standstill" provisions of the Confidentiality Agreement to the extent Lear has not already taken any such action or is currently in the process of taking any such action.

3. Public Announcements. Prior to the Expiration Date, Masland and Lear will consult with each other before issuing any press release or making any public statement with respect to any Acquisition Transaction between them or any negotiations with respect thereto and will not issue any such press release or make any such public statement without the other party's consent, except as may be required by applicable law or any listing agreement with any national securities exchange (as advised by independent counsel).

4. Miscellaneous. (a) Masland and Lear agree that unless and until a Merger Agreement between them with respect to an Acquisition Transaction has been executed and delivered, neither party will be under any legal obligation of any kind whatsoever with respect to such a transaction by virtue of this or any written or oral expression with respect to such a transaction by any of its directors, officers, employees, agents or any other representatives or its advisors except for

the matters specifically agreed to in this Agreement and the Confidentiality Agreement. The agreements set forth in this Agreement may be modified or waived only by a separate writing by each party expressly so modifying or waiving such agreements.

(b) The parties hereto acknowledge that money damages are an inadequate remedy for breach of this Agreement because of the difficulty of ascertaining the amount of damage that will be suffered by the non-breaching party in the event that this Agreement is breached, and agree that they would be irreparably damaged in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each party agrees that the other party shall be entitled to such specific remedies upon proper application to appropriate courts, including specific performance of this Agreement and injunctive relief against any breach hereof, in addition to any other remedy to which the other party may be entitled at law or in equity. Each party hereby expressly consents to the jurisdiction of any court within the State of Delaware over it without regard to personal service upon it within such jurisdiction, in addition to any other court of appropriate jurisdiction. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of each party that it would have executed the remaining terms, provisions, covenants and restrictions in this Agreement without including any of such which may be hereafter declared invalid, void or unenforceable by any court of competent jurisdiction and final recourse.

(c) This Agreement shall be binding upon and enure to the benefit of, and be enforceable by, the successors and assigns of the parties hereto. Each party shall cause entities under its control to observe and adhere to all of the provisions of this Agreement to the same extent as if such entities were parties hereto.

(d) The notices and other communications provided for herein and all legal process in regard hereto shall be validly given, made or served, if in writing and delivered personally, by telecopier (except for legal process), or by recognized courier service, to:

Masland at:
Masland Corporation
50 Spring Road, Box 40
Carlisle, PA 17013
Attn: William J. Branch, Chairman
Telephone: (717) 258-7214
Telecopy: (717) 258-7576

Lear at:

Lear Seating Corporation
21557 Telegraph Road
Southfield, MI 48034
Attn: Joseph F. McCarthy, Esq.
Telephone: (810) 746-1714
Telecopy: (810) 746-1677

or to such other address or telecopier number as either party may, from time to time, designate in a written notice given in a like manner. Notice given by telecopier shall be deemed delivered on the day sender receives telecopier confirmation that such notice was received at the telecopier number of the addressee. Notice given by personal delivery or recognized courier service shall be deemed delivered upon receipt.

(e) This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Delaware applicable to contracts made and to be performed therein, and shall take effect as an instrument under seal.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and delivered by a properly authorized officer.

MASLAND CORPORATION

By: /s/ W. Branch

LEAR SEATING CORPORATION

By: /s/ J. H. Vandenberghe

EXHIBIT 99.5(c)

TERMINATION, CONSULTING AND NONCOMPETE AGREEMENT

AGREEMENT dated May 29, 1996, among LEAR CORPORATION, a Delaware corporation ("Purchaser"), MASLAND CORPORATION, a Delaware corporation ("Company"), and the other party signatory hereto (the "Covenantor").

W I T N E S S E T H:

WHEREAS, concurrently herewith, Purchaser, PA ACQUISITION CORP., a Delaware Corporation and a wholly-owned subsidiary of Purchaser (the "Sub") and the Company are entering into an Agreement and Plan of Merger (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein have the respective meanings ascribed to them in the Merger Agreement), pursuant to which Sub will be merged with and into the Company (the "Merger");

WHEREAS, the Covenantor is conversant with the affairs, operations, customers and confidential and proprietary information of the Company;

WHEREAS, the Company wishes to terminate the employment of the Covenantor as of the Effective Date (as defined herein) and engage the Covenantor as an independent consultant in accordance with the terms this Agreement;

WHEREAS, Purchaser and the Company each wishes to assure itself of the protection of the goodwill and proprietary interests of the Company's and Purchaser's business by having the Covenantor enter into this Agreement on the date hereof; and

WHEREAS, the Covenantor acknowledges that as an inducement and a condition to entering into the Merger Agreement, Purchaser has required that the Covenantor agree, and the Covenantor has agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Affiliate" shall mean (i) a corporation, partnership or other business entity which, directly or indirectly, is controlled by, controls, or is under common control with the Covenantor and (ii) in the case of an individual, (x) any trust or other estate in which the Covenantor has a substantial beneficial

interest or as to which the Covenantor serves as trustee or in a similar fiduciary capacity or (y) the Covenantor's spouse. "Control" means and includes, but is not necessarily limited to the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such corporation, partnership, joint venture or other business entity.

(b) "Business Conducted by the Company" shall mean the business conducted by the Company or any Subsidiary of the Company with respect to products currently produced by the Company or any Subsidiary on or prior to the date hereof.

(c) "Consulting Period" shall mean the period commencing on the date on which the Offer is consummated pursuant to the terms of the Merger Agreement (the "Effective Date") and ending on the second anniversary of such date, or such shorter period in accordance with the provisions of Section 9 hereof.

(d) "Noncompete Period" shall mean the Consulting Period; provided that if the Consulting Period is terminated for cause as defined in clauses (i) or (iii) of the last sentence of Section 9 hereof, Non-Compete Period shall mean the period commencing on the Effective Date and ending on the second anniversary of such date.

2. Termination of Employment and Consulting Services.

(a) The Covenantor's employment with the Company shall terminate effective as of the Effective Date.

(b) During the Consulting Period, the Covenantor shall perform consulting services related to the Business Conducted by the Company and shall perform such projects and functions that may be assigned from time to time by Purchaser's Chief Executive Officer and/or the Company's Board of Directors. The Company shall not assign consulting services to Covenantor that are inconsistent with duties assigned to senior officers of the Company. In the performance of consulting services hereunder, the Covenantor shall be an independent contractor and not an employee of the Company, notwithstanding any title that may be assigned to the Covenantor. The Covenantor agrees to carry out his consulting duties to the best of his ability and in a timely and complete manner, and at all times to act in the best interests of the Company and Purchaser. As an independent contractor, the Covenantor will not be eligible to receive nor participate in any benefit plan provided to employees of the Company or Purchaser, including but not limited to any health, life, long term disability, retirement, incentive savings, supplemental deferred compensation, flexible benefits or supplemented executive salaried benefit plan, except that during the Consulting Period, the Company shall continue to provide the Covenantor with health and medical benefits on terms no less

favorable than those currently provided to him by the Company. In the performance of consulting services hereunder, the Covenantor shall not be required to work more than 20 days per year. Nothing herein shall prohibit the Covenantor from devoting his time to civic and community activities, serving as a member of the Board of Directors of other corporations who do not compete with the Company or managing personal investments, as long as the foregoing do not interfere with the performance of the Covenantor's duties hereunder.

3. Compensation.

(a) Fee. As consideration for the execution, delivery and performance of this Agreement by the Covenantor, during the Consulting Period the Company shall pay the Covenantor $175,000 per annum. Because the Covenantor shall be an independent contractor and not an employee of the Company or Purchaser, there shall be no withholdings or deductions from these payments. The Covenantor will be responsible for payment of any and all personal income taxes due in connection with payments made pursuant to this Agreement.

(b) Reimbursement of Certain Expenses. During the Consulting Period, the Company shall reimburse the Covenantor for reasonable and necessary business expenses, in accordance with its policies and upon presentation of appropriate documentation.

4. Covenant Not to Compete. Except as approved by Purchaser in writing, the Covenantor agrees that during the Noncompete Period, neither the Covenantor, nor any Affiliate of the Covenantor shall, without the prior written consent of Purchaser, participate, own, control, manage or engage in, directly or indirectly, whether as an owner, partner, shareholder (except that the Covenantor or such Affiliate may hold equity securities representing not more than five percent (5%) of the equity securities of any publicly-held enterprise provided that neither the Covenantor nor such Affiliate renders advice or assistance to such enterprise), employee, officer, director, independent contractor, consultant, advisor or in any other capacity calling for the making of investments or the rendition of services, advice, or acts of management, operation or control, any business which is competitive with the Business Conducted by the Company within the geographic area in which the Company, Purchaser or any of their respective subsidiaries conducted business during the last three (3) years prior to the date hereof.

5. No Diversion of Business Opportunities and Prospects. The Covenantor agrees that during the Noncompete Period, neither the Covenantor, nor any Affiliate of the Covenantor, shall, without the written consent of Purchaser, directly or indirectly, seek to divert from continuing to do business with or entering into business with the Company, Purchaser

or any of their respective subsidiaries, any supplier, customer or other person or entity which to the Covenantor's knowledge has a business relationship with Purchaser, the Company or any of their respective subsidiaries or with which the Company or any of its Subsidiaries was actively planning or pursuing a business relationship before the date in which the Offer is consummated pursuant to the terms of the Merger Agreement.

6. Non-Solicitation-Customers or Prospective Customers. The Covenantor agrees that during the Noncompete Period, neither the Covenantor, nor any Affiliate of the Covenantor shall, without the prior written consent of Purchaser, directly or indirectly solicit, in connection with any business which is competitive with the Business Conducted by the Company, any customers with whom the Company, Purchaser or any of their respective subsidiaries did business at, or within three (3) years prior to, the date in which the Offer is consummated pursuant to the terms of the Merger Agreement or any entity known by the Covenantor to be a prospective customer at the date on which the Offer is consummated pursuant to the terms of the Merger Agreement. A "prospective customer" is a company, person or other entity with which the Company or any of its Subsidiaries has had actual contact or for which the Company has begun formulating a market strategy.

7. Non-Solicitation -- Employees. The Covenantor agrees that during the Noncompete Period, the Covenantor shall not, without the prior written consent of Purchaser, directly or indirectly solicit any employee of the Company to leave such employment or join or become affiliated with any business which is competitive with the Business Conducted by the Company in any area in which the Company, Purchaser or any of their respective Subsidiaries does business.

8. Confidentiality. The Covenantor acknowledges that the Covenantor has had access to confidential information (including, but not limited to, current and prospective confidential product information, know-how, inventions, trade secrets, customer lists, supplier lists, business plans, processes and technology) concerning the business, products, customers, plans, finances, suppliers, and assets of the Company and its Subsidiaries and which is not generally known outside the Company (the "Confidential Information"). The Covenantor agrees that the Covenantor shall not, without the prior written authorization of Purchaser, directly or indirectly use, divulge, furnish or make accessible to any person any Confidential Information, but instead shall keep all Confidential Information strictly and absolutely confidential, except (1) as required by law, in which event the Covenantor shall give notice of such disclosure to Purchaser as promptly as practicable so as to enable Purchaser to seek a protective order from a court of competent jurisdiction with respect thereto and (ii) for information which become public other than as a result of a violation of this Agreement.

9. Termination of Consulting Period. The Consulting Period shall terminate with respect to the Covenantor prior to the second anniversary of the date on which the Offer is consummated upon termination by the Company with respect to the Covenantor for "cause." For purposes of this Agreement, "cause" means (i) fraud, misappropriation or other intentional or material damage to the Company's, Purchaser's or any of their respective subsidiaries' property, goodwill or business, (ii) commission by the Covenantor of a felony, or (iii) material breach of this Agreement after the Company provides notice of such breach and gives the Covenantor at least (20) days to cure breach.

10. Representations and Warranties. The Covenantor hereby represents and warrants to Purchaser as follows:

(a) Power; Binding Agreement. The Covenantor has the legal capacity, power and authority to enter into and perform all of the Covenantor's obligations under this Agreement. The execution, delivery and performance of this Agreement by the Covenantor will not violate any other agreement to which the Covenantor is a party including, without limitation, any voting agreement, stockholders agreement or voting trust. This Agreement has been duly and validly executed and delivered by the Covenantor and constitutes a valid and binding agreement of the Covenantor, enforceable against the Covenantor in accordance with its terms.

(b) No Conflicts. (i) No filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority is necessary for the execution of this Agreement by the Covenantor and the consummation by the Covenantor of the transactions contemplated hereby and (ii) none of the execution and delivery of this Agreement by the Covenantor, the consummation by the Covenantor of the transactions contemplated hereby or compliance by the Covenantor with any of the provisions hereof shall result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any agreement to which the Covenantor is a party or by which the Covenantor may be bound or affected.

(c) Reliance by Purchaser. The Covenantor understands and acknowledges that Purchaser is entering into, and causing Sub to enter into, the Merger Agreement in reliance upon the Covenantor's execution and delivery of this Agreement.

11. Specific Performance. The Covenantor acknowledges that the Covenantor's compliance with this Agreement is necessary to preserve and protect the proprietary rights, Confidential Information and the goodwill of the Business Conducted by the Company as a going concern and that any failure by the Covenantor to comply with the provisions of this Agreement will result in

irreparable and continuing injury to the Business Conducted by the Company for which there will be no adequate remedy at law. Therefore the Covenantor agrees that in the event of any such breach Purchaser and Sub shall be entitled to the remedy of specific performance of the covenants and agreements contained herein and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

12. Miscellaneous.

(a) Entire Agreement. This Agreement, the Stockholders Agreement, the Merger Agreement and the agreements contemplated thereby constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

(b) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other party, provided that Purchaser may assign, in its sole discretion, its rights and obligations hereunder to any direct or indirect wholly owned subsidiary of Purchaser, but no such assignment shall relieve Purchaser of its obligations hereunder if such assignee does not perform such obligations.

(c) Amendments; Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the Covenantor, Purchaser and the Company.

(d) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram, telex or telecopy, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following addresses:

If to Covenantor: William J. Branch
4 Truffle Glen Road
Mechanicsburg, PA 17055
717/692-6648 (telephone)

If to Purchaser: Lear Corporation
21557 Telegraph Road
Southfield, MI 48034
810/746-1500 (telephone)
810/746-1677 (telecopier)
Attention: Joseph F. McCarthy, Esq.

copy to: Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
312/558-5600 (telephone)
312/558-5700 (telecopier)
Attention: John L. MacCarthy, Esq.

or to such other address as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(e) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein. Without limiting the foregoing, in the event that any provision hereof is held by any court of competent jurisdiction to be unenforceable because it is too extensive in scope or time or territory, such provision shall be deemed to be and shall be amended without any prior act by the parties hereto to conform to the scope and period of time and geographical area which would permit it to be enforced.

(f) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(g) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(h) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Pennsylvania, without giving effect to the principles of conflicts of law thereof.

(i) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(j) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

(k) Effectiveness. This Agreement shall be of no force or effect unless and until the Offer is consumated.

IN WITNESS WHEREOF, Purchaser, Company and the Covenantor have caused this Agreement to be duly executed as of the day and year first above written.

LEAR CORPORATION

By: /s/ J.H. Vandenberghe

Name: J.H. Vandenberghe
Title: Executive Vice President and Chief Financial Officer

MASLAND CORPORATION

By: /s/ Daniel R. Perkins

Name: Daniel R. Perkins
Title: CFO & Treasurer

/s/ W. Branch

William J. Branch

EXHIBIT 99.6(c)

Date: May 29, 1996

Dr. Frank J. Preston
50 Spring Road
Carlisle, PA 17013

Dear Frank:

Masland Corporation (the "Company") considers it essential to its best interest and the best interests of its stockholders to foster the continuous employment of key management personnel.

The Board of Directors of the Company (the "Board") has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including yourself, to their assigned duties. In order to induce you to remain in the employ of the Company, and in consideration of your agreement to the termination of any existing employment contract you may have with the Company or any predecessor; the Company agrees that you shall receive, upon the terms and conditions set forth herein, the compensation and benefits set forth in this letter agreement ("Agreement") during the Term hereof.

1. Term of Agreement. This Agreement shall commence as of the date of the consummation the Offer (as defined in that certain Agreement and Plan of Merger dated May 23, 1996 (the "Merger Agreement") (the "Effective Date") by and among Lear Corporation ("Lear"), PA Acquisition Corp. and the Company) and, unless earlier terminated as provided herein, shall continue in effect until the fourth anniversary of such date (the "Term"); provided, that this Agreement shall be of no force or effect unless and until the Offer is consummated. The Term may be extended pursuant to paragraph 12, hereafter.

2. Terms of Employment. During the Term, you agree to be a full-time employee of the Company serving in the position of Corporate Senior Vice President of Lear and President of the Masland Division and to devote substantially all of your working time and attention to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities associated with your position as Corporate Senior Vice President of Lear and President of the Masland Division, to use your best efforts to perform faithfully and efficiently such responsibilities. In addition, you agree to serve in such other capacities or offices to which you may be assigned, appointed or elected from time to time by the Board or the Board of Directors of Lear. Nothing herein shall prohibit you from devoting your time to civic and community activities, serving as a member of the Board of Directors of other corporations who do not compete with the Company (provided that you have received prior written approval from the Company's Chairman) or

managing personal investments, as long as the foregoing do not interfere with the performance of your duties hereunder.

3. Compensation.

(i) As compensation for your services, under this Agreement, you shall be entitled to receive an initial base salary of $275,000 per annum, to be paid in accordance with existing payroll practices for executives of the Company. Increases in your base salary, if any, shall be determined by the Compensation Committee of Lear. In addition, you shall be eligible to receive an annual incentive compensation bonus ("Bonus") to be determined from time to time by the Compensation Committee of the Board of Directors of Lear.

(ii) In addition to compensation provided for in Subsection (i) of this Section 3, the Company agrees (A) to provide the same or comparable benefits with respect to any compensation or benefit plan in which you participate as of the Effective Date which is material to your total compensation (including, without limitation, the Supplement Employee Retirement Pension Agreement dated March 30, 1995 with Frank J. Preston), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan; and (B) to maintain your ability to participate therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the opportunities provided and the level of your participation relative to other participants, than exists on the Effective Date.

(iii) The Company shall reimburse you for all reasonable travel, entertainment and other business expenses incurred by you in the performance of your responsibilities under this Agreement promptly upon receipt of written substantiation of such expenses. You shall also be paid all additional amounts necessary to discharge all federal and state tax liabilities incurred by you that are attributable to all deemed compensation arising as a consequence of your personal use of property owned or leased by the Company, excepting only your personal use of any Company aircraft, including federal and state taxes assessed against such additional compensation.

(iv) You shall be entitled to perquisites available to all other executives of the Company and shall be entitled to 4 weeks of vacation per year.

(v) Upon consummation of the Merger, the options to purchase 60,000 shares of Common Stock, $.01 par value per share, of the Company ("Company Common Stock") granted to you on January 3, 1995 and 30,000 shares of Company Common Stock granted to you on May 11, 1995, in each case under the 1993 Stock Option

Incentive Plan of the Company, shall (i) become options to purchase Common Stock, $.01 par value per share, of Lear pursuant to Section 6.07 of the Merger Agreement and (ii) shall all become vested and exercisable upon consummation of the Merger.

4. Termination of Employment. Your employment may be terminated by either the Company or you by giving a Notice of Termination, as defined in Subsection (iv) of this Section 4. If your employment should terminate during the Term, your entitlement to benefits shall be determined in accordance with Section 5 hereof.

(i) Disability. If, as a result of your incapacity due to physical or mental illness, you are unable to perform your duties hereunder for more than six consecutive months or six months aggregate during any twelve month period, your employment may be terminated for "Disability".

(ii) Cause. Termination of your employment for "Cause" shall mean termination upon (A) the willful and continued failure by you to substantially perform your duties with the Company (other than any such failure resulting from your Disability), (B) the engaging by you in conduct which is significantly injurious to the Company, monetarily or otherwise, (C) your conviction of a felony, (D) your abuse of illegal drugs or other controlled substances or your habitual intoxication, or (E) the breach of any of your material obligations hereunder including without limitation any breach of Section 9 or 10 hereof. For purposes of this Subsection, no act or failure to act, on your part shall be deemed "willful" unless knowingly done, or omitted to be done, by you not in good faith and without reasonable belief that your action or omission was in the best interest of the Company.

(iii) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence, without your express written consent, of any of the following circumstances unless such circumstances are fully corrected prior to the Date of Termination specified in the Notice of Termination, as such terms are defined in Subsections (v) and (iv) of this Section 4, respectively, given in respect thereof:

(A) The permanent assignment to you of any duties inconsistent with your status as an executive officer of the Company, your physical relocation on a permanent basis to an area outside of the metropolitan Detroit area, a substantial adverse alteration in the nature or status of your responsibilities from those in effect immediately prior to such assignment of duties, your removal from any office specified in Section 2 hereof;

(B) Any reduction by the Company in your base salary as in effect from time to time, except for across-the-board salary reductions similarly affecting all executive officers of the Company;

(C) The failure by the Company to pay or provide to you within seven (7) days of receipt by the Company of your written demand any amounts of base salary or Bonus or any benefits which are due, owing and payable to you pursuant to the terms hereof, except pursuant to an across-the-board compensation deferral similarly affecting all executive officers, or to pay to you any portion of an installment of deferred compensation due under any deferred compensation program of the Company;

(D) Except in the case of across-the-board reductions, deferrals or eliminations similarly affecting all executive officers of the Company, the failure by the Company to (i) continue in effect any compensation plan in which you participate which is material to your total compensation, including but not limited to the Company's plans currently in effect or hereafter adopted, and any plans adopted in substitution therefore, or (ii) continue to provide you with benefits substantially similar, in aggregate, to the Company's life insurance, medical, dental, health, accident or disability plans in which you are participating at the date of this Agreement; or

(E) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 7 hereof.

Your continued employment with the Company shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason hereunder.

(iv) Notice of Termination. Any termination of your employment by the Company or by you shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 8 hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this agreement relied upon, if any, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated.

(v) Date of Termination, Etc. "Date of Termination" shall mean (A) if your employment is terminated for Disability pursuant to Subsection (i) of this Section 4, thirty (30) days after Notice of Termination is given (provided that you shall not

have returned to the full-time performance of your duties during such thirty (30) day period), (B) if your employment is terminated by reason of your death, the date of your death, (C) if by you for Good Reason or by either party for any other reason (other than Disability, death, or your voluntary resignation without Good Reason), the date specified in the Notice of Termination (which, in the case of a termination by you for Good Reason, shall not be less than thirty (30) nor more than sixty (60) days from the date such Notice of Termination is given), and (D) if your employment is terminated by your voluntary resignation without Good Reason (as defined in Subsection (iii) of this Section 4), the Date of Termination shall be forty-five (45) days from the date such Notice of Termination is given or such other date as may be identified by the Company. Unless the Company instructs you not to do so, you shall continue to perform services as provided in this Agreement through the Date of Termination.

5. Compensation Upon Termination or During Disability. Upon termination of your employment with the Company during the Term, you shall be entitled to the following compensation and benefits:

(i) If your employment is terminated for Disability, you shall receive until the end of the Term all compensation payable to you under the Company's disability and medical plans and programs, as in effect on the Date of Termination plus an additional payment from the Company (if necessary) such that the aggregate amount received by you in the nature of salary continuation from all sources equals your base salary at the rate in effect on the Date of Termination. After the end of the Term, your benefits shall be determined under the Company's retirement, insurance and other compensation programs then in effect in accordance with the terms of such programs, provided that such terms shall not be less advantageous to you than the terms of such programs in effect as of the Effective Date.

(ii) If your employment shall be terminated (A) by the Company for Cause, or (B) by you other than for Good Reason, the Company shall pay you your full base salary through the Date of Termination, at the rate in effect at the time Notice of Termination is given, plus all other amounts to which you are entitled under any compensation or benefit plans of the Company at the time such payments are due, and the Company shall have no further obligations to you under this Agreement. Provided, however, that if your employment is terminated by your voluntary resignation without Good Reason, you shall be compensated per this Paragraph only to the extent that you actively performed your assigned responsibilities through the Date of Termination.

(iii) If your employment shall be terminated by reason of your death, the Company shall pay your estate or designated beneficiary (as designated by you by written notice to the Company, which designation shall remain in effect for the remainder of the Term and any extensions thereof until revoked or a new beneficiary is designated, in either case by written notice to the Company) your full base salary through the Date of Termination and for a period of 12 whole calendar months thereafter plus, if the Date of Termination shall not occur on the first day of a calendar month, the balance of the month in which the Date of Termination occurs, at the rate in effect at the time of your death, plus any Bonus earned, prorated for the portion of the Bonus measurement period occurring prior to the date of your death, plus all other amounts to which you are entitled under any compensation or benefit plans of the Company at the date of your death, and the Company shall have no further obligation to you, your beneficiaries or your estate under this Agreement.

(iv) If your employment shall be terminated (a) by the Company other than for Cause or Disability or (b) by you for Good Reason, then you shall be entitled to the benefits provided below:

(A) The Company shall pay you your full base salary through the Date of Termination at the rate in effect at the time Notice of Termination is given (or, if greater, at the rate in effect 30 days prior to the time Notice of Termination is given), plus all other amounts to which you are entitled under any compensation or benefit plans of the Company, including without limitation, any Bonus measurement period occurring prior to the Date of Termination, at the time such payments are due, except as otherwise provided below;

(B) in lieu of any further salary payment to you for periods subsequent to the Date of Termination, the Company shall pay to you your full base salary at the rate in effect immediately prior to the time Notice of Termination is given (or, if greater, at the rate in effect 30 days prior to the time Notice of Termination is given), payable periodically in accordance with past payroll practices, until the end of the Term;

(C) in lieu of any further Bonus payments to you for periods subsequent to the Date of Termination, the Company shall pay to you a Bonus payable in each March following the Date of Termination in respect of the previous plan fiscal year equal to the quotient obtained by aggregating the Bonuses received by you in respect of the two plan fiscal years ending prior to the Date of Termination (the "Bonus Period") and dividing such sum by two. Such Bonus shall be paid in respect of each plan fiscal year or portion thereof ending after

the Date of Termination until the end of the Term, and shall be prorated for partial years, if any, including without limitation the portion of the calendar year occurring after the Date of Termination and the final plan fiscal year in respect of which any such March Bonus is payable pursuant to this Section 5(iv)(C). Provided, however, that the amount of bonus to be paid pursuant to this Paragraph shall not be greater than the amount of bonus that would have been paid in accordance with Bonus Plans, existing from time to time, had your employment not been terminated;

(D) until the end of the Term, you will continue to participate in all other compensation and benefit plans (including perquisites) in which you were participating immediately prior to the time Notice of Termination is given, or comparable plans substituted therefor; provided, however, that if you are ineligible, (e.g., by operation of law or the terms of the applicable plan to continue to participate in any such plan) the Company will provide you with a comparable level of compensation or benefits;

(E) the Company shall also pay to you all reasonable legal fees and expenses incurred by you in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this Agreement if such termination is determined by arbitration to have been for Good Reason or other than Cause or Disability; and

(F) if you should die after the Date of Termination and prior to the end of the period of payment provided for in paragraphs (B), (C), and (D) hereof, the Company shall pay your estate or your designated beneficiary any amounts that are or become payable pursuant to any of such paragraphs until the end of the Term.

(v) In addition to all other amounts payable to you under this Section 5, you shall be entitled to receive all benefits payable to you pursuant to the terms of any plan or agreement of the Company relating to retirement benefits.

6. Travel. You shall be required to travel to the extent necessary for the performance of your responsibilities under this Agreement.

7. Successors; Binding Agreement. The Company will, by Agreement in form and substance satisfactory to you, require any successor (whether direct or indirect, by purchase merger, consolidation or otherwise) to all or substantially all the business and/or assets of the Company, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken

place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall entitle you to compensation from the Company in the same amount and on the same terms as you would be entitled to hereunder if you terminate your employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

8. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, provided that all notices to the Company shall be directed to the attention of the Secretary of the Company (or, if you are the Secretary at the time such notice is to be given, to the Chairman of the Company's Board of Directors), or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

9. Noncompetition.

(i) Until the Date of Termination, you agree not to enter into competitive endeavors and not to undertake any commercial activity which is contrary to the best interests of Lear, the Company or their respective affiliates, including becoming an employee, owner (except for passive investments of not more than one percent of the outstanding shares of, or any other equity interest in, any company or entity listed or traded on a national securities exchange or in an over-the-counter securities market), officer, consultant, agent or director of any firm or person which either directly or indirectly competes with a line or lines of business of Lear or the Company. Notwithstanding any provision of this Agreement to the contrary, you agree that your breach of the provisions of this Section 9(i) shall permit the Company to terminate your employment for Cause.

(ii) If you are terminated for Cause or if you resign, until the later of (A) one year after the Date of Termination and (B) the conclusion of any period that you continue to be paid your salary (including any other payments in lieu of salary) pursuant to Section 5 hereof and for one year thereafter, or you are terminated other than for Cause, until the later of (A) the Date of Termination and (B) the conclusion any period that you continue to be paid your salary (including any other payment in lieu of salary) pursuant to Section 5 hereof, you agree not to become an employee, owner (except for passive investments of not more than one percent of the

outstanding shares of, or any other equity interest in, any company or entity listed or traded on a national securities exchange or in an over-the-counter securities market), consultant, officer, agent or director of any firm or person which directly or indirectly competes with a line or lines of business of Lear or the Company. During the period of payment provided in Section 5 hereof, you will be available, consistent with other responsibilities that you may then have, to answer questions and provide advice to the Company. Notwithstanding anything in this Agreement to the contrary, you agree that, from and after any breach by you of the provisions of this Section 9(ii), the Company shall cease to have any obligations to make payments to you under this Agreement.

(iii) If you are terminated for Cause or if you resign, until the later of (A) one year after the Date of Termination and (B) the conclusion of any period that you continue to be paid your salary (including any other payments in lieu of salary) pursuant to Section 5 hereof and for one year thereafter, or if you are terminated other than for Cause, until the later of (A) the Date of Termination and (B) the conclusion of any period that you continue to be paid your salary (including any other payment in lieu of salary) pursuant to Section 5 hereof, you shall not directly or indirectly, either on your own account or with or for anyone else, (X) solicit or attempt to solicit any of Lear or the Company's customers (Y) solicit or attempt to solicit for any business endeavor any employee of Lear or the Company or (Z) otherwise divert or attempt to divert from Lear or the Company any business whatsoever or interfere with any business relationship between Lear or the Company and any other person.

(iv) You acknowledge and agree that damages for breach of the covenant not to compete in this Section 9 will be difficult to determine and will not afford a full and adequate remedy, and therefore agree that the Company, in addition to seeking actual damages pursuant to Section 11 hereof, may seek specific enforcement of the covenant not to compete in any court of competent jurisdiction, including, without limitation, by the issuance of a temporary or permanent injunction, without the necessity of a bond. You and the Company agree that the provisions of this covenant not to compete are reasonable. However, should any court or arbitrator determine that any provision of this covenant not to compete is unreasonable, either in period of time, geographical area, or otherwise, the parties agree that this covenant not to compete should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable.

10. Confidentiality.

(i) You shall not knowingly use, disclose or reveal to any unauthorized person, during or after the Term, any trade secret or other confidential information relating to the Company or any of its affiliates, or any of their respective businesses or principals, such as, without limitation, dealers' or distributor's lists, information regarding personnel and manufacturing processes, marketing and sales plans, and all other such information; and you confirm that such information is the exclusive property of the Company and its affiliates. Upon termination of your employment, you agree to return to the Company on demand of the Company all memoranda, books, papers, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Company and its affiliates, whether made by you or otherwise in your possession.

(ii) Any ideas, processes, characters, productions, schemes, titles, names, formats, adaptations, plots, slogans, catchwords, incidents, treatment, and dialogue which you may conceive, create, organize, prepare or produce during the period of your employment and which ideas, processes, etc. relate to any of the businesses of the Company, shall be owned by the Company and its affiliates whether or not you should in fact execute an assignment thereof or other instrument or document which may be reasonably necessary to protect and secure such rights to the Company.

(iii) Notwithstanding anything in this Agreement to the contrary, you agree that from and after any breach by you of the provisions of this Section 10 during any period of payment provided in Section 5 hereof, the Company shall cease to have any obligations to make payments to you under this Agreement.

11. Arbitration.

(i) Except as contemplated by Section 9 and Section 11 (iii) hereof, any dispute or controversy arising under or in connection with this Agreement that cannot be mutually resolved by the parties to this Agreement and their respective advisors and representatives shall be settled exclusively by arbitration in Southfield, Michigan before one arbitrator of exemplary qualifications and stature, who shall be selected jointly by an individual to be designated by the Company and an individual to be selected by you, or if such two individuals cannot agree on the selection of the arbitrator, who shall be selected pursuant to the procedures of the American Arbitration Association.

(ii) The parties agree to use their best efforts to cause (a) the two individuals set forth in the preceding Section 11 (i), or, if applicable, the American Arbitration Association, to appoint the arbitrator within 30 days of the date that a party hereto notifies the other party that a dispute or controversy exists that necessitates the

appointment of an arbitrator, and (b) any arbitration hearing to be held within 30 days of the date of selection of the arbitrator, and, as a condition to his or her selection, such arbitrator must consent to be available for a hearing at such time.

(iii) Judgment may be entered on the arbitrator's award in any court having jurisdiction, provided that you shall be entitled to seek specific performance of your right to be paid and to participate in benefit programs during the pendency of any dispute or controversy arising under or in connection with this Agreement. The Company and you hereby agree that the arbitrator shall be empowered to enter an equitable decree mandating specific performance of the terms of this Agreement.

(iv) If you prevail in full or in substantial part, the Company shall bear all expenses of the arbitrator incurred in any arbitration hereunder. The Company agrees to pay your reasonable and documented legal fees and expenses in connection with any arbitration hereunder if you prevail in full or in substantial part.

12. Extension of Term. The Term of this Agreement shall be automatically extended for a period of one year on each anniversary of the Effective Date of this Agreement; said automatic extension commencing on the second anniversary of the Effective Date. There shall be no renewal of the Term after the Date of Termination.

13. Modifications. No provision of this Agreement may be modified, amended, waived or discharged unless such modification, amendment, waiver or discharge is agreed to in writing and signed by both you and such officer of the Company as may be specifically designated by the Board.

14. No Implied Waivers. Failure of either party at any time to require performance by the other party of any provision hereof shall in no way affect the full right to require such performance at any time thereafter. Waiver by either party of a breach of any obligation hereunder shall not constitute a waiver of any succeeding breach of the same obligation. Failure of either party to exercise any of its rights provided herein shall not constitute a waiver of such right.

15. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Michigan.

16. Payments Net of Taxes. Any payments provided for herein which are subject to Federal, State or local tax or other withholding requirements, shall have such amounts withheld prior to payment.

17. Survival of Obligations. The obligations of the Company under Section 5(iii) and your obligations under Sections 9 and 10 hereof shall survive the expiration of the Term of this Agreement.

18. Capacity of Parties. The parties hereto warrant that they have the capacity and authority to execute this Agreement.

19. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of the Agreement, which shall remain in full force and effect.

20. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

21. Entire Agreement. This Agreement and any attachments hereto, contain the entire agreement by the parties with respect to the matters covered herein and supersedes any prior agreement (including without limitation any prior employment agreement), condition, practice, custom, usage and obligation with respect to such matters insofar as any such prior agreement, condition, practice, custom, usage or obligation might have given rise to any enforceable right. No agreements, understandings or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

If this letter sets forth our agreement on the subject matter hereof, kindly sign and return to the Company the enclosed copy of this letter which will then constitute our agreement on this subject.

Sincerely,

MASLAND CORPORATION

BY: /s/ W. Branch

Agreed to this 29th day of May, 1996

BY: /s/ Frank J. Preston

Dr. Frank J. Preston