UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended APRIL 3, 1999

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ---------- to ----------

COMMISSION FILE NUMBER: 1-11311

LEAR CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	13-3386776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
21557 TELEGRAPH ROAD, SOUTHFIELD, MI (Address of principal executive offices)	48086-5008 (zip code)

(248) 447-1500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes [X] No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Number of shares of Common Stock, $0.01 par value per share, outstanding as of April 30, 1999: 66,823,502

LEAR CORPORATION

FORM 10-Q

FOR THE QUARTER ENDED APRIL 3, 1999

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LEAR CORPORATION

PART I - FINANCIAL INFORMATION

ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

We have prepared the condensed consolidated financial statements of Lear Corporation and subsidiaries, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. We believe that the disclosures are adequate to make the information presented not misleading when read in conjunction with the financial statements and the notes thereto included in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission for the period ended December 31, 1998.

The financial information presented reflects all adjustments (consisting only of normal recurring adjustments) which are, in our opinion, necessary for a fair presentation of the results of operations and statements of financial position for the interim periods presented. These results are not necessarily indicative of a full year's results of operations.

LEAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

	April 3, 1999	December 31, 1998
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 24.6	$ 30.0
Accounts receivable, net	1,482.3	1,373.9
Inventories	321.3	349.6
Recoverable customer engineering and tooling	239.1	221.4
Other	243.4	223.1
Total current assets	2,310.7	2,198.0
LONG-TERM ASSETS:		
Property, plant and equipment, net	1,183.2	1,182.3
Goodwill, net	1,990.9	2,019.8
Other	298.9	277.2
Total long-term assets	3,473.0	3,479.3
	$ 5,783.7	$ 5,677.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term borrowings	$ 80.3	$ 82.7
Accounts payable and drafts	1,728.5	1,600.8
Accrued liabilities	811.4	797.5
Current portion of long-term debt	14.7	16.5
Total current liabilities	2,634.9	2,497.5
LONG-TERM LIABILITIES:		
Deferred national income taxes	42.9	39.0
Long-term debt	1,411.6	1,463.4
Other	397.1	377.4
Total long-term liabilities	1,851.6	1,879.8
STOCKHOLDERS' EQUITY:		
Common stock, $.01 par value, 150,000,000 authorized; 67,247,442 issued at April 3, 1999 and 67,194,314 issued at December 31, 1998	.7	.7
Additional paid-in capital	860.0	859.3
Note receivable from sale of common stock	(.1)	(.1)
Less - Common stock held in treasury, 510,230 shares at cost	(18.3)	(18.3)
Retained earnings	555.0	504.7
Accumulated other comprehensive income	(100.1)	(46.3)
Total stockholders' equity	1,297.2	1,300.0
	$ 5,783.7	$ 5,677.3

The accompanying notes are an integral part of these balance sheets.

LEAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED, IN MILLIONS, EXCEPT PER SHARE DATA)

	Three Months Ended	
	April 3, 1999	March 28, 1998
	(Unaudited)	
Net sales	$ 2,687.2	$ 2,032.1
Cost of sales	2,468.5	1,831.9
Selling, general and administrative expenses	84.3	78.0
Amortization of goodwill	14.0	11.5
Operating income	120.4	110.7
Interest expense	30.1	24.7
Other expense, net	7.9	8.0
Income before provision for national income taxes	82.4	78.0
Provision for national income taxes	32.1	30.7
Net income	$ 50.3	$ 47.3
Basic net income per share	$ .75	$ .71
Diluted net income per share	$ .75	$ .69

The accompanying notes are an integral part of these statements.

LEAR CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED, IN MILLIONS)

	Three Months Ended	
	April 3, 1999	March 28, 1998
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 50.3	$ 47.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	62.3	54.9
Other, net	(16.2)	(22.8)
Change in working capital items	47.3	(167.6)
Net cash provided by (used in) operating activities	143.7	(88.2)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(71.6)	(48.2)
Acquisitions	(59.0)	-
Other, net	-	.5
Net cash used in investing activities	(130.6)	(47.7)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in long-term debt, net	(33.8)	149.9
Short-term borrowings, net	(.4)	(7.2)
Other, net	.7	2.6
Net cash provided by (used in) financing activities	(33.5)	145.3
Effect of foreign currency translation	15.0	(4.0)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5.4)	5.4
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	30.0	12.9
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 24.6	$ 18.3
CHANGES IN WORKING CAPITAL:		
Accounts receivable	$ (134.9)	$ (205.6)
Inventories	27.2	(16.0)
Accounts payable	176.4	45.3
Accrued liabilities and other	(21.4)	8.7
	$ 47.3	$ (167.6)
SUPPLEMENTARY DISCLOSURE:		
Cash paid for interest	$ 34.4	$ 29.6
Cash paid for income taxes	$ 16.0	$ 26.0

The accompanying notes are an integral part of these statements.

LEAR CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Lear Corporation, a Delaware corporation, and its wholly-owned and majority-owned subsidiaries. Investments in less than majority-owned businesses are generally accounted for under the equity method. Certain items in prior year's quarterly financial statements have been reclassified to conform with the presentation used in the quarter ended April 3, 1999.

(2) 1999 ACQUISITIONS

Peregrine

On April 1, 1999, the Company acquired certain assets of Peregrine Windsor, Inc. ("Peregrine"), a division of Peregrine Incorporated. Peregrine produces just-in-time seat assemblies and door panels for several General Motors models.

Polovat / Ovatex

In February 1999, the Company acquired Polovat and the automotive business of Ovatex. Polovat and Ovatex automotive supply flooring and acoustic products for the automotive market. The acquired operations have three plants in Poland and two in Italy and employ more than 600 people.

(3) 1998 ACQUISITION

Delphi Seating

In September 1998, the Company purchased the seating business of Delphi Automotive Systems, a division of General Motors Corporation ("Delphi Seating"), for approximately $250 million. Delphi Seating was a leading supplier of seat systems to General Motors with 16 locations in 10 countries.

The Delphi Seating acquisition was accounted for as a purchase, and accordingly, the assets purchased and liabilities assumed in the acquisition have been reflected in the accompanying consolidated balance sheets and the operating results of Delphi Seating have been included in the consolidated financial statements since the date of acquisition.

The following pro forma financial data is presented to illustrate the estimated effects of the Delphi Seating acquisition, as if the transaction had occurred as of January 1, 1998.
(Unaudited; in millions, except per share data):

	Three Months Ended March 28, 1998
Net sales	$ 2,255.9
Net income	43.0
Diluted income per share	.63

The pro forma information above does not purport to be indicative of the results that actually would have been achieved if the operations were combined during the periods presented, and is not intended to be a projection of future results or trends.

(4) RESTRUCTURING AND OTHER CHARGES

In the fourth quarter of 1998, the Company began to implement a restructuring plan designed to lower its cost structure and improve the long-term competitive position of the Company. As a result of this restructuring plan, the Company recorded pre-tax charges of $133.0 million, consisting of $110.5 million of restructuring charges and $22.5 million of other charges. Included in this total are the costs to consolidate the Company's European operations of $78.9 million, charges resulting from the consolidation of certain manufacturing and administrative operations in North and South America of $31.6 million, other asset impairment charges of $15.0 million and contract termination fees and other of $7.5 million.

The restructuring plan is progressing as scheduled, and there have been no significant changes to the original restructuring plan. The following table summarizes the restructuring and other charges (in millions):

	Original Accrual	Utilized Cash	Utilized Noncash	Balance April 3 1999
European Operations Consolidation	$ 78.9	$ 3.4	$11.9	$63.6
North and South America Operations Consolidation	31.6	15.9	6.5	9.2
Write-Down of Long-Lived Assets	15.0	--	15.0	--
Contract Termination and Other	7.5	7.2	--	0.3
Total	$ 133.0	$ 26.5	$33.4	$73.1

(5) INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined principally using the first-in, first-out method. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs. Inventories are comprised of the following (in millions):

	April 3, 1999	December 31, 1998
Raw materials	$ 230.9	$ 253.9
Work-in-process	25.0	23.8
Finished goods	65.4	71.9
Inventories	$ 321.3	$ 349.6

(6) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost. Depreciable property is depreciated over the estimated useful lives of the assets, using principally the straight-line method. A summary of property, plant and equipment is shown below (in millions):

	April 3, 1999	December 31, 1998
Land	$ 75.0	$ 70.6
Buildings and improvements	408.1	429.6
Machinery and equipment	1,303.7	1,197.8
Construction in progress	9.5	78.4
Total property, plant and equipment	1,796.3	1,776.4
Less - accumulated depreciation	(613.1)	(594.1)
Net property, plant and equipment	$ 1,183.2	$ 1,182.3

(7) LONG-TERM DEBT

Long-term debt is comprised of the following (in millions):

	April 3, 1999	December 31, 1998
Credit agreement	$ 921.9	$ 970.3
Other	168.4	173.6
	1,090.3	1,143.9
Less - Current portion	14.7	16.5
	1,075.6	1,127.4
9 1/2% Subordinated Notes	200.0	200.0
8 1/4% Subordinated Notes	136.0	136.0
	336.0	336.0
Long-term debt	$ 1,411.6	$ 1,463.4

(8) FINANCIAL INSTRUMENTS

Certain foreign currency contracts entered into by the Company qualify for hedge accounting as only firm foreign currency commitments are hedged. Gains and losses from these contracts are deferred and generally recognized in cost of sales as of the settlement date. Other foreign currency contracts entered into by the Company, which do not receive hedge accounting treatment, are marked to market with unrealized gains or losses recognized in other expense in the income statement. Interest rate swaps are accounted for by recognizing interest expense and interest income in the amount of anticipated interest payments.

(9) FINANCIAL ACCOUNTING STANDARDS

Net Income Per Share

Basic net income per share is computed using the weighted average common shares outstanding during the period. Diluted net income per share is computed using the average share price during the period when calculating the dilutive effect of stock options. Shares outstanding for the periods presented were as follows:

	Three Months Ended	
	April 3, 1999	March 28, 1998
Weighted average shares outstanding	66,709,148	66,965,473
Dilutive effect of stock options	835,038	1,482,563
Diluted shares outstanding	67,544,186	68,448,036

Comprehensive Income

Comprehensive income is defined as all changes in a Company's net assets except changes resulting from transactions with shareholders. It differs from net income in that certain items currently recorded to equity would be a part of comprehensive income. Comprehensive income for the periods is as follows (in millions):

	Three Months Ended	
	April 3, 1999	March 28, 1998
Net income	$ 50.3	$ 47.3
Other comprehensive income:		
Foreign currency translation adjustment	(53.8)	(11.7)
Other comprehensive income	(53.8)	(11.7)
Comprehensive income	$ (3.5)	$ 35.6

(10) SEGMENT REPORTING

The Company is organized based on customer-focused and geographic divisions. Each division reports their results from operations and makes requests for capital expenditures directly to the chief operating decision making group. Under this organizational structure, the Company's operating segments have been aggregated into one reportable segment. This aggregated segment consists of eight divisions, each with separate management teams. The Other category includes the corporate office, geographic headquarters, technology division and elimination of intercompany activities, none of which meet the requirements of being classified as an operating segment.

The following table presents revenues and other financial information by business segment (in millions):

	Three Months Ended April 3, 1999		
	Automotive Interiors	Other	Consolidated
Revenues	$ 2,684.8	$ 2.4	$ 2,687.2
EBITA	172.7	(38.3)	134.4
Depreciation	45.8	2.5	48.3
Capital expenditures	68.9	2.7	71.6
Total assets	3,981.4	1,802.3	5,783.7

	Three Months Ended March 28,1998		
	Automotive Interiors	Other	Consolidated
Revenues	$ 2,030.0	$ 2.1	$ 2,032.1
EBITA	160.0	(37.8)	122.2
Depreciation	40.9	2.5	43.4
Capital expenditures	43.3	4.9	48.2
Total assets	3,170.8	1,566.0	4,736.8

(11) SUBSEQUENT EVENTS

Acquisition of UT Automotive

On May 4, 1999, Lear acquired UT Automotive, Inc., a wholly-owned operating segment of United Technologies Corporation, for approximately $2.3 billion, subject to certain post-closing adjustments. UT Automotive was a supplier of electrical, electronic, motor and interior products and systems to the global automotive industry. Headquartered in Dearborn, Michigan, UT Automotive has annual sales of approximately $3 billion, 44,000 employees and 90 facilities located in 18 countries.

Sale of Electric Motor Systems

On May 7, 1999, Lear entered into a definitive purchase agreement with Johnson Electric Holdings Limited to sell the recently acquired Electric Motor Systems ("EMS") business for $310 million, subject to certain post-closing adjustments. Lear acquired the EMS business in the acquisition of UT Automotive. EMS is a supplier of industrial and automotive electric motors and starter motors for small gasoline engines. EMS had 1998 sales of $351 million and has approximately 3,300 employees operating at locations in 10 countries.

Consummation of the sale is contingent upon expiration or termination of applicable waiting periods provided under the Hart-Scott-Rodino Antitrust Improvements Act, applicable foreign competition act approvals and certain other customary conditions.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

THREE MONTHS ENDED APRIL 3, 1999 VS. THREE MONTHS ENDED MARCH 28, 1998.

Net sales in the quarter ended April 3, 1999 were $2.7 billion, exceeding net sales in the quarter ended March 28, 1998 by $.7 billion, or 32.2%. Net sales in the first quarter of 1999 benefited from acquisitions, which collectively accounted for $.4 billion of the increase, and a combination of new business and production increases in North America and Europe. Partially offsetting this increase in sales were unfavorable exchange rate fluctuations in North America, South America and South Africa and lower sales in our South American operations.

Gross profit and gross margin were $219 million and 8.1% in the first quarter of 1999 as compared to $200 million and 9.9% in the comparable period of 1998. Gross profit in the current quarter reflects the contribution of acquisitions, new sport utility and truck programs in North America and new seat programs in Europe. The decline in gross margin in the first quarter of 1999, as compared to the first quarter of 1998, is due primarily to the dilutive impact of acquisitions.

Selling, general and administrative expenses, including research and development, as a percentage of net sales decreased to 3.1% in the first quarter of 1999 as compared to 3.8% in the same period of 1998. Expenses as a percentage of sales benefitted primarily from operating leverage provided by a higher sales base and restructuring efforts initiated in the fourth quarter of 1998. The increase in actual expenditures relative to 1998 was due to the inclusion of operating expenses incurred as a result of acquisitions as well as research, development and administrative expenses necessary to support established and potential business opportunities.

Operating income and operating margin were $120 million and 4.5% in the first quarter of 1999 as compared to $111 million and 5.4% in the comparable period of 1998. Operating profit in the current quarter reflects the contribution of acquisitions, new sport utility and truck programs in North America and new seat programs in Europe. The decline in operating margin in the first quarter of 1999, as compared to the first quarter of 1998, is due primarily to the dilutive impact of acquisitions.

Interest expense in the first quarter of 1999 increased by $5 million to $30 million as compared to the same period in 1998. Interest expense resulting from debt incurred to finance recent acquisitions was partially offset by reduced interest rates in the United States and Europe.

Other expenses, which include state and local taxes, foreign currency exchange, minority interests in consolidated subsidiaries, equity in net income of affiliates and other non-operating expenses, was essentially unchanged at approximately $8 million.

Net income for the first quarter of 1999 was $50 million, or $.75 per share, as compared to $47 million, or $.69 per share, in the prior year's first quarter. The provision for income taxes in the current quarter was $32 million, or an effective tax rate of 39.0% as compared to $31 million, or an effective tax rate of 39.4%, in the prior year. Diluted net income per share increased in the first quarter of 1999 by 8.7%.

LIQUIDITY AND CAPITAL RESOURCES

Operating activities generated $144 million of cash flow in the first quarter of 1999 compared to a net use of $88 for the same period in 1998. The variance was primarily due to timing differences in working capital cash flows. Working capital was a source of $47 million in 1999 and a use of $168 million in 1998. The difference between years relates primarily to the timing of our fiscal quarter end, with the 1998 quarter ending prior to significant regularly scheduled accounts receivable payments.

Net income increased by 6%, from $47 million to $50 million, as a result of new business and contributions from acquisitions. In addition, non-cash depreciation and goodwill amortization charges were $62 million in 1999 and $55 million in 1998, with the increase due to the 1998 acquisitions of Delphi Seating and Chapman.

Net cash used in investing activities increased from $48 million in the first quarter of 1998 to $131 million in 1999. The first quarter 1999 investments in Peregrine, Polovat and Ovatex were $59 million in the aggregate. Capital expenditures increased from $48 million in the first three months of 1998 to $72 million in the first quarter of 1999 as a result of new programs and the on-going capital programs at acquired companies. We currently anticipate approximately $350 million in additional capital expenditures during the remaining three quarters of 1999, including investments in property, plant and equipment associated with the second quarter acquisition of UT Automotive.

As of April 3, 1999, we had $922 million outstanding under our $2.1 billion senior credit facility and $52 million committed under outstanding letters of credit, resulting in approximately $1.1 billion unused and available. The senior credit facility matures on September 30, 2001 and may be used for general corporate purposes. In addition to debt outstanding under our senior credit facility, we had $504 million of long-term debt outstanding as of April 3, 1999, consisting primarily of $336 million of subordinated notes due between 2002 and 2006.

The purchase price for the UT Automotive acquisition of $2.3 billion (subject to post-closing adjustments) was financed through borrowings under our primary credit facilities. In connection with the UT Automotive acquisition, we amended and restated our $2.1 billion senior credit facility and entered into new senior credit facilities. The new senior credit facilities consisted of a new $500 million revolving credit facility which matures on May 4, 2004, a new $500 million term loan having scheduled amortization beginning on October 31, 2000 and a final maturity of May 4, 2004 and a new $1.4 billion interim term loan maturing on May 3, 2000. On May 18, 1999, we issued $1.4 billion aggregate principal amount of senior notes, the proceeds of which were used to repay the interim term loan. The offering included $800 million in aggregate principal amount of 10-year notes bearing interest at a rate of 8.11% and $600 million in aggregate principal amount of six-year notes bearing interest at a rate of 7.96%. The senior notes have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or available exemptions from such registration requirements. We also expect to use the anticipated proceeds of $310 million from the proposed sale of EMS to repay the borrowings under our primary credit facilities.

Our primary credit facilities are guaranteed by certain of our significant domestic subsidiaries and secured by the pledge of all or a portion of the capital stock of certain of our significant subsidiaries. The senior notes are guaranteed by the same subsidiaries that guarantee our primary credit facilities. The guarantees and stock pledges may be released under certain circumstances. For more information regarding the terms of our primary credit facilities, please refer to the agreements relating to such facilities which were filed as exhibits to our Current Report on Form 8-K dated May 4, 1999.

As a result of the additional leverage we incurred in the UT Automotive acquisition, Standard and Poor's and Moody's Investors Service each reduced our senior unsecured bank rating one level from BBB-/Baa3 to BB+/Ba1, respectively. Our subordinated notes were also downgraded from BB+/Ba2 to BB-/Ba3.

We believe that cash flows from operations and available credit facilities will be sufficient to meet our debt service obligations, projected capital expenditures and working capital requirements.

OTHER MATTERS

ENVIRONMENTAL MATTERS

We are subject to local, state, federal and foreign laws, regulations and ordinances, which govern activities or operations that may have adverse environmental effects and which impose liability for the costs of cleaning up certain damages resulting from past spills, disposal or other releases of hazardous substances. Our policy is to comply with all applicable environmental laws and maintain procedures to ensure compliance. However, we have been, and in the future may become, the subject of formal or informal enforcement actions or procedures. We currently are engaged in the cleanup of hazardous substances at certain sites owned, leased or operated by us, including certain properties acquired in the UT Automotive acquisition. Certain present and former properties of UT Automotive are subject to environmental liabilities which may be significant. Lear obtained certain agreements and indemnities with respect to possible environmental liabilities from United Technologies Corporation in connection with Lear's acquisition of UT Automotive. While we do not believe that the environmental liabilities associated with present and former UT Automotive properties will have a material adverse effect on our business, results of operations or financial condition, no assurances can be given in this regard.

We have been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("Superfund"), for the cleanup of contamination from hazardous substances at five Superfund sites where liability has not been completely determined and two sites where we have received offers to settle their responsibility for less than $10,000.

ACCOUNTING POLICIES

During 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," effective for fiscal years beginning after June 15, 1999. It requires all derivative instruments to be recorded in the balance sheet at their fair value. Changes in the fair value of derivative instruments are required to be recorded each period in current earnings or accumulated other comprehensive income, depending on whether the derivative instruments are designated as part of a hedge transaction. We do not expect the effects of the adoption to be significant.

YEAR 2000

We are currently working to resolve the potential impact of the year 2000 ("Y2K") on the processing of time-sensitive information by our computerized information systems. Any of our programs that have time-sensitive software may recognize the year "00" as 1900 rather than the year 2000. This could result in miscalculations, classification errors or system failures.

State of Readiness

In 1996, we began a program to assess the impact of the Y2K issue on the software and hardware used in our operations and have identified various areas to focus our Y2K compliance efforts. These areas include business computer systems, manufacturing and warehousing systems, end-user computing, technical infrastructure and environmental systems, research and development facilities and supplier and service providers. Our Y2K program phases include assessment and planning, remediation, testing and implementation.

For business, manufacturing and end-user systems, we are in the process of remediation and testing. We are utilizing internal personnel as well as third-party services to assist in our efforts. At many sites, particularly in Europe, we are implementing new Y2K compliant systems. We have corrected, or are in the process of correcting, Y2K issues at many other sites. We are also reviewing our technical infrastructure, environmental systems, and R&D facilities on a site-by-site basis, many times with the aid of equipment manufacturers. Most of the systems used in these areas are new and Y2K compliant. Others will be replaced as part of our ongoing site

upgrade project. Among our supplier base, we are monitoring the progress of each of our key suppliers with questionnaires and site reviews, where appropriate, along with the aid of industry information. We will make a determination of the appropriate level of dependence among our supplier base.

Y2K Costs

Based on current estimates, we do not expect costs of addressing the Y2K issue to have a material adverse effect on our financial position, results of operations or cash flows in future periods. We currently estimate that our historical and future costs (excluding UT Automotive) will be $10 to $20 million for Y2K compliance. This includes $5 to $10 million directly attributable to correcting non-compliant systems and another $5 to $10 million for ongoing system improvements which will be Y2K compliant. We will have incurred these costs over the period from mid-1996 through the end of 1999. Although we have not specifically identified Y2K remediation costs in the past, we estimate our Y2K remediation expenditures incurred through April 3, 1999 have been approximately $5 million. In addition, we expect to incur an additional $10 to $15 million to address UT Automotive's Y2K issues. Y2K projects have not materially deferred our implementation of other information technology projects.

Y2K Risks

Our reasonable worst-case scenario with respect to the Y2K issue is the failure of a key system at one or more of our facilities or at the facilities of one or more of our key suppliers or customers that causes shipments of our products to customers to be temporarily interrupted. This could result in our missing build schedules with our customers, which in turn could lead to lost sales and profits for us and our customers. We may also be adversely affected by general economic disruptions caused by the Y2K issue even in circumstances where our systems and the systems of our suppliers and customers are Y2K compliant. We cannot assure you that Y2K issues will not have a material adverse effect on our business, results of operations or financial condition.

Contingency Plans

As a part of our Y2K strategy, contingency plans are being developed site-by-site and any systems requiring remediation will have one or more contingency plans. All plans will be documented and will be executed accordingly, if necessary. In addition, we are in the process of performing supplier site audits.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that any forward-looking statements, including statements regarding the intent, belief, or current expectations of the Company or its management, are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors including, but not limited to, (i) general economic conditions in the markets in which the Company operates, (ii) fluctuations in worldwide or regional automobile and light truck production, (iii) labor disputes involving the Company or its significant customers, (iv) changes in practices and/or policies of the Company's significant customers towards outsourcing automotive components and systems, (v) fluctuations in currency exchange rates and other risks associated with doing business in foreign countries, (vi) risks relating to the impact of Y2K issues, and (vii) other risks detailed from time to time in the Company's Securities and Exchange Commission filings. The Company does not intend to update these forward-looking statements.

PART II - OTHER INFORMATION

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

10.1 Stock Purchase Agreement dated as of March 16, 1999 by and between Nevada Bond Investment Corp. II and Lear Corporation (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated March 16, 1999).

10.2 Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among Lear, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders Party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 4, 1999).

10.3 Interim Term Loan Agreement, dated as of May 4, 1999, among Lear, the Lenders parties thereto, Citicorp USA, Inc. and Credit Suisse First Boston, as Co-Syndication Agents, Deutsche Bank AG New York Branch, as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated May 4, 1999).

10.4 Revolving Credit and Term Loan Agreement, dated as of May 4, 1999, among Lear, certain of its Foreign Subsidiaries, the Lenders parties thereto, Citicorp USA, Inc. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Toronto Dominion (Texas), Inc., as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated May 4, 1999).

10.5 Stock Purchase Agreement, dated as of May 7, 1999, between Lear Corporation and Johnson Electric Holdings Limited (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 7, 1999).

10.6 Purchase Agreement dated as of May 13, 1999, among Lear Corporation, Lear Operations Corporation, Lear Corporation Automotive Holdings and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc.

10.7 Registration Rights Agreement dated as of May 18, 1999, among Lear Corporation, Lear Operations Corporation, Lear Corporation Automotive Holdings and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc.

10.8 Indenture dated as of May 15, 1999, among Lear Corporation as Issuer, the Guarantors party thereto from time to time as Guarantors and The Bank of New York as Trustee.

27.1 Financial Data Schedule for the quarter ended April 3, 1999.

99.1 Press Release of the Company dated May 18, 1999, relating to the issuance of senior notes.

(b) The following reports on Form 8-K were filed during the quarter ended April 3, 1999.

March 16, 1999 - Form 8-K relating to the definitive purchase agreement to acquire UT Automotive.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused the report to be signed on its behalf by the undersigned thereunto duly authorized.

LEAR CORPORATION

Dated: May 18, 1999

By: /s/ Donald J. Stebbins

Donald J. Stebbins
Senior Vice President and
Chief Financial Officer

LEAR CORPORATION
FORM 10 -Q
EXHIBIT INDEX
FOR THE QUARTER ENDED APRIL 3, 1999

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EXHIBIT 10.6

LEAR CORPORATION

$600,000,000 7.96% SENIOR NOTES DUE 2005
$800,000,000 8.11% SENIOR NOTES DUE 2009

PURCHASE AGREEMENT

May 13, 1999

Morgan Stanley & Co. Incorporated
Salomon Smith Barney Inc.
Chase Securities Inc.
Credit Suisse First Boston Corporation
Deutsche Bank Securities Inc.
NationsBanc Montgomery Securities LLC
Scotia Capital Markets (USA) Inc.
TD Securities (USA) Inc.

c/o Morgan Stanley & Co. Incorporated
1585 Broadway
New York, New York 10036

Dear Sirs and Mesdames:

Lear Corporation, a Delaware corporation (the "COMPANY"), proposes to issue and sell to the several purchasers named in Schedule I hereto (the "INITIAL PURCHASERS") $600,000,000 aggregate principal amount of its 7.96% Senior Notes due 2005 (the "2005 NOTES") and $800,000,000 aggregate principal amount of its 8.11% Senior Notes due 2009 (the "2009 NOTES", and together with the 2005 Notes, the "NOTES") to be guaranteed on a joint and several basis by Lear Operations Corporation and Lear Corporation Automotive Holdings, each a direct or indirect wholly owned subsidiary of the Company (each a "GUARANTOR" and together, the "GUARANTORS"). The Notes and the guarantees of the Guarantors (the "GUARANTEES" and, together with the Notes, the "SECURITIES")) are to be issued pursuant to the provisions of an Indenture dated as of May 15, 1999 (the "INDENTURE") among the Company, the Guarantors and The Bank of New York, as trustee (the "TRUSTEE").

The Securities will be offered without being registered under the Securities Act of 1933, as amended (the "SECURITIES ACT"), to qualified institutional buyers in compliance with the exemption from registration provided by Rule 144A under the Securities Act and in offshore transactions in reliance on Regulation S under the Securities Act ("REGULATION S").

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The Initial Purchasers and their direct and indirect transferees will be entitled to the benefits of a Registration Rights Agreement dated as of May 18, 1999 among the Company, the Guarantors and the Initial Purchasers (the "REGISTRATION RIGHTS AGREEMENT"). Pursuant to the Registration Rights Agreement, each of the Company and the Guarantors has agreed to file with the Securities and Exchange Commission (the "COMMISSION") (i) a registration statement (the "EXCHANGE OFFER REGISTRATION STATEMENT") under the Securities Act registering the offering of notes and related guarantees (the "EXCHANGE SECURITIES") with substantially identical terms in all material respects to the Securities (except that the Exchange Securities will not contain terms with respect to transfer restrictions) to be offered in exchange for the Securities and (ii) under certain circumstances, a shelf registration statement pursuant to Rule 415 under the Securities Act (the "SHELF REGISTRATION STATEMENT" and, together with the Exchange Offer Registration Statement, the "REGISTRATION STATEMENTS").

In connection with the sale of the Securities, the Company has prepared a preliminary offering memorandum (the "PRELIMINARY MEMORANDUM") and will prepare a final offering memorandum (the "FINAL MEMORANDUM" and, with the Preliminary Memorandum, each a "MEMORANDUM") including or incorporating by reference a description of the terms of the Securities, the terms of the offering, and a description of the Company. As used herein, the term "MEMORANDUM" shall include in each case the documents incorporated by reference therein prior to or on the Closing Date. The terms "SUPPLEMENT", "AMENDMENT" and "AMEND" as used herein with respect to a Memorandum shall include all documents deemed to be incorporated by reference in the Preliminary Memorandum or Final Memorandum that are filed with the Commission pursuant to the Securities Exchange Act of 1934, as amended (the "EXCHANGE ACT") subsequent to the date of such Memorandum and prior to the Closing Date.

1. Representations and Warranties. Each of the Company and the Guarantors represents and warrants to and agrees with each of the Initial Purchasers that:

(a) (i) Each document filed or to be filed pursuant to the Exchange Act and incorporated by reference in either Memorandum complied or will comply when so filed in all material respects with the Exchange Act and the applicable rules and regulations of the Commission thereunder and (ii) the Preliminary Memorandum as of its date did not contain and the Final Memorandum, in the form used by the Initial Purchasers to confirm sales and on the Closing Date (as defined in Section 4), will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in either Memorandum based upon information relating to any Initial Purchaser furnished to the Company in writing by such Initial Purchaser through you expressly for use therein.

(b) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in each Memorandum and is duly qualified to transact business and is in good

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standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(c) Each subsidiary of the Company, including, without limitation, each of the Guarantors, has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in each Memorandum and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be duly incorporated, validly existing or so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; except as otherwise disclosed in each Memorandum, all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims (other than liens that will be permitted under the terms of the Indenture).

(d) This Agreement has been duly authorized, executed and delivered by the Company and each of the Guarantors.

(e) The Registration Rights Agreement has been duly authorized and when the Securities are delivered and paid for pursuant to this Agreement on the Closing Date, the Registration Rights Agreement will have been duly executed and delivered by the Company and each of the Guarantors and, assuming the due authorization, execution and delivery by the Initial Purchasers, will constitute a valid and legally binding agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or similar laws and court decisions relating to or affecting creditors' rights generally and general principles of equity and except as rights to indemnification and contribution under such Agreement may be limited under applicable law or public policy considerations. The Registration Rights Agreement will conform in all material respects to the description thereof contained in the Final Memorandum. There are no contracts, agreements or understandings between the Company or the Guarantors and any person granting such person the right to require the Company or the Guarantors to include any securities of the Company or the Guarantors with the Securities registered pursuant to any Registration Statement.

(f) The Indenture has been duly authorized by the Company and each of the Guarantors, and when the Securities are delivered and paid for pursuant to this Agreement on the Closing Date, the Indenture will have been duly executed and delivered by the Company and each of the Guarantors and, assuming the due authorization, execution and delivery by the Trustee, will constitute a valid and legally binding

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agreement of the Company and each of the Guarantors, enforceable against the Company and each of the Guarantors in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or similar laws and court decisions relating to or affecting creditors' rights generally and general principles of equity. The Indenture will conform in all material respects to the description thereof contained in the Final Memorandum.

(g) The Notes have been duly authorized and, when executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, will be valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or similar laws and court decisions relating to or affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits of the Indenture. The Notes will conform in all material respects to the description thereof contained in the Final Memorandum.

(h) The Guarantees have been duly authorized and, when the Notes are executed and authenticated in accordance with the provisions of the Indenture and delivered to and paid for by the Initial Purchasers in accordance with the terms of this Agreement, the Guarantees will be valid and legally binding obligations of the Guarantors, enforceable against the Guarantors in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance or similar laws and court decisions relating to or affecting creditors' rights generally and general principles of equity, and will be entitled to the benefits of the Indenture. The Guarantees will conform in all material respects to the description thereof contained in the Final Memorandum.

(i) The execution and delivery by each of the Company and the Guarantors of, and the performance by each of the Company and the Guarantors of its obligations under, this Agreement, the Registration Rights Agreement, the Indenture, the Notes (in the case of the Company) and the Guarantees (in the case of the Guarantors) will not contravene any provision of applicable law or the certificate of incorporation or by-laws of such company or any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary. Except for such consents, approvals, authorizations, registrations or qualifications (i) which shall have been obtained or made prior to the Closing Date, (ii) as may be required to be obtained under applicable state securities laws or the laws of any foreign jurisdiction in connection with the purchase and distribution of the Securities by the Initial Purchasers, (iii) which are described in the Final Memorandum, (iv) as may be required by the National Association of Securities Dealers, Inc. and (v) in the case of the Registration Rights Agreement and the transactions contemplated thereby, that are required under the Securities Act and the Trust Indenture Act, no consent, approval, authorization or order of, or filing or registration with, any such court or governmental agency or body is required for the execution, delivery and

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performance of each of this Agreement, the Indenture or the Securities by the Company or the Guarantors and the consummation of the transactions contemplated hereby and thereby.

(j) Neither the Company nor any of its subsidiaries is in violation or breach of, or in default with respect to, any provision of any contract, agreement, instrument, lease, or license to which the Company or any of its subsidiaries is a party, where any such violation or breach would reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole. Each of the Company and its subsidiaries enjoys peaceful and undisturbed possession under all leases and licenses of real property under which it is operating except where such failure would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Final Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement).

(l) The historical financial statements (including the related notes and supporting schedules) incorporated by reference in each Memorandum present fairly in all material respects the financial position and results of operations of the entities purported to be shown thereby, at the dates and for the periods indicated, and have been prepared in conformity with applicable generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as otherwise indicated therein. The assumptions used in preparing the pro forma financial statements included in each Memorandum provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(m) Arthur Andersen LLP, who have certified certain financial statements of the Company, PricewaterhouseCoopers LLP, who have certified certain financial statements of UT Automotive, Inc. (now renamed Lear Corporation Automotive Holdings), and, Deloitte & Touche LLP, who have certified certain financial statements of the seating business of the Delphi Interior Systems Division of Delphi Automotive Systems Corporation, a subsidiary of General Motors Corporation, and whose reports are incorporated by reference in each Memorandum, are independent public accountants as required by the Securities Act and the rules and regulations promulgated thereunder.

(n) There are no legal or governmental proceedings pending or threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject other than proceedings accurately

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described in all material respects in each Memorandum and proceedings that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company or the Guarantors to perform in all material respects their respective obligations under this Agreement, the Indenture, the Registration Rights Agreement and the Securities or to consummate the transactions contemplated by the Final Memorandum.

(o) There is no labor strike or work stoppage or lockout actually pending, imminent or threatened against the Company or any of its subsidiaries which would reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) Each of the Company and its subsidiaries has all necessary consents, authorizations, approvals, orders, certificates and permits of and from, and has made all declarations and filings with, all foreign, federal, state, local and other governmental authorities, all self-regulatory organizations and all courts and other tribunals, to own, lease, license and use its properties and assets and to conduct its business in the manner described in each Memorandum, except to the extent that the failure to obtain or file would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) Each of the Company and its subsidiaries holds good and marketable title to, or valid and enforceable leasehold interests in, all items of real and personal property which are material to the business of the Company and its subsidiaries taken as a whole, free and clear of any lien, claim, encumbrance, preemptive rights or any other claim of any other third party (other than liens and other encumbrances that would be permitted under the terms of the Indenture), with such exceptions as would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries taken as a whole. The Company and its subsidiaries are in material compliance with all applicable laws, rules and regulations, except where such failure to comply would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(r) Neither the Company nor either of the Guarantors is and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in each Memorandum, will be an "investment company" as such term is defined in the Investment Company Act of 1940, as amended (the "INVESTMENT COMPANY ACT").

(s) The Company and its subsidiaries:

(i) are in compliance in any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("ENVIRONMENTAL LAWS");

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(ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and

(iii) are in compliance with all terms and conditions of any such permit, license or approval,

except, in the case of clauses (i), (ii) and (iii), where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(t) The Company has reviewed its operations and that of its subsidiaries to evaluate the extent to which the business or operations of the Company or any of its subsidiaries will be affected by the Year 2000 Problem (that is, any significant risk that computer hardware or software applications used by the Company and its subsidiaries will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively as in the case of dates or time periods occurring prior to January 1, 2000); as a result of such review:

(i) the Company has no reason to believe, and does not believe, that (A) there are any issues related to the Company's preparedness to address the Year 2000 Problem that are of a character required to be described or referred to in each Memorandum which have not been accurately described in each Memorandum and (B) the Year 2000 Problem will have a material adverse effect on the condition, financial or otherwise, or on the earnings, business or operations of the Company and its subsidiaries, taken as a whole, or result in any material loss or interference with the business or operations of the Company and its subsidiaries, taken as a whole; and

(ii) the Company reasonably believes, after due inquiry, that the material suppliers, vendors, customers or other material third parties used or served by the Company and such subsidiaries are addressing or will address the Year 2000 Problem in a timely manner, except to the extent that a failure to address the Year 2000 Problem by any supplier, vendor, customer or material third party would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(u) Neither the Company nor any affiliate (as defined in Rule 501(b) of Regulation D under the Securities Act, an "AFFILIATE") of the Company has directly, or through any agent (other than the Initial Purchasers as to whom no representation is given):

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(i) sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be integrated with the sale of the Securities in a manner that would require registration under the Securities Act of any of the Securities; or

(ii) engaged in any form of general solicitation or general advertising in connection with the offering of the Securities (as those terms are used in Regulation D under the Securities Act), or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(v) None of the Company, its Affiliates or any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Securities and the Company and its Affiliates and any person acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S, except no representation, warranty or agreement is made by the Company or the Guarantors in this paragraph with respect to the Initial Purchasers.

(w) Assuming the accuracy of and compliance with the representations, covenants and agreements of the Initial Purchasers contained in this Agreement, it is not necessary in connection with the offer, sale and delivery of the Securities to the Initial Purchasers in the manner contemplated by this Agreement to register the Securities under the Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "TRUST INDENTURE ACT").

(x) The Securities satisfy the requirements set forth in Rule 144A(d)(3) under the Securities Act.

2. Agreements to Sell and Purchase. Upon the basis of the representations and warranties herein contained, and subject to the conditions hereinafter stated, the Company hereby agrees to sell to the several Initial Purchasers, and each Initial Purchaser agrees, severally and not jointly, to purchase from the Company the respective principal amount of Notes set forth in Schedule I hereto opposite its name at a purchase price of (i) 99.00% of the principal amount thereof, in the case of the 2005 Notes (the "2005 NOTES PURCHASE PRICE") and (ii) 98.75% of the principal amount thereof, in the case of the 2009 Notes (the "2009 NOTES PURCHASE PRICE"), plus accrued interest, if any, to the Closing Date.

The Company hereby agrees that, without the prior written consent of Morgan Stanley & Co. Incorporated on behalf of the Initial Purchasers, it will not, during the period beginning on the date hereof and continuing to and including the Closing Date, offer, sell, contract to sell or otherwise dispose of any debt securities of the Company or warrants to purchase debt securities of the Company substantially similar to the Notes (other than the sale of the Notes under this Agreement).

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3. Terms of the Offering. You have advised the Company that the Initial Purchasers will make an offering of the Securities purchased by the Initial Purchasers hereunder on the terms to be set forth in the Final Memorandum, as soon as practicable after this Agreement is entered into as in your judgment is advisable.

4. Payment and Delivery. Payment for the Notes shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Notes for the respective accounts of the several Initial Purchasers at 10:00 a.m., New York City time, on May 18, 1999, or at such other time on the same or such other date, not later than May 25, 1999, as shall be agreed upon by you and Company. The time and date of such payment are hereinafter referred to as the "CLOSING DATE."

Certificates for the Notes shall be in definitive form or global form, as specified by you, and registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date. The certificates evidencing the Notes shall be delivered to you on the Closing Date for the respective accounts of the several Initial Purchasers, against payment of the 2005 Notes Purchase Price or 2009 Notes Purchase Price, as applicable, therefor, plus accrued interest, if any, to the date of payment and delivery.

5. Conditions to the Initial Purchasers' Obligations. The several obligations of the Initial Purchasers to purchase and pay for the Notes on the Closing Date are subject to the following conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading in the rating accorded any of the Company's securities by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Final Memorandum (exclusive of any amendments or supplements thereto subsequent to the date of this Agreement) that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Securities on the terms and in the manner contemplated in the Final Memorandum.

(b) The Initial Purchasers shall have received on the Closing Date certificates, dated the Closing Date and signed by an executive officer of the Company and each of the Guarantors, to the effect set forth in Section 5(a)(i) above and to the effect that, to their knowledge, the representations and warranties of the Company and the Guarantors

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contained in this Agreement are true and correct as of the Closing Date and that the Company and each of the Guarantors have complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

(c) The Initial Purchasers shall have received on the Closing Date an opinion of Winston & Strawn, outside counsel to the Company and the Guarantors, dated the Closing Date, substantially in the form of Exhibit A attached hereto. Winston & Strawn may state that, insofar as their opinions involve factual matters, they have relied to the extent they deem proper upon certificates of the Company and any of its subsidiaries and certificates of public officials.

(d) The Initial Purchasers shall have received on the Closing Date an opinion of Joseph F. McCarthy, General Counsel to the Company, dated the Closing Date, substantially in the form of Exhibit B attached hereto. Such counsel may state that, insofar as their opinions involve factual matters, they have relied to the extent they deem proper upon certificates of the Company and any of its subsidiaries and certificates of public officials.

(e) Simpson Thacher & Bartlett, counsel to the Initial Purchasers, shall have furnished to the Initial Purchasers such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Company and the Guarantors, the validity of the Indenture, the Registration Rights Agreement and the Securities, and the Final Memorandum and other related matters as the Initial Purchasers may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters. Simpson Thacher & Bartlett may state that, insofar as their opinions involve factual matters, they have relied to the extent they deem proper upon certificates of the Company and any of its subsidiaries and certificates of public officials.

(f) The Initial Purchasers shall have received on the date hereof letters, dated the date hereof, in form and substance satisfactory to the Initial Purchasers, from Arthur Andersen LLP, independent public accountants, PricewaterhouseCoopers LLP, independent accountants, and Deloitte & Touche LLP, independent auditors, containing statements and information of the type ordinarily included in an accountants' "comfort letter" to Initial Purchasers with respect to the financial statements and certain financial information contained in or incorporated by reference into each Memorandum.

(g) The Initial Purchasers shall have received on the Closing Date a letter, dated the Closing Date, in form and substance satisfactory to the Initial Purchasers, from Arthur Andersen LLP, independent public accountants, containing statements and information of the type ordinarily included in an accountants' "bring-down comfort letter" to Initial Purchasers with respect to the financial statements and certain financial information contained in or incorporated by reference into Final Memorandum.

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6. Covenants of the Company and the Guarantors. In further consideration of the agreements of the Initial Purchasers herein contained, the Company and the Guarantors covenant with each Initial Purchaser as follows:

(a) To furnish to you in New York City, without charge, prior to 12:00 p.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(c) below, as many copies of the Final Memorandum, any documents incorporated by reference therein and any supplements and amendments thereto as you may reasonably request.

(b) Before amending or supplementing either Memorandum, to furnish to you a copy of each such proposed amendment or supplement and not to use any such proposed amendment or supplement to which you reasonably object.

(c) If, during such period after the date hereof and prior to the date on which all of the Securities shall have been sold by the Initial Purchasers, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Final Memorandum in order to make the statements therein, in the light of the circumstances when the Final Memorandum is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Initial Purchasers, it is necessary to amend or supplement the Final Memorandum to comply with applicable law, forthwith to prepare and furnish, at its own expense, to the Initial Purchasers, either amendments or supplements to the Final Memorandum so that the statements in the Final Memorandum as so amended or supplemented will not, in the light of the circumstances when the Final Memorandum is delivered to a purchaser, be misleading or so that the Final Memorandum, as amended or supplemented, will comply with applicable law.

(d) To cooperate with you and your counsel to qualify the Securities under the state securities or Blue Sky laws of such jurisdictions as you shall reasonably request and to continue such qualification in effect until the completion of the resale of the Securities by the Initial Purchasers; provided, however, that neither the Company nor any Guarantor shall be required in connection therewith to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to service of process in suits or to taxation in any jurisdiction where it is not now so subject.

(e) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including:

(i) the fees, disbursements and expenses of the counsel and accountants of the Company and the Guarantors in connection with the issuance and sale of the Securities and all other printing and distribution expenses in connection with each Memorandum and all amendments and supplements thereto;

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(ii) all costs and expenses related to the transfer and delivery of the Securities to the Initial Purchasers, including any transfer or other taxes payable thereon;

(iii) the cost of printing or producing any Blue Sky or legal investment memorandum in connection with the offer and sale of the Securities under state securities laws and all expenses in connection with the qualification of the Securities for offer and sale under state securities laws as provided in Section 6(d) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Initial Purchasers in connection with such qualification and in connection with the Blue Sky or legal investment memorandum;

(iv) any fees charged by rating agencies for the rating of the Securities;

(v) the fees and expenses, if any, incurred in connection with the admission of the Notes for trading in PORTAL or any appropriate market system;

(vi) the costs and charges of the Trustee and any transfer agent, registrar or depositary;

(vii) the cost of the preparation, issuance and delivery of the Securities;

(viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Securities (other than customary expenses paid for by the Initial Purchasers);

(ix) all costs and expenses of the exchange offer and any Registration Statement, as contemplated by the Registration Rights Agreement; and

(x) all other cost and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section.

It is understood, however, that except as provided in this Section, Section 8, and the last paragraph of Section 10, the Initial Purchasers will pay all of their costs and expenses, including fees and disbursements of their counsel, transfer taxes payable on resale of any of the Securities by them and any advertising expenses connected with any offers they may make.

(f) Neither the Company nor any Affiliate will sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) which could be integrated with the sale of the Securities in a manner which would require the registration under the Securities Act of the Securities.

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(g) Not to solicit any offer to buy or offer or sell the Securities by means of any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act.

(h) While any of the Securities remain "restricted securities" within the meaning of the Securities Act, to make available, upon request, to any seller of such Securities the information specified in Rule 144A(d)(4) under the Securities Act, unless the Company and the Guarantors are then subject to Section 13 or 15(d) of the Exchange Act.

(i) Use its best efforts to assist the Initial Purchasers in arranging for the Notes to be designated PORTAL securities in accordance with the rules and regulations adopted by the National Association of Securities Dealers, Inc. relating to trading in the PORTAL Market.

(j) None of the Company, its Affiliates or any person acting on its or their behalf (other than the Initial Purchasers) will engage in any directed selling efforts (as that term is defined in Regulation S) with respect to the Securities, and the Company and its Affiliates and each person acting on its or their behalf (other than the Initial Purchasers) will comply with the offering restrictions requirement of Regulation S.

(k) During the period of two years after the Closing Date, the Company will not, and will not permit any of its Affiliates to resell any of the Securities which constitute "restricted securities" under Rule 144 that have been reacquired by any of them.

(l) The Company will use the proceeds received from the sale of the Securities in the manner specified in the Final Memorandum under the caption "Use of Proceeds."

(m) To obtain the approval of The Depository Trust Company ("DTC") for "book-entry" transfer of the Notes, and to comply with all of the agreements set forth in the representations letters of the Company to DTC relating to the approval by DTC of the Notes for "book-entry" transfer.

7. Offering of Securities; Restrictions on Transfer. (a) Each Initial Purchaser, severally and not jointly, represents and warrants that such Initial Purchaser is a qualified institutional buyer as defined in Rule 144A under the Securities Act (a "QIB"). Each Initial Purchaser, severally and not jointly, agrees with the Company that:

(i) it is purchasing the Securities pursuant to a private sale exemption from registration under the Securities Act;

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(ii) it has not solicited offers for, or offered or sold, and will not solicit offers for, or offer or sell, Securities by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; and

(iii) it has solicited and will solicit offers for such Securities only from, and has offered or sold and will offer such Securities only to, persons that it reasonably believes to be (A) in the case of offers inside the United States, QIBs and (B) in the case of offers

outside the United States, to persons other than "U.S. persons" ("FOREIGN PURCHASERS," which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust)) in "offshore transactions" (as such terms are defined in Regulation S) in compliance with Regulation S under the Securities Act.

(b) Each Initial Purchaser, severally and not jointly, represents, warrants, and agrees with respect to offers and sales outside the United States that:

(i) such Initial Purchaser understands that no action has been or will be taken in any jurisdiction by the Company or the Guarantors that would permit a public offering of the Securities, or possession or distribution of either Memorandum or any other offering or publicity material relating to the Securities, in any country or jurisdiction where action for that purpose is required;

(ii) such Initial Purchaser has complied and will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes either Memorandum or any such other material, in all cases at its own expense;

(iii) the Securities have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144A or Regulation S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act;

(iv) such Initial Purchaser has offered the Securities and will offer and sell the Securities (A) as part of their distribution at any time and (B) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, only in accordance with Rule 903 of Regulation S or as otherwise permitted in Section 7(a); accordingly, neither such Initial Purchaser, its Affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Securities, and any such Initial Purchaser, its Affiliates and any such persons have complied and will comply with the offering restrictions requirement of Regulation S; and

(vii) such Initial Purchaser agrees that, at or prior to confirmation of sales of the Securities, it will have sent to each distributor, dealer or person receiving a selling

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concession, fee or other remuneration that purchases Securities from it during the restricted period a confirmation or notice to substantially the following effect:

> "The securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S (or Rule 144A if available) under the Securities Act. Terms used above have the meaning given to them by Regulation S."

Terms used in this Section 7(b) have the meanings given to them by Regulation S.

8. Indemnity and Contribution. (a) Each of the Company and the Guarantors jointly and severally agrees to indemnify and hold harmless each Initial Purchaser and each person, if any, who controls any Initial Purchaser within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in either Memorandum (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Initial Purchaser furnished to the Company in writing by such Initial Purchaser through you expressly for use therein.

(b) Each Initial Purchaser agrees, severally and not jointly, to indemnify and hold harmless the Company and the Guarantors, their directors, their officers and each person, if any, who controls the Company or the Guarantors within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company and the Guarantors to such Initial Purchaser, but only with reference to information relating to the Initial Purchaser furnished to the Company in writing by such Initial Purchaser through you expressly for use in either Memorandum or any amendments or supplements thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to either Section 8(a) or 8(b), such person (the "INDEMNIFIED PARTY") shall promptly notify the person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, the indemnifying party shall be

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entitled to participate in such proceeding and, to the extent that it so elects, jointly with any other similarly notified indemnifying party, to assume the defense thereof, subject to the right of the indemnified party to be separately represented and to direct its own defense if the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and the indemnified party has been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and the indemnified party has been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified parties in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by Morgan Stanley & Co. Incorporated, in the case of parties indemnified pursuant to Section 8(a) above, and by the Company, in the case of parties indemnified pursuant to Section 8(b) above. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand from the offering of the Securities or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company and the Guarantors on the one hand and of the Initial Purchasers on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand in connection with the offering of the Securities shall be deemed to be in the same respective proportions as the net proceeds from the

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offering of such Securities (before deducting expenses) received by the Company and the total discounts and commissions received by the Initial Purchasers, bear to the aggregate offering price of the Securities. The relative fault of the Company and the Guarantors on the one hand and the Initial Purchasers on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Guarantors or by the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Initial Purchasers' respective obligations to contribute pursuant to this Section 8 are several in Proportion to the respective principal amounts of Notes they have purchased hereunder, and not joint.

(e) The Company and the Initial Purchasers agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Initial Purchasers were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any reasonable legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Initial Purchaser shall be required to contribute any amount in excess of the amount by which the total price at which the Notes resold by it in the initial placement of such Notes were offered to investors exceeds the amount of any damages that such Initial Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company and the Guarantors contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Initial Purchaser or any person controlling any Initial Purchaser or the Company or the Guarantors, their officers or directors or any person controlling the Company or the Guarantors and (iii) acceptance of and payment for any of the Securities.

9. Termination. This Agreement shall be subject to termination by Morgan Stanley & Co. Incorporated by notice given by you to the Company, if:

(a) after the execution and delivery of this Agreement and prior to the Closing Date:

(i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange,

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the National Association of Securities Dealers, Inc., the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade;

(ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market;

(iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities; or

(iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in your reasonable judgment, is material and adverse; and

(b) in the case of any of the events specified in clauses 9(a)(i) through 9(a)(iv), such event, singly or together with any other such event, makes it, in your reasonable judgment, impracticable to market the Securities on the terms and in the manner contemplated in the Final Memorandum.

10. Effectiveness; Defaulting Initial Purchasers. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date, any one or more of the Initial Purchasers shall fail or refuse to purchase the Notes that it or they have agreed to purchase hereunder on such date, and the aggregate principal amount of Notes which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase is not more than one-tenth of the aggregate principal amount of Notes to be purchased on such date, the other Initial Purchasers shall be obligated severally in the proportions that the principal amount of Notes set forth opposite their respective names in Schedule I bears to the aggregate principal amount of Notes set forth opposite the names of all such non-defaulting Initial Purchasers, or in such other proportions as you may specify, to purchase the Notes which such defaulting Initial Purchaser or Initial Purchasers agreed but failed or refused to purchase on such date; provided that in no event shall the principal amount of Notes that any Initial Purchaser has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 10 by an amount in excess of one-ninth of such principal amount of Notes without the written consent of such Initial Purchaser. If, on the Closing Date any Initial Purchaser or Initial Purchasers shall fail or refuse to purchase Notes which it or they have agreed to purchase hereunder on such date and the aggregate principal amount of Notes with respect to which such default occurs is more than one-tenth of the aggregate principal amount of Notes to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Notes are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Initial Purchaser or of the Company and the Guarantors. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Final Memorandum or in any other documents or arrangements may be effected.

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If this Agreement shall be terminated by the Initial Purchasers, or any of them, because of any failure or refusal on the part of the Company or the Guarantors to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company or the Guarantors shall be unable to perform their obligations under this Agreement, the Company and the Guarantors will reimburse the Initial Purchasers or such Initial Purchasers as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Initial Purchasers in connection with this Agreement or the offering contemplated hereunder.

11. Counterparts. 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.

12. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

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13. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

Very truly yours,

LEAR CORPORATION

By:/s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President, General Counsel and Secretary

LEAR OPERATIONS CORPORATION

By:/s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President, Secretary and General Counsel

LEAR CORPORATION AUTOMOTIVE HOLDINGS

By:/s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President & Secretary

Accepted as of the date hereof

MORGAN STANLEY & CO. INCORPORATED
SALOMON SMITH BARNEY INC.
CHASE SECURITIES INC.
CREDIT SUISSE FIRST BOSTON CORPORATION
DEUTSCHE BANK SECURITIES INC.
NATIONSBANC MONTGOMERY SECURITIES LLC
SCOTIA CAPITAL MARKETS (USA) INC.
TD SECURITIES (USA) INC.

Acting severally on behalf of themselves and the several Initial Purchasers named in Schedule I hereto.

By: MORGAN STANLEY & CO. INCORPORATED

By:/s/ Harold J. Hendershot III

Name: Harold J. Hendershot III
Title: Vice President

SCHEDULE I

INITIAL PURCHASER	PRINCIPAL AMOUNT OF 7.96% SENIOR NOTES DUE 2005	PRINCIPAL AMOUNT OF 8.11% SENIOR NOTES DUE 2009
Morgan Stanley & Co. Incorporated	$300,000,000	$400,000,000
Salomon Smith Barney Inc	$ 90,000,000	$120,000,000
Chase Securities Inc	$ 45,000,000	$ 60,000,000
Credit Suisse First Boston Corporation	$ 45,000,000	$ 60,000,000
Deutsche Bank Securities Inc	$ 45,000,000	$ 60,000,000
NationsBanc Montgomery Securities LLC	$ 45,000,000	$ 60,000,000
Scotia Capital Markets (USA) Inc	$ 15,000,000	$ 20,000,000
TD Securities (USA) Inc	$ 15,000,000	$ 20,000,000
Total	$600,000,000	$800,000,000

EXHIBIT 10.7

REGISTRATION RIGHTS AGREEMENT

Dated May 18, 1999

among

LEAR CORPORATION,

LEAR OPERATIONS CORPORATION,
LEAR CORPORATION AUTOMOTIVE HOLDINGS

and

MORGAN STANLEY & CO. INCORPORATED
SALOMON SMITH BARNEY INC.
CHASE SECURITIES INC.
CREDIT SUISSE FIRST BOSTON CORPORATION
DEUTSCHE BANK SECURITIES INC.
NATIONSBANC MONTGOMERY SECURITIES LLC
SCOTIA CAPITAL MARKETS (USA) INC.
TD SECURITIES (USA) INC.

THIS REGISTRATION RIGHTS AGREEMENT ("AGREEMENT") is made and entered into on May 18, 1999, among LEAR CORPORATION, a Delaware corporation (the "COMPANY"), LEAR OPERATIONS CORPORATION, a Delaware corporation ("LOC") and LEAR CORPORATION AUTOMOTIVE HOLDINGS, a Delaware corporation (together with LOC, the "GUARANTORS"), and MORGAN STANLEY & CO. INCORPORATED, SALOMON SMITH BARNEY INC., CHASE SECURITIES INC., CREDIT SUISSE FIRST BOSTON CORPORATION, DEUTSCHE BANK SECURITIES INC., NATIONSBANC MONTGOMERY SECURITIES LLC, SCOTIA CAPITAL MARKETS (USA) INC. and TD SECURITIES (USA) INC., as representatives of the initial purchasers as listed in Schedule I of the Purchase Agreement (as defined below) (the "INITIAL PURCHASERS").

This Agreement is made pursuant to the purchase agreement dated May 13, 1999, among the Company, the Guarantors and the Initial Purchasers (the "PURCHASE AGREEMENT"), which provides for the sale by the Company to the Initial Purchasers of $600,000,000 aggregate principal amount of the Company's 7.96% Senior Notes due 2005 (the "2005 NOTES") and $800,000,000 aggregate principal amount of the Company's 8.11% Senior Notes due 2009 (the "2009 NOTES", and together with the 2005 Notes, the "NOTES") to be guaranteed on a joint and several basis by the Guarantors. The Notes and the guarantees of the Guarantors (the "GUARANTEES" and, together with the Notes, the "SECURITIES")) are to be issued pursuant to the provisions of an Indenture dated as of May 15, 1999 (the "INDENTURE") among the Company, the Guarantors and The Bank of New York, as trustee (the "TRUSTEE"). In order to induce the Initial Purchasers to enter into the Purchase Agreement, the Company and the Guarantors have agreed to provide to the Initial Purchasers and their direct and indirect permitted transferees the registration rights set forth in this Agreement. The execution of this Agreement is a condition to the closing under the Purchase Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the following capitalized defined terms shall have the following meanings:

"CLOSING DATE" shall mean the Closing Date as defined in the Purchase Agreement.

"COMMISSION" shall mean the Securities and Exchange Commission.

"COMPANY" shall have the meaning set forth in the preamble and shall also include the Company's successors.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"EXCHANGE OFFER" shall mean the exchange offer by the Company and the Guarantors of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION" shall mean a registration under the Securities Act effected pursuant to Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION STATEMENT" shall mean an exchange offer registration statement on Form S-4 (or, if applicable, on another appropriate form) and all amendments and supplements to such registration statement, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"EXCHANGE SECURITIES" shall mean securities issued by the Company and the Guarantors under the Indenture containing terms identical to the Securities (except that (i) interest thereon shall accrue from the date of issuance, and (ii) the Exchange Securities will not contain restrictions on transfer) and to be offered to Holders of Securities in exchange for Securities pursuant to the Exchange Offer.

"GUARANTORS" shall have the meaning set forth in the preamble and shall also include each Guarantor's successors.

"HOLDER" shall mean the Initial Purchasers, for so long as they own any Registrable Securities, and each of their successors, assigns and direct and indirect permitted transferees who become registered owners of Registrable Securities under the Indenture; provided that for purposes of Sections 4 and 5 of this Agreement, the term "Holder" shall include Participating Broker-Dealers (as defined in Section 4(a)).

"INDENTURE" shall have the meaning set forth in the preamble and shall include the Indenture as the same may be amended from time to time in accordance with the terms thereof.

"INITIAL PURCHASERS" shall have the meaning set forth in the preamble.

"MAJORITY HOLDERS" shall mean the Holders of a majority of the aggregate principal amount of outstanding Registrable Securities.

"PERSON" shall mean an individual, partnership, limited liability company, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

"PROSPECTUS" shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to such prospectus, and in each case including all material incorporated by reference therein.

"PURCHASE AGREEMENT" shall have the meaning set forth in the preamble.

"REGISTRABLE SECURITIES" shall mean the Securities; provided, however, that any Securities shall cease to be Registrable Securities when:

(i) such Securities have been exchanged for Exchange Securities in the Exchange Offer;

(ii) a Registration Statement with respect to such Securities shall have been declared effective under the Securities Act and such Securities shall have been disposed of pursuant to such Registration Statement;

(iii) such Securities have been distributed to the public pursuant to Rule 144 under the Securities Act (or any similar provision then in force) or are eligible for sale without restriction pursuant to Rule 144(k) (or any similar provision then in force, but not Rule 144A) under the Securities Act; or

(iv) such Securities shall have ceased to be outstanding.

"REGISTRATION EXPENSES" shall mean any and all expenses incident to performance of or compliance by the Company and the Guarantors with this Agreement, including without limitation:

(i) all Commission, stock exchange or National Association of Securities Dealers, Inc. registration and filing fees;

(ii) all fees and expenses incurred in connection with compliance with state securities or Blue Sky laws (including reasonable fees and disbursements of counsel to any underwriters or Holders in connection with Blue Sky qualification of any of the Exchange Securities or Registrable Securities, if required pursuant to this Agreement);

(iii) all expenses of any Persons engaged by the Company or the Guarantors in preparing or assisting in preparing, word processing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement;

(iv) all rating agency fees;

(v) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws;

(vi) the reasonable fees and disbursements of the Trustee and its counsel;

(vii) the fees and disbursements of counsel to the Company and the Guarantors and, in the case of a Shelf Registration Statement, the reasonable fees and disbursements of one counsel to the Holders (which counsel shall be selected by the Majority Holders and which counsel may also be counsel to the Initial Purchasers); and

(viii) the fees and disbursements of the independent public accountants engaged by the Company and the Guarantors, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, but excluding fees and expenses of counsel to the underwriters (other than fees and expenses set forth in clause (ii) above) or the Holders and underwriting discounts and commissions

and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

"REGISTRATION STATEMENT" shall mean any registration statement of the Company and the Guarantors that covers any of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended from time to time.

"SHELF REGISTRATION" shall mean a Registration effected pursuant to Section 2(b) hereof.

"SHELF REGISTRATION STATEMENT" shall mean a "shelf" registration statement of the Company and the Guarantors pursuant to the provisions of Section 2(b) of this Agreement which covers all of the Registrable Securities (but no other securities unless approved by the Holders whose Registrable Securities are covered by such Shelf Registration Statement) on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"TRUSTEE" shall mean the trustee with respect to the Securities under the Indenture.

"UNDERWRITER" shall have the meaning set forth in Section 3 hereof.

"UNDERWRITTEN REGISTRATION" or "UNDERWRITTEN OFFERING" shall mean a registration in which Registrable Securities are sold to an Underwriter for reoffering to the public.

2. Registration Under the Securities Act. (a) To the extent not prohibited by any applicable law or applicable interpretation of the Staff of the Commission, the Company and the Guarantors shall use their reasonable best efforts to cause to be filed, within 120 days of the Closing Date, an Exchange Offer Registration Statement covering the offer by the Company and the Guarantors to the Holders to exchange all of the Registrable Securities for Exchange Securities, to have the Exchange Offer Registration Statement declared effective within 210 days of the Closing Date and to have such Registration Statement remain effective until the closing of the Exchange Offer. The Company and the Guarantors shall commence the Exchange Offer promptly after the Exchange Offer Registration Statement has been declared effective by the Commission and use their reasonable best efforts to consummate the Exchange Offer within 30 business days of the effective date of the Exchange Offer Registration Statement. The Company and the Guarantors shall commence the Exchange Offer by mailing the related Exchange Offer Prospectus and accompanying documents to each Holder stating, in addition to such other disclosures as are required by applicable law:

(i) that the Exchange Offer is being made pursuant to this Registration Rights Agreement and that all Registrable Securities validly tendered will be accepted for exchange;

(ii) the dates of acceptance for exchange (which shall be a period of at least 20 business days from the date such notice is mailed) (the "Exchange Dates");

(iii) that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Registration Rights Agreement;

(iv) that Holders electing to have a Registrable Security exchanged pursuant to the Exchange Offer will be required to surrender such Registrable Security, together with the enclosed letters of transmittal, to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice prior to the close of business on the last Exchange Date; and

(v) that Holders will be entitled to withdraw their election, not later than the close of business on the last Exchange Date, by sending to the institution and at the address (located in the Borough of Manhattan, The City of New York) specified in the notice a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange and a statement that such Holder is withdrawing his election to have such Securities exchanged.

As soon as practicable after the last Exchange Date, the Company and the Guarantors shall:

(i) accept for exchange Registrable Securities or portions thereof tendered and not validly withdrawn pursuant to the Exchange Offer; and

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities or portions thereof so accepted for exchange by the Company and the Guarantors and issue, and cause the Trustee to promptly authenticate and mail to each Holder, an Exchange Security equal in principal amount to the principal amount of the Registrable Securities surrendered by such Holder.

The Company and the Guarantors shall use their reasonable best efforts to complete the Exchange Offer as provided above and shall comply with the applicable requirements of the Securities Act, the Exchange Act and other applicable laws and regulations in connection with the Exchange Offer. The Exchange Offer shall not be subject to any conditions, other than that the Exchange Offer does not violate applicable law or any applicable interpretation of the Staff of the Commission. The Company shall inform the Initial Purchasers of the names and addresses of the Holders to whom the Exchange Offer is made, and the Initial Purchasers shall have the right, subject to applicable law, to contact such Holders and otherwise facilitate the number of Registrable Securities in the Exchange Offer.

For a period of 90 days after the last Exchange Date, the Company and the Guarantors shall also use their reasonable best efforts to make available a prospectus meeting the requirements of the Securities Act which may be the Prospectus contained in the Exchange Offer

Registration Statement or the Prospectus contained in a Shelf Registration Statement, as such Registration Statements may be amended or supplemented from time to time, to Holders which are broker-dealers (and which identify themselves as such) in connection with resales of Exchange Securities received in exchange for Registrable Securities, where such Registrable Securities were acquired by such broker-dealers for their own account as a result of market-making or other trading activities; provided that each Holder which is a broker-dealer agrees that, upon receipt of notice from the Company of the occurrence of any event which makes any statement in the Prospectus untrue in any material respect or which requires the making of any changes in the Prospectus in order to make the statements therein not misleading (which notice the Company agrees to deliver promptly to such broker-dealer), such broker-dealer will suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented Prospectus to such broker-dealer. If the Company shall give any such notice to suspend the use of the Prospectus, it shall extend the 90-day period referred to above by the number of days during the period from and including the date of the giving of such notice to and including the date when broker-dealers shall have received copies of the supplemented or amended Prospectus necessary to permit resales of the Exchange Securities.

In the event that, at the last Exchange Date, any of the Initial Purchasers shall not have sold all of the Registrable Securities initially purchased from the Company and the Guarantors by such Initial Purchaser to unaffiliated investors, upon such Initial Purchaser's written request (made within 10 days after the last Exchange Date), the Company and the Guarantors will use their reasonable best efforts to file promptly, or if so requested by any Initial Purchaser, on a later date (which date shall not exceed the date that is six months after the Exchange Date), a Shelf Registration Statement or a post-effective amendment to the Exchange Offer Registration Statement, if acceptable to the Commission, to register all such Registrable Securities for all such Initial Purchasers. The Company and the Guarantors will keep such Shelf Registration Statement or other Registration Statement effective and make available to such Initial Purchasers a Prospectus meeting of the Securities Act for a period of 120 days, provided that each such Initial Purchaser agrees that, upon receipt of notice from the Company of the happening of any event which makes any statement in the Prospectus untrue in any material respect or which requires the making of any changes in the Prospectus in order to make the statements therein not materially misleading (which notice the Company agrees to deliver promptly to such Initial Purchasers), such Initial Purchaser will suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented Prospectus to such Initial Purchaser. If the Company shall give any such notice to suspend the use of the Prospectus, it shall extend the 120-day period referred to above by the number of days during the period from and including the date of the giving of such notice to and including the date when such Initial Purchasers shall have received copies of the supplemented or amended Prospectus necessary to permit sales of their Securities.

(b) In the event that:

(i) the Company determines that the Exchange Offer Registration provided for in Section 2(a) above is not available or may not be consummated as soon as practicable after the last Exchange Date because it would violate applicable law or the applicable interpretations of the Staff of the Commission;

(ii) the Exchange Offer is not for any other reason consummated within 250 days of the Closing Date; or

(iii) the Exchange Offer has been completed and in the written opinion of counsel to the Initial Purchasers (a copy of which is furnished to the Company) a Registration Statement must be filed and a Prospectus must be delivered by the Initial Purchasers in connection with any offering or sale of Registrable Securities,

the Company and the Guarantors shall use their reasonable best efforts to cause to be filed as soon as practicable after such determination, date or notice of such opinion of counsel is given to the Company and the Guarantors, as the case may be, a Shelf Registration Statement providing for the sale by the Holders of all of the Registrable Securities and to have such Shelf Registration Statement declared effective by the Commission. In the event the Company and the Guarantors are required to file a Shelf Registration Statement solely as a result of the matters referred to in clause (iii) of the preceding sentence, the Company and the Guarantors shall use their reasonable best efforts to file and have declared effective by the Commission both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities eligible to be included therein and a Shelf Registration Statement (which may be a combined Registration Statement with the Exchange Offer Registration Statement) with respect to offers and sales of Registrable Securities held by the Initial Purchasers after completion of the Exchange Offer. The Company and the Guarantors agree to use their reasonable best efforts to keep the Shelf Registration Statement continuously effective until the expiration of the period referred to in Rule 144(k) with respect to the Registrable Securities or such shorter period that will terminate when all of the Registrable Securities covered by the Shelf Registration Statement have been sold pursuant to the Shelf Registration Statement. The Company and the Guarantors further agree to supplement or amend the Shelf Registration Statement if required by the rules, regulations or instructions applicable to the registration form used by the Company and the Guarantors for such Shelf Registration Statement or by the Securities Act or by any other rules and regulations thereunder for shelf registration or if reasonably requested by a Holder with respect to information relating to such Holder, and to use its reasonable best efforts to cause any such amendment to become effective and such Shelf Registration Statement to become usable as soon as thereafter practicable. The Company agrees to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the Commission.

(c) The Company and the Guarantors shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) and Section 2(b). Each Holder shall pay all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof will not be deemed to have become effective unless it has been declared effective by the Commission; provided, however, that, if, after it has been declared effective, the offering of Registrable Securities pursuant to a Shelf Registration Statement is interfered with by any stop order, injunction or other order or requirement of the Commission or any other governmental agency or court, such Registration Statement will be deemed not to have become effective during the period of such interference until the offering of Registrable Securities pursuant to such Registration Statement may legally resume.

If the Company or the Guarantors fail to comply with the above provisions, additional interest (the "Additional Interest") shall be assessed as follows:

(i) If neither the Exchange Offer Registration Statement nor the Shelf Registration Statement, as applicable, is filed within 120 days following the Closing Date, then commencing on the 121st day after the Closing Date, Additional Interest shall be accrued on the Registrable Securities affected thereby over and above the accrued interest at a rate of 0.25% per annum; or

(ii) If an Exchange Offer Registration Statement or Shelf Registration Statement is filed pursuant to (i) above and is not declared effective within 210 days following the Closing Date, then commencing on the 211th day after the Closing Date, Additional Interest shall be accrued on the Registrable Securities affected thereby over and above the accrued interest at a rate of 0.25% per annum; or

(iii) If either (A) the Company and the Guarantors have not exchanged Exchange Securities for all Securities validly tendered in accordance with the terms of the Exchange Offer on or prior to 30 business days after the date on which the Exchange Offer Registration Statement was declared effective, or (B) if applicable, the Shelf Registration Statement has been declared effective but such Shelf Registration Statement ceases to be effective at any time prior to the expiration of the period referred to in Rule 144(k), then Additional Interest shall be accrued on the Registrable Securities affected thereby over and above the accrued interest at a rate of 0.25% per annum immediately following the (x) 31st business day after such effective date, in the case of (A) above, or (y) the day such Shelf Registration Statement ceases to be effective in the case of (B) above:

provided, however, that the Additional Interest rate on the Registrable Securities may in no event exceed 0.25% per annum; and, provided, further, that Additional Interest on the Registrable Securities as a result of such clause (i), (ii) or (iii) shall cease to accrue upon:

(1) the filing of the Exchange Offer Registration Statement or Shelf Registration Statement (in the case of (i) above);

(2) the effectiveness of the Exchange Offer Registration Statement or Shelf Registration Statement (in the case of (ii) above); or

(3) the exchange of Exchange Securities for all Securities tendered or upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective prior to the expiration of the period referred to in Rule 144(k) (in the case of (iii) above),.

Any amounts of Additional Interest due pursuant to clauses (i), (ii) or (iii) above will be payable in cash, on the same original payment dates of the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest rate by the principal amount of the Registrable Securities, multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

Additional Interest shall not apply in the event that a Shelf Registration Statement is required to be filed solely as a result of the matters referred to in clause (iii) of Section 2(b) and shall not apply to Securities that cease to be Registrable Securities.

(e) The accrual and payment of Additional Interest, as set forth in Section 2(d), shall be the sole and exclusive remedy of the Holders and the Initial Purchasers against the Company and the Guarantors for the breach by the Company or the Guarantors of any of their obligations under Section 2.

3. Registration Procedures. In connection with the obligations of the Company and the Guarantors with respect to the Registration Statements pursuant to Section 2(a) and Section 2(b) hereof, the Company and the Guarantors shall:

(a) prepare and file with the Commission a Registration Statement on the appropriate form under the Securities Act, which form (x) shall be selected by the Company and the Guarantors, (y) shall, in the case of a Shelf Registration, be available for the sale of the Registrable Securities by the selling Holders thereof and (z) shall comply as to form in all material respects with the requirements of the applicable form and include (or incorporate by reference) all financial statements required by the Commission to be filed therewith, and use is reasonable best efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the Commission such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period and cause each Prospectus to be supplemented by any required prospectus supplement and, as so supplemented, to be filed pursuant to Rule 424 under the Securities Act and to use their respective best efforts keep each Prospectus current during the period described under Section 4(3) and Rule 174 under the Securities Act that is applicable to transactions by brokers or dealers with respect to the Registrable Securities or Exchange Securities;

(c) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities participating therein, to counsel to the Initial Purchasers, to counsel to the Holders and to each Underwriter of an Underwritten Offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder or Underwriter may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Securities; and the Company and the Guarantors consent to the use of such Prospectus and any amendment or supplement thereto in accordance with applicable law by each of the selling Holders of Registrable Securities and any such Underwriters in connection with the offering and sale of the Registrable Securities covered by and in the manner described in such Prospectus or any amendment or supplement thereto in accordance with applicable law;

(d) use their reasonable best efforts to register or qualify the Registrable Securities under all applicable state securities or "Blue Sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement shall reasonably request in writing by the time the applicable Registration Statement is declared effective

by the Commission, to cooperate with such Holders in connection with any filings required to be made with the National Association of Securities Dealers, Inc. and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder, provided, however, that neither the Company nor the Guarantors shall be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (ii) file any general consent to service of process or (iii) subject itself to taxation in any such jurisdiction if it is not so subject;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Securities participating therein, counsel to the Holders and counsel to the Initial Purchasers promptly and, if requested by any such Holder or counsel, confirm in writing:

(i) when a Registration Statement has become effective and when any post-effective amendment thereto has been filed and becomes effective;

(ii) of any request by the Commission or any state securities authority for amendments and supplements to a Registration Statement and Prospectus or for additional information after the Registration Statement has become effective;

(iii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose;

(iv) if, between the effective date of a Registration Statement and the closing of any sale of Registrable Securities covered thereby, the representations and warranties of the Company and the Guarantors contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects or if the Company or the Guarantors receive any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose;

(v) of the happening of any event during the period a Shelf Registration Statement is effective which makes any statement made in such Registration Statement or the related Prospectus untrue in any material respect or which requires the making of any changes in such Registration Statement or Prospectus in order to make the statements therein not materially misleading; and

(vi) of any determination by the Company or the Guarantors that a post- effective amendment to a Registration Statement would be appropriate;

(f) make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment and provide immediate notice to each Holder of the withdrawal of any such order;

(g) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities participating therein, without charge, at least one conformed copy of each

Registration Statement and any post-effective amendment thereto (without documents incorporated therein by reference or exhibits thereto, unless requested);

(h) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends and enable such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and registered in such names as the selling Holders may reasonably request at least one business day prior to the closing of any sale of Registrable Securities;

(i) in the case of a Shelf Registration, upon the occurrence of any event contemplated by Section 3(e) hereof, use its reasonable best efforts to prepare and file with the Commission a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company and the Guarantors agree to notify the Holders to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and the Holders hereby agree to suspend use of the Prospectus until the Company and the Guarantors has amended or supplemented the Prospectus to correct such misstatement or omission;

(j) in the case of a Shelf Registration, a reasonable time prior to the filing of any Shelf Registration Statement, any Prospectus, any amendment to a Shelf Registration Statement or amendment or supplement to a Prospectus or any document which is to be incorporated by reference into a Shelf Registration Statement or a Prospectus after initial filing of a Shelf Registration Statement, provide copies of such document to the Holders participating therein and their counsel and make such of the representatives of the Company and the Guarantors as shall be reasonably requested by the Holders participating therein or their counsel available for discussion of such document, and shall not at any time file or make any amendment to the Shelf Registration Statement, any Prospectus or any amendment of or supplement to a Shelf Registration Statement or a Prospectus or any document which is to be incorporated by reference into a Shelf Registration Statement or a Prospectus, of which the Holders participating therein and their counsel shall not have previously been advised and furnished a copy, except for any amendment or supplement or document (a copy of which has been previously furnished to the Holders participating therein and their counsel) which counsel to the Company and the Guarantors shall advise the Company and the Guarantors is required in order to comply with applicable law;

(k) obtain a CUSIP number for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of the applicable Registration Statement;

(l) cause the Indenture to remain qualified under the Trust Indenture Act of 1939, as amended (the "TRUST INDENTURE ACT"), in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, cooperate with the

Trustee and the Holders to effect such changes to the Indenture as may be required for the Indenture to remain so qualified in accordance with the terms of the Trust Indenture Act and execute, and use its reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable the Indenture to be so qualified in a timely manner;

(m) in the case of a Shelf Registration, make available for inspection by a representative of the Holders of the Registrable Securities participating therein, any Underwriter participating in any disposition pursuant to such Shelf Registration Statement, and attorneys and accountants designated by the Majority Holders, at reasonable times and in a reasonable manner, all material financial and other records, pertinent documents and properties of the Company and the Guarantors, and use their respective reasonable best efforts to cause the respective officers, directors and employees of the Company and the Guarantors to supply all information reasonably requested by any such representative, Underwriter, attorney or accountant in connection with a Shelf Registration Statement; provided, however, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Company and the Guarantors as being confidential, until such time as:

(i) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise but excluding any matter that becomes public by virtue of the breach by any Holder of its obligations to maintain the confidentiality of any such information);

(ii) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Company and the Guarantors prompt prior written notice of such requirement and the opportunity to contest the same or seek an appropriate protective order); or

(iii) such information is required to be set forth in suc Shelf Registration Statement or the Prospectus included therein or in an amendment to such Shelf Registration Statement or an amendment or supplement to such Prospectus in order that such Shelf Registration Statement, Prospectus, amendment or supplement, as the case may be, does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading;

(n) in the case of a Shelf Registration, use its reasonable best efforts to cause all Registrable Securities to be listed on any securities exchange or any automated quotation system on which securities issued by the Company and the Guarantors of the same class are then listed if requested by the Majority Holders, to the extent such Registrable Securities satisfy applicable listing requirements;

(o) if reasonably requested by any Holder of Registrable Securities covered by a Shelf Registration Statement, use its best efforts to:

(i) incorporate in a Prospectus supplement or post-effective amendment such information with respect to such Holder as such Holder reasonably requests to be included therein; and

(ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as the Company or the Guarantors have received notification of the matters to be incorporated in such filing;

provided that neither the Company nor any Guarantor shall be required to take any action under this paragraph (o) that is not, in the opinion of counsel to the Company, legally required; provided, however, that such opinion shall be in writing and delivered to the Holder; and

(p) in the case of a Shelf Registration, enter into such customary agreements and take all such other reasonable actions in connection therewith (including those reasonably requested by the Holders of a majority of the Registrable Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities including, but not limited to, an Underwritten Offering and in such connection:

(i) to the extent possible, make such representations and warranties to the Holders and any Underwriters of such Registrable Securities with respect to the business of the Company and its subsidiaries, the Shelf Registration Statement, Prospectus and documents incorporated by reference or deemed incorporated by reference, if any, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings of this type and confirm the same if and when requested;

(ii) use its reasonable best efforts to obtain opinions of counsel to the Company and the Guarantors (which counsel and opinions, in form, scope and substance, shall be reasonably satisfactory to the Holders and such Underwriters and their respective counsel) addressed to each selling Holder and Underwriter of Registrable Securities, covering the matters customarily covered in opinions requested in underwritten offerings of this type;

(iii) use its reasonable best efforts to obtain "cold comfort" letters from the independent certified public accountants of the Company and the Guarantors (and, if necessary, any other certified public accountant of any subsidiary of the Company, or of any business acquired by the Company or the Guarantors for which financial statements and financial data are or are required to be included in the Shelf Registration Statement) addressed to each selling Holder and Underwriter of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings of this type; provided that any such accountant receives appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards Nos. 71 or 72; and

(iv) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold or the Underwriters, and which are customarily delivered in underwritten

offerings, to evidence the continued validity of the representations and warranties of the Company and the Guarantors made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in an underwriting agreement.

In the case of a Shelf Registration Statement, the Company and the Guarantors may require each Holder of Registrable Securities to furnish to the Company and the Guarantors such information regarding the Holder and the proposed distribution by such Holder of such Registrable Securities as the Company or the Guarantors may from time to time reasonably request in writing.

In the case of a Shelf Registration Statement, each Holder agrees that, upon receipt of any notice from the Company or the Guarantors of the happening of any event of the kind described in Section 3(e)(v) hereof, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the Shelf Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(i) hereof, and, if so directed by the Company or the Guarantors, such Holder will deliver to the Company or the Guarantors (at their expense) all copies in its possession, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice and shall not use such Shelf Registration Statement or Prospectus until amended or supplemented. If the Company or the Guarantors shall give any such notice to suspend the disposition of Registrable Securities pursuant to a Shelf Registration Statement, the Company and the Guarantors shall extend the period during which the Shelf Registration Statement shall be maintained effective pursuant to this Agreement by the number of days during the period from and including the date of the giving of such notice to and including the date when the Holders shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions. The Company or the Guarantors may give any such notice only twice during any 365 day period and any such suspensions may not exceed 30 days for each suspension and there may not be more than two suspensions in effect during any 365 day period.

The Holders of Registrable Securities covered by a Shelf Registration Statement who desire to do so may sell such Registrable Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers (the "Underwriters") that will administer the offering will be selected by the Majority Holders of the Registrable Securities included in such offering, subject to the consent of the Company (which shall not be unreasonably withheld or delayed) and such Holders shall be responsible for all underwriting commissions and discounts.

4. Participation of Broker-Dealers in Exchange Offer. (a) The Staff of the Commission has taken the position that any broker-dealer that receives Exchange Securities for its own account in the Exchange Offer in exchange for Securities that were acquired by such broker-dealer as a result of market-making or other trading activities (a "Participating Broker-Dealer"), may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Securities.

The Company and the Guarantors understand that it is the Staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating

Broker-Dealers may resell the Exchange Securities, without naming the Participating Broker- Dealers or specifying the amount of Exchange Securities owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligation under the Securities Act in connection with resales of Exchange Securities for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

5. Indemnification and Contribution.

(a) Each of the Company and the Guarantors jointly and severally agrees to indemnify and hold harmless the Initial Purchasers, each Holder and each Person, if any, who controls any Initial Purchaser or any Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, or is under common control with, or is controlled by, any Initial Purchaser or any Holder, from and against all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred by the Initial Purchaser, any Holder or any such controlling or affiliated Person in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) pursuant to which Exchange Securities or Registrable Securities were registered under the Securities Act, including all documents incorporated therein by reference, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or caused by any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (as amended or supplemented if the Company or the Guarantors shall have furnished any amendments or supplements thereto), or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Initial Purchasers or any Holder furnished to the Company in writing by the Initial Purchasers or any selling Holder expressly for use therein. In connection with any Underwritten Offering permitted by Section 3, the Company and the Guarantors will also jointly and severally indemnify the Underwriters, if any, selling brokers, dealers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act and the Exchange Act) to the same extent as provided above with respect to the indemnification of the Holders, if requested in connection with any Registration Statement.

(b) Each Holder agrees, severally and not jointly, to indemnify and hold harmless the Company, the Guarantors, the Initial Purchasers and the other selling Holders, and each of their respective directors, officers who sign the Registration Statement and each Person, if any, who controls the Company or the Guarantors, any Initial Purchaser and any other selling Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to the Initial Purchasers and the Holders, but only with reference to information relating to such Holder furnished to the Company in writing by such Holder expressly for use in any Registration Statement (or any amendment thereto) or any Prospectus (or any amendment or supplement thereto).

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any Person in respect of which indemnity may be sought pursuant to either

Section 5(a) or 5(b), such Person (the "INDEMNIFIED PARTY") shall promptly notify the Person against whom such indemnity may be sought (the "INDEMNIFYING PARTY") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, the indemnifying party shall be entitled to participate in such proceeding and, to the extent that it so elects, jointly with any other similarly notified indemnifying party, to assume the defense thereof, subject to the right of the indemnified party to be separately represented and to direct its own defense if the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and the indemnified party has been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless:

(i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel; or

(ii) the named parties to any such proceeding (including any impeded parties) include both the indemnifying party and the indemnified party and the indemnified party has been advised by counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them.

It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for:

(A) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Initial Purchasers, any Holders and all Persons, if any, who control any Initial Purchaser or any Holder within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act; and

(b) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, the Guarantors, their directors, their officers who sign the Registration Statement and each Person, if any, who controls the Company or the Guarantors within the meaning of either such Section, and

that all such fees and expenses shall be reimbursed, upon reasonable request, as they are incurred. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but, if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which such indemnified party is a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) If the indemnification provided for in paragraph (a) or paragraph (b) of this Section 5 is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and of the indemnified party or parties on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault of the Company, the Guarantors and the Holders shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Guarantors or by the Holders and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Holders' respective obligations to contribute pursuant to this Section 5(d) are several in proportion to the respective principal amount of Registrable Securities of any such Holder that were registered pursuant to a Registration Statement.

(e) The Company, the Guarantors and each Holder agree that it would not be just or equitable if contribution pursuant to this Section 5 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5, no Holder shall be required to indemnify or contribute any amount in excess of the amount by which the total price at which Registrable Securities were sold by such Holder exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

The indemnity and contribution provisions contained in this Section 5 shall remain operative and in full force and effect regardless of:

(i) any termination of this Agreement;

(ii) any investigation made by or on behalf of the Initial Purchasers, any Holder or any Person controlling any Initial Purchaser or any Holder, or by or on behalf of the Company, the Guarantors, their officers or directors or any Person controlling the Company or the Guarantors;

(iii) acceptance of any of the Exchange Securities; and

(iv) any sale of Registrable Securities pursuant to a Shelf Registration Statement.

6. Miscellaneous. (a) No Inconsistent Agreements. Neither the Company nor the Guarantors have entered into, and on or after the date of this Agreement will not enter into, any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holder hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of other issued and outstanding securities of the Company or the Guarantors under any such agreements.

(b) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company and the Guarantors have obtained the written consent of Holders of at least a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or consent.

(c) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telex, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder, at the most current address given by such Holder to the Company and the Guarantors by means of a notice given in accordance with the provisions of this Section 6(c), which address initially is, with respect to the Initial Purchasers, the address set forth in the Purchase Agreement, and (ii) if to the Company or the Guarantors, initially at the Company's address set forth in the Purchase Agreement and thereafter at such other address, notice of which is given in accordance with the provisions of this Section 6(c).

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt is acknowledged, if telecopied; and on the next business day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands, or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(d) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms of the Purchase Agreement. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement and such Person shall be entitled to receive the benefits hereof. The Initial Purchasers (in their capacity as Initial Purchasers) shall have no liability or obligation to the Company or the Guarantors with respect to any failure by a Holder to comply with, or any breach by any Holder of, any of the obligations of such Holder under this Agreement.

(e) Purchases and Sales of Securities. The Company and the Guarantors shall not, and shall use their best efforts to cause their affiliates (as defined in Rule 405 under the Securities Act) not to, purchase and then resell or otherwise transfer any Securities.

(f) Third Party Beneficiary. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterpart, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) Severability. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(j) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

LEAR CORPORATION

By /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President,
General Counsel and Secretary

LEAR OPERATIONS CORPORATION

By /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President, Secretary
and General Counsel

LEAR CORPORATION AUTOMOTIVE HOLDINGS

By /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President and Secretary

Confirmed and accepted on behalf of the Initial Purchasers as of the date first above written:

MORGAN STANLEY & CO. INCORPORATED

By: /s/ Harold J. Hendershot III

Name: Harold J. Hendershot III
Title: Vice President

EXHIBIT 10.8

INDENTURE

among

LEAR CORPORATION,

as Issuer,

THE GUARANTORS PARTY HERETO FROM TIME TO TIME,

as Guarantors,

and

THE BANK OF NEW YORK,

as Trustee

$600,000,000 7.96% Senior Notes due 2005

$800,000,000 8.11% Senior Notes due 2009

Dated as of May 15, 1999

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CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	n/a
(a)(4)	n/a
(a)(5)	7.10
(b)	7.03; 7.10
(c)	n/a
311(a)	7.11
(b)	7.11
(c)	n/a
312(a)	2.06
(b)	11.03
(c)	11.03
313(a)	7.06
(b)(1)	n/a
(b)(2)	7.06; 7.07
(c)	7.06; 11.02
(d)	7.06
314(a)(1),(2),(3)	4.03; 11.05
(a)(4)	4.04
(b)	n/a
(c)(1)	11.04
(c)(2)	11.04
(c)(3)	n/a
(d)	n/a
(e)	11.05
(f)	n/a
315(a)	7.01(b)
(b)	7.05; 11.02
(c)	7.01(a)
(d)	7.01(c)
(e)	6.11

316(a)(last sentence).....2.12
(a)(1)(A).....6.05
(a)(1)(B).....6.04
(a)(2).....n/a
(b).....6.07
(c).....9.04

317(a)(1).....6.08
(a)(2).....6.09
(b).....2.04

318(a).....11.01
(b).....n/a
(c).....11.01

- ---

"n/a" means not applicable.

*This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture.

Indenture, dated as of May 15, 1999, among Lear Corporation, a Delaware corporation (the "Company"), as issuer, the companies listed on the signature pages hereto that are subsidiaries of the Company (the "Guarantors"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

RECITALS OF THE COMPANY AND THE GUARANTORS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of its 7.96% Senior Notes due 2005 (the "2005 Notes") and its 8.11% Senior Notes due 2009 (the "2009 Notes", together with the 2005 Notes, the "Initial Notes"), and, if and when issued in exchange for Initial Notes as provided in the Registration Rights Agreement (as defined herein), its 7.96% Series B Senior Notes due 2005 (the "2005 Exchange Notes") and its 8.11% Series B Senior Notes due 2009 (the "2009 Exchange Notes" and, together with the 2005 Exchange Notes, the "Exchange Notes") (collectively, the Initial Notes and the Exchange Notes are referred to herein as the "Notes").

The Guarantors have duly authorized the execution and delivery of this Indenture to provide guarantees of the Notes and of certain of the obligations of the Company hereunder.

All things necessary to make this Indenture a valid agreement of the Company and the Guarantors, in accordance with its terms, have been done.

Upon the issuance of the Exchange Notes, if any, or the effectiveness of the Shelf Registration Statement (as defined herein), this Indenture shall be subject to, and shall be governed by, the provisions of the Trust Indenture Act of 1939, as amended, that are required or deemed to be part of and to govern indentures qualified thereunder.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Notes by the Holders thereof, it is mutually covenanted and agreed for the equal and ratable benefit of the Holders of the Initial Notes, and if and when issued, the Exchange Notes, as follows:

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"Acquired Indebtedness" means Indebtedness of a Person or any of its Restricted Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or assumed in connection with the acquisition of assets from such Person and not incurred by such

Person in contemplation of such Person becoming a Restricted Subsidiary of the Company or such acquisition, and any refinancings thereof.

"Additional Interest" means additional interest as defined in Section 2(d) of the Registration Rights Agreement.

"Affiliate" means, when used with reference to the Company or another Person, any Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the Company or such other Person, as the case may be. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct or cause the direction of management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Agent" means any Registrar, Paying Agent, authenticating agent or co-Registrar.

"Attributable Value" means, in connection with a sale and lease-back transaction, the lesser of (i) the fair market value of the assets subject to such transaction and (ii) the present value (discounted at a rate per annum equal to the rate of interest implicit in the lease involved in such sale and lease-back transaction, as determined in good faith by the Company) of the obligations of the lessee for rental payments during the term of the related lease.

"Bankruptcy Law" means Title 11 of the U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means, with respect to any Person, the Board of Directors of such Person or any duly authorized committee of such Board of Directors.

"Board Resolution" means a copy of a resolution certified by the secretary or an assistant secretary of such Person to have been duly adopted by the Board of Directors of such Person or any duly authorized committee thereof and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" means a day that is not a Legal Holiday.

"Cedelbank" means Cedelbank, societe anonyme.

"Company" means the party named as the Company in the first paragraph of this Indenture until one or more successor corporations shall have become such pursuant to the applicable provisions of this Indenture, and thereafter means such successors.

"Comparable Treasury Issue" has the meaning specified in Section 3.07.

"Comparable Treasury Price" has the meaning specified in Section 3.07.

"Consolidated" or "consolidated" means, when used with reference to any amount, such amount determined on a consolidated basis in accordance with GAAP, after the elimination of intercompany items.

"Consolidated Assets" means at a particular date, all amounts which would be included under total assets on a consolidated balance sheet of the Company and its Restricted Subsidiaries as at such date, determined in accordance with GAAP.

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate services business shall be principally administered, which office at the date of execution of this Indenture is located at 101 Barclay Street, Floor 21W, New York, New York 10286.

"Custodian" means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

"Default" means any event which is, or after notice or lapse of time or both would be, an Event of Default.

"Depositary" means The Depository Trust Company, its nominees and their respective successors.

"DTC Participants" has the meaning specified in Section 2.08.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System.

"Event of Default" has the meaning specified in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"Exchange Notes" has the meaning stated in the first recital of this Indenture and refers to any Exchange Notes containing terms substantially identical to the Initial Notes (except that (i) such Exchange Notes shall not contain terms with respect to transfer restrictions and shall be registered under the Securities Act and (ii) certain provisions relating to an increase in the stated rate of interest thereon shall be eliminated) that are issued and exchanged for the Initial Notes in accordance with the Exchange Offer, as provided for in the Registration Rights Agreement.

"Exchange Offer" means, subject to the terms of the Registration Rights Agreement, the offer by the Company to the Holders of the opportunity to exchange their Initial Notes for Exchange Notes pursuant to a registration statement declared effective by the SEC.

"Financing Lease" means (i) any lease of property, real or personal, the obligations under which are capitalized on a consolidated balance sheet of the Company and its Restricted Subsidiaries and (ii) 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.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are applicable from time to time.

"Global Notes" has the meaning specified in Section 2.01.

"Guarantee" means the guarantee of the Notes by each Guarantor under Article X hereof.

"Guarantor" means (i) each of the Subsidiaries of the Company which have executed this Indenture as a Guarantor as of the date hereof, and (ii) each of the Company's Subsidiaries, whether formed, created or acquired before or after the date hereof, which become a guarantor of Notes pursuant to the provisions of this Indenture.

"Holder" means the Person in whose name a Note is registered on the Registrar's books.

"Indebtedness" of a Person means all obligations which would be treated as liabilities upon a balance sheet of such Person prepared on a consolidated basis in accordance with GAAP.

"Indenture" means this Indenture, as amended, supplemented or modified from time to time.

"Independent Investment Banker" has the meaning specified in Section 3.07.

"Initial Notes" has the meaning specified in the first recital of this Indenture.

"Institutional Accredited Investor" means an institution that is an "accredited investor" as that term is defined in Rule 501(a)(1), (2) or (7) under the Securities Act.

"Interest Payment Date" means each of May 15 and November 15.

"Investment" by any Person means:

(i) all investments by such Person in any other Person in the form of loans, advances or capital contributions;

(ii) all guarantees of Indebtedness or other obligations of any other Person by such Person;

(iii) all purchases (or other acquisitions for consideration) by such Person of Indebtedness, capital stock or other securities of any other Person;

(iv) all other items that would be classified as investments (including, without limitation, purchases outside the ordinary course of business) on a balance sheet of such Person prepared in accordance with GAAP.

"Issue Date" means the date of original issuance of the Initial Notes.

"Legal Holiday" has the meaning specified in Section 11.07.

"Lien" means 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 or any Financing Lease having substantially the same economic effect as any of the foregoing).

"Non-U.S. Persons" means a person who is not a "U.S. person" (as defined in Regulation S).

"Notes" means the Notes issued under this Indenture.

"Obligations" means all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" of any Person means the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary or the Controller of such Person.

"Officers' Certificate" means a certificate signed by two Officers or by an Officer and an Assistant Treasurer, Assistant Secretary or Assistant Controller of any Person.

"Opinion of Counsel" means a written opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company.

"Paying Agent" has the meaning specified in Section 2.04.

"Permitted Liens" means:

(i) 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 Company or its Restricted Subsidiaries, as the case may be, in accordance with GAAP (or, in the case of Restricted Subsidiaries organized outside the United States, generally accepted accounting principles in effect from time to time in their respective jurisdictions of organization);

(ii) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, suppliers or other like Liens arising in the ordinary course of business relating to obligations not overdue for a period of more than 60 days or which are bonded or being contested in good faith by appropriate proceedings;

(iii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith and deposits securing liabilities to insurance carriers under insurance and self-insurance programs;

(iv) 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, utility payments and other obligations of a like nature incurred in the ordinary course of business;

(v) easements, rights-of-way, restrictions and other similar encumbrances incurred which, in the aggregate, do not materially interfere with the ordinary conduct of the business of the Company and its Restricted Subsidiaries taken as a whole;

(vi) 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 $40,000,000 at any one time, provided that the same are discharged, or that execution or enforcement thereof is stayed pending appeal, within 60days or, in the case of any stay of execution or enforcement pending appeal, within such lesser time during which such appeal may be taken;

(vii) Liens securing obligations (other than obligations representing Indebtedness for borrowed money) under operating, reciprocal easement or similar agreements entered into in the ordinary course of business;

(viii) statutory Liens and rights of offset arising in the ordinary course of business of the Company and its Restricted Subsidiaries;

(ix) Liens in connection with leases or subleases granted to others and the interest or title of a lessor or sublessor (other than the Company or any of its Subsidiaries) under any lease; and

(x) Liens securing Indebtedness in respect of interest rate agreement obligations or currency agreement obligations entered into to protect against fluctuations in interest rates or exchange rates and not for speculative reasons.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"Physical Notes" has the meaning specified in Section 2.01.

"Primary Treasury Dealer" has the meaning specified in Section 3.07.

"Principal Credit Facilities" means:

(i) the Second Amended and Restated Credit and Guarantee Agreement, dated as of May 4, 1999, among the Company, Lear Corporation Canada Ltd., the Foreign Subsidiary Borrowers (as defined therein), the Lenders Party thereto, Bankers Trust Company and Bank of America National Trust & Savings Association, as Co-Syndication Agents, The Bank of Nova Scotia, as Documentation Agent and Canadian Administrative Agent, and The Chase Manhattan Bank, as General Administrative Agent;

(ii) the Interim Term Loan Agreement, dated as of May 4, 1999, among the Company, the Lenders parties thereto, Citicorp USA, Inc. and Credit Suisse First Boston, as Co-Syndication Agents, Deutsche Bank AG New York Branch, as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent;

(iii) the Revolving Credit and Term Loan Agreement, dated as of May 4 1999, among the Company, certain of its Foreign Subsidiaries, the Lenders parties thereto, Citicorp USA, Inc. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, Toronto Dominion (Texas), Inc., as Documentation Agent, the other Agents named therein, and The Chase Manhattan Bank, as Administrative Agent;

(iv) the Term Loan Agreement, dated November 17, 1998, between the Company and Toronto Dominion (Texas), Inc., as amended by that certain amendment dated as of May 4, 1999; and

(v) the Term Loan Agreement, dated as of December 3, 1998, between the Company and Deutsche Bank AG, New York Branch and/or Cayman Islands Branch, as amended by that certain amendment dated as of May 4, 1999,

in the case of each agreement listed in clauses (i) through (v), including any related notes, collateral documents, security documents, instruments and agreements entered into in connection therewith and, in each case, as the same may be amended, supplemented or otherwise modified (including any agreement extending the maturity of, increasing the total commitment under or otherwise restructuring all or any portion of the Indebtedness under any such agreement or any successor or replacement agreement), renewed, refunded, replaced, restated or refinanced from time to time.

"Qualified Institutional Buyer" has the meaning set forth in Rule 144A.

"Receivable Financing Transaction" means any transaction or series of transactions involving a sale for cash of accounts receivable, without recourse based upon the collectibility of the receivables sold, by the Company or any of its Restricted Subsidiaries to a Special Purpose Subsidiary and a subsequent sale or pledge of such accounts receivable (or an interest therein) by such Special Purpose Subsidiary, in each case without any guarantee by the Company or any of its Restricted Subsidiaries (other than the Special Purpose Subsidiary).

"Redemption Date" means, with respect to any Notes to be redeemed, the date fixed for such redemption pursuant to this Indenture.

"Redemption Price" means the redemption price fixed in accordance with the terms of the Notes, plus accrued and unpaid interest, if any, to the date fixed for redemption.

"Reference Treasury Dealer" has the meaning specified in Section 3.07.

"Reference Treasury Dealer Quotations" has the meaning specified in Section 3.07.

"Register" has the meaning specified in Section 2.04.

"Registrar" has the meaning specified in Section 2.04.

"Registration Rights Agreement" means the Registration Rights Agreement, dated May18, 1999, among the Company, the Guarantors and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc.

"Regulation S Global Notes" has the meaning specified in Section 2.01.

"Regulation S Permanent Global Notes" has the meaning specified in Section 2.01.

"Regulation S Physical Notes" has the meaning specified in Section 2.01.

"Regulation S Temporary Global Notes" has the meaning specified in Section 2.01.

"Responsible Officer" shall mean, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Period" has the meaning specified in Section 2.01.

"Restricted Subsidiary" means any Subsidiary other than a Unrestricted Subsidiary.

"Rule 144A Global Notes" has the meaning specified in Section 2.01.

"SEC" means the Securities and Exchange Commission and any government agency succeeding to its functions.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"Significant Subsidiary" means any Subsidiary which has:

(i) consolidated assets or in which the Company and its other Subsidiaries have Investments, equal to or greater than 5% of the total consolidated assets of the Company at the end of its most recently completed fiscal year; or

(ii) consolidated gross revenue equal to or greater than 5% of the consolidated gross revenue of the Company for its most recently completed fiscal year.

"Special Purpose Subsidiary" means any wholly owned Restricted Subsidiary of the Company created by the Company for the sole purpose of facilitating a Receivable Financing Transaction.

"Subsidiary" of any Person means:

(i) a corporation a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly, owned by such Person or by such Person and a subsidiary or subsidiaries of such Person or by a subsidiary or subsidiaries of such Person; or

(ii) any other Person (other than a corporation) in which such Person or such Person and a subsidiary or subsidiaries of such Person or a subsidiary or subsidiaries of such Persons, at the time, directly or indirectly, own at least a majority voting interest under ordinary circumstances.

"TIA" means the Trust Indenture Act of 1939 (15 U.S. Code Section 77aaa-77bbbb), as in effect on the date of this Indenture; provided, however, that in the event the TIA is amended after such date, "TIA" means, to the extent required by such amendment, the Trust Indenture Act of 1939, as so amended, or any successor statute.

"Transfer Restricted Securities" means securities that bear or are required to bear the legend set forth in Section 2.02(a)(i).

"Transfer Restricted Securities Legend" mens the legend initially set forth on the Notes in the form set forth in Section 2.02(a)(i).

"Treasury Rate" has the meaning specified in Section 3.07.

"Trustee" means the party named as such in this Indenture until a successor replaces it and thereafter, means the successor.

"2005 Exchange Notes" has the meaning specified in the first recital of this Indenture.

"2009 Exchange Notes" has the meaning specified in the first recital of this Indenture.

"2005 Notes" has the meaning specified in the first recital of this Indenture.

"2009 Notes" has the meaning specified in the first recital of this Indenture.

"Unrestricted Subsidiary" means any Subsidiary designated as such by the Board of Directors of the Company; provided, however, that at the time of any such designation by the Board of Directors, such Subsidiary does not constitute a Significant Subsidiary; and provided, further, that at the time that any Unrestricted Subsidiary becomes a Significant Subsidiary it shall cease to be an Unrestricted Subsidiary.

"U.S. Government Obligations" means (i) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America and which in either case, are non-callable at the option of the issuer thereof.

"U.S. Physical Notes" has the meaning specified in Section 2.01.

SECTION 1.02. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"indenture securities" means the Notes;

"indenture security holder" means a Holder;

"indenture to be qualified" means this Indenture;

"indenture trustee" or "institutional trustee" means the Trustee; and

"obligor" on the Notes means the Company and any other obligor on the indenture securities.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.03. Rules of Construction.

Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(iii) "or" is not exclusive;

(iv) "including" means including without limitation;

(v) words in the singular include the plural, and in the plural include the singular;

(vi) provisions apply to successive events and transactions; and

(vii) statements relating to the payment of principal and interest shall include the payment of premium and Additional Interest (if any).

ARTICLE II

THE NOTES

SECTION 2.01. Form and Dating.

The Notes and the Trustee's certificate of authentication shall be substantially in the forms annexed hereto as Exhibits A and B with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law or stock exchange agreements to which the Company is subject. Each Note shall be dated the date of its authentication. The Notes shall be in minimum denominations of $1,000 and integral multiples thereof. The terms and provisions contained in the forms of the Note annexed hereto as Exhibits A and B shall constitute, and are hereby expressly made, a part of this Indenture. To the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Notes offered and sold to Qualified Institutional Buyers in reliance on Rule 144A under the Securities Act shall be (i) issued initially only in the form of one or more permanent global Notes in registered form without interest coupons (each, a "Rule 144A Global Note"), (ii) duly executed by the Company and authenticated by the Trustee as hereinafter provided, (iii) registered in the name of the Depositary or its nominee for credit to the respective accounts of Holders at the Depositary and (iv) deposited with the Trustee, as custodian for the Depositary. Rule 144A Global Notes shall be substantially in the forms set forth in Exhibits A and B attached hereto (including the text and schedule called for by footnotes 1 and 5 thereto). The aggregate principal amount of the Rule 144A Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, in accordance with the instructions given by the Holder thereof, as hereinafter provided.

Notes offered and sold outside the United States to persons other than "U.S. persons", as defined in Regulation S under the Securities Act ("Non-U.S. Persons"), in reliance on Regulation

S under the Securities Act shall be issued initially only in the form of one or more temporaryglobal Notes in registered form without interest coupons (each, a "Regulation S Temporary Global Note"). Each Regulation S Temporary Note shall be (i) duly executed by the Company and authenticated by the Trustee as hereinafter provided, (ii) registered in the name of Depositary or its nominee, for credit to the accounts of Euroclear and Cedelbank and (iii) deposited with the Trustee, as custodian for the Depositary. Regulation S Temporary Global Notes shall be substantially in the forms set forth in Exhibits A and B attached hereto (including the text and schedule called for by footnotes 1 and 5 thereto). Prior to the 40th day following the later of commencement of the offering of the Notes and the Issue Date (such period through and including the 40th day, the "Restricted Period"), beneficial interests in the RegulationS Temporary Global Note may only be held through Euroclear or Cedelbank, and any resale or transfer of such interests to U.S. persons shall not be permitted during such period unless such resale or transfer is made in accordance with the procedures set forth in this Article II, including, without limitation, receipt by the Trustee of a written certification from the transferor of the beneficial interest in the form provided herein to the effect that such transfer is being made to (i) a person whom the transferor reasonably believes is a Qualified Institutional Buyer within the meaning of Rule 144A under the Securities Act in a transaction meeting the requirements of such Rule or (ii) an Institutional Accredited Investor purchasing for its own account or for the account of such an Institutional Accredited Investor, subject to delivery of the letters and opinions contemplated by the Indenture.

At any time after Restricted Period, upon receipt by the Trustee and the Company of a certificate substantially in the form of Exhibit C attached hereto, one or more permanent global Notes in registered form without interest coupons (each, a "Regulation S Permanent Global Note", and together with the Regulation S Temporary Global Notes, the "Regulation S Global Notes"), shall be (i) duly executed by the Company and authenticated by the Trustee as hereinafter provided, (ii) registered in the name of Depositary or its nominee and (iii) deposited with the Trustee, as custodian for the Depositary or its nominee, and the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Regulation S Temporary Global Notes in an amount equal to the principal amount of the beneficial interest in the Regulation S Temporary Global Notes transferred. Regulation S Permanent Global Notes shall be substantially in the forms set forth in Exhibits A and B attached hereto (including the text and schedule called for by footnotes 1 and 5 thereto). The aggregate principal amount of the Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

The Rule 144A Global Notes and the Regulation S Global Notes are sometimes referred to herein as the "Global Notes."

Notes transferred to Institutional Accredited Investors and Notes issued in exchange for interests in the Rule 144A Global Notes pursuant to Section 2.08(e) shall be issued in the form of permanent certificated Notes (the "U.S. Physical Notes") in registered form. Notes issued in

exchange for interests in the Regulation S Global Notes pursuant to Section 2.08(e) shall be in theform of permanent certificated Notes (the "Regulation S Physical Notes", and together with the U.S. Physical Notes, the"Physical Notes") in registered form. The Physical Notes shall be substantially in the forms set forth in Exhibits A and B attached hereto (including the text and schedule called for by footnote 5 thereto).

Global Notes or Physical Notes issued as Exchange Notes shall not bear the legend called for by footnote 2 of Exhibits A and B attached hereto, and shall bear the reference to "Series B" called for by footnotes 3 and 4 of Exhibits A and B attached hereto.

The definitive Notes shall be typed, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any securities exchange on which the Notes may be listed, all as determined by the Officers executing such Notes, as evidenced by their execution of such Notes.

SECTION 2.02. Restrictive Legends.

(a) Transfer Restricted Securities Legend.

(i) Except as permitted by the clauses (ii), (iii) and (iv) of this Section 2.02(a), each Note certificate evidencing Global Notes and Physical Notes (and all Notes issued in exchange therefor and substitution thereof) shall bear the following Transfer Restricted Securities Legend:

THE NOTE EVIDENCED HEREBY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTE EVIDENCED HEREBY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), RESELL OR OTHERWISE TRANSFER THE NOTE EVIDENCED HEREBY EXCEPT (A) TO LEAR CORPORATION OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE

SECURITIES ACT, (C) TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THE NOTE EVIDENCED HEREBY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM SUCH TRUSTEE OR A SUCCESSOR TRUSTEE, AS APPLICABLE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES AT THE TIME OF TRANSFER OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO LEAR CORPORATION THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER); AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE NOTE EVIDENCED HEREBY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THE NOTE EVIDENCED HEREBY PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTE EVIDENCED HEREBY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE). IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

(ii) Upon any sale or transfer of a Transfer Restricted Security in compliance with Rule 144 under the Securities Act or pursuant to an effective registration statement under the Securities Act, the Registrar shall permit the Holder thereof to exchange such Transfer Restricted Security for a Note that does not bear the Transfer Restricted

Securities Legend, and shall rescind any restriction on the transfer of such Transfer Restricted Security.

(iii) After the expiration of the Restricted Period and upon receipt by the Company and the Trustee of a certificate substantially in the form of Exhibit C attached hereto, the Registrar shall permit the Holder thereof to exchange a Regulation S Temporary Global Note which bears the Transfer Restricted Securities Legend for a Regulation S Permanent Global which does not bear such legend, and shall rescind any restriction on the transfer of the Regulation S Permanent Global Notes.

(iv) Notwithstanding the foregoing, upon consummation of the Exchange Offer, the Company shall issue, and upon receipt of an authentication order in accordance with Section 2.03 hereof, the Trustee shall authenticate the Exchange Notes in exchange for the Initial Notes accepted for exchange in the Exchange Offer, and the Registrar rescind any restriction on the transfer of such security.

(b) Global Note Legend. Each Global Note, whether or not an Exchange Note, shall also bear the following legend on the face thereof:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO LEAR CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

SECTION 2.03. Execution and Authentication.

Two Officers shall sign the Notes for the Company by manual or facsimile signature. If an Officer whose signature is on a Note no longer holds that office at the time the Note is authenticated, the Note shall be valid nevertheless.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Company signed by one Officer of the Company, authenticate for original issue (i) 2005 Notes in aggregate principal amount not to exceed $600,000,000 and (ii) 2009 Notes in aggregate principal amount not to exceed

$800,000,000. The Trustee shall, upon a written order of the Company signed by one Officer of the Company, authenticate for original issue upon completion of the Exchange Offer (and thereafter as appropriate) (i) 2005 Exchange Notes in aggregate principal amount not to exceed $600,000,000 and (ii) 2009 Exchange Notes in aggregate principal amount not to exceed $800,000,000. The aggregate principal amount of 2005 Notes and 2005 Exchange Notes outstanding at any time shall not exceed $600,000,000 and the aggregate principal amount of 2009 Notes and 2009 Exchange Notes outstanding at any time shall not exceed $800,000,000, except in each case as provided in Section 2.10.

The Trustee may appoint an authenticating agent reasonably acceptable to the Company to authenticate Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with the Company or an Affiliate of the Company.

SECTION 2.04. Registrar and Paying Agent.

The Company shall maintain an office or agency where Notes of each tranche may be presented for registration of transfer or for exchange (the "Registrar") and an office or agency where Notes of each tranche may be presented for payment (the "Paying Agent"). The Registrar for each tranche of Notes shall keep a register of the Notes of such tranche (the "Register") and of their transfer and exchange. The Company may appoint one or more co-Registrars and one or more additional Paying Agents for each tranche of Notes. The term "Paying Agent" includes any additional paying agent and the term "Registrar" includes any additional registrar. The Company may change any Paying Agent or Registrar without prior notice to any Holder.

The Company shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which shall incorporate the terms of the TIA and implement the terms of this Indenture which relate to such Agent. The Company shall give prompt written notice to the Trustee of the name and address of any Agent who is not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any Affiliate of the Company may act as Paying Agent or Registrar; provided, however, that none of the Company, its Subsidiaries or the Affiliates of the foregoing shall act (i) as Paying Agent in connection with redemptions, offers to purchase, discharges and defeasance, as otherwise specified in this Indenture, and (ii) as Paying Agent or Registrar if a Default or Event of Default has occurred and is continuing.

The Company hereby initially appoints the Trustee as Registrar and Paying Agent for each tranche of Notes.

SECTION 2.05. Paying Agent to Hold Assets in Trust.

Not later than 11:00 a.m. (New York City time) on each due date of the principal and interest on any Notes, the Company shall deposit with one or more Paying Agents money in immediately available funds sufficient to pay such principal and interest so becoming due. The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all assets held by the Paying Agent for the payment of principal of and interest on the Notes (whether such money has been paid to it by the Company or any other obligor on the Notes, including any Guarantor) and shall notify the Trustee of any failure by the Company (or any other obligor on the Notes, including any Guarantor) in making any such payment. While any such failure continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary of the Company) shall have no further liability for the money so paid over to the Trustee.

If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, it shall, prior to or on each due date of any principal of or interest on the Notes, segregate and hold in a separate trust fund for the benefit of the Holders a sum of money sufficient with monies held by all other Paying Agents, to pay such principal or interest so becoming due until such sum of money shall be paid to such Holders or otherwise disposed of as provided in this Indenture, and will promptly notify the Trustee of its actions or failure to act.

SECTION 2.06. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Holders, separately by tranche, and shall otherwise comply with Section 312(a) of the TIA. If the Trustee is not the Registrar, the Company shall furnish to the Trustee prior to or on each Interest Payment Date for the Notes and at such other times as the Trustee may request in writing a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders, separately by tranche, relating to such Interest Payment Date or request, as the case may be.

SECTION 2.07. General Provisions Relating to Transfer and Exchange.

The Notes are issuable only in registered form. A Holder may transfer a Note only by written application to the Registrar or another transfer agent stating the name of the proposed transferee and otherwise complying with the terms of this Indenture. No such transfer shall be effected until, and such transferee shall succeed to the rights of a Holder only upon, final acceptance and registration of the transfer by the Registrar in the Register. Prior to the registration of any transfer by a Holder as provided herein, the Company, the Trustee, and any agent of the Company shall treat the person in whose name the Note is registered as the owner

thereof for all purposes whether or not the Note shall be overdue, and neither the Company, the Trustee, nor any such agent shall be affected by notice to the contrary. Furthermore, any Holder of a Global Note shall, by acceptance of such Global Note, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by the Holder of such Global Note (or its agent) and that ownership of a beneficial interest in the Note shall be required to be reflected in a book-entry. Notwithstanding the foregoing, in the case of a Transfer Restricted Security, a beneficial interest in a Global Note being transferred in reliance on an exemption from the registration requirements of the Securities Act other than in accordance with Rule 144, Rule 144A and Regulation S may only be transferred for a Physical Note.

When Notes are presented to the Registrar or another transfer agent with a request to register the transfer or to exchange them for an equal principal amount of Notes of other authorized denominations (including an exchange of Notes for Exchange Notes), the Registrar shall register the transfer or make the exchange as requested if its requirements for such transactions are met (including that such Notes are duly endorsed or accompanied by a written instrument of transfer duly executed by the Holder thereof or by an attorney who is authorized in writing to act on behalf of the Holder); provided that no exchanges of Notes for Exchange Notes shall occur until an exchange offer registration statement shall have been declared effective by the SEC and that any Notes that are exchanged for Exchange Notes shall be cancelled by the Trustee. Subject to Section 2.03, to permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's request. No service charge shall be made for any registration of transfer or exchange or redemption of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or other similar governmental charge payable upon exchanges pursuant to Section 2.13, 3.06 or 9.05 hereof).

Neither the Registrar nor any other transfer agent nor the Company shall be required to:

(i) issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 Business Days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection; or

(ii) register the transfer of or exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

SECTION 2.08. Book-Entry Provisions for Global Notes.

(a) The Rule 144A Global Notes and Regulation S Global Notes initially shall:

(i) be registered in the name of the Depositary or the nominee of such Depositary;

(ii) be delivered to the Trustee as custodian for such Depositary; and

(iii) bear legends as set forth in Section 2.02 hereof.

Members of, or participants in, the Depositary ("DTC Participants") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary, or the Trustee as its custodian, or under such Global Note, and the Depositary may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing contained herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and the DTC Participants, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depositary, its successors or their respective nominees. Beneficial owners may transfer their interests in Global Notes in accordance with the rules and procedures of the Depositary and the provisions of Section 2.09 hereof.

(c) Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note of the same tranche will, upon transfer, cease to be an interest in such Global Note and become an interest in such other Global Note of the same tranche and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(d) The registered Holder of a Global Note may grant proxies and otherwise authorize any Person, including DTC Participants and Persons that may hold interests through DTC Participants, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(e) If at any time:

(i) the Company notifies the Trustee in writing that the Depositary is no longer willing or able to continue to act as Depositary for the Global Notes of a tranche or the Depositary ceases to be a "clearing agency" registered under the Exchange Act, and a

successor depositary for the Global Notes of a tranche is not appointed by the Company within 90 days of such notice or cessation;

(ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Notes in definitive form under this Indenture in exchange for all or any part of the Notes represented by a Global Note or Global Notes of a tranche; or

(iii) an Event of Default has occurred and is continuing and the Registrar has received a request from the Depositary,

subject to Section 2.08(e), the Depositary shall surrender such Global Note or Global Notes of the relevant tranche to the Trustee for cancellation and then the Company shall execute, and the Trustee shall authenticate and deliver in exchange for such Global Note or Global Notes, U.S. Physical Notes and Regulation S Physical Notes, as applicable, of the relevant tranche in an aggregate principal amount equal to the principal amount of such Global Note or Global Notes. Such Physical Notes shall be registered in such names as the Depositary shall identify in writing as the beneficial owners of the Notes represented by such Global Note or Notes (or any nominee thereof).

(f) Notwithstanding the foregoing, in connection with any transfer of a portion of the beneficial interests in a Global Note to beneficial owners pursuant to paragraph (e) of this Section 2.07, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of such Global Note in an amount equal to the principal amount of the beneficial interest in such Global Note to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes or Regulation S Physical Notes, as the case may be, of the same tranche of like tenor and amount.

SECTION 2.09. Special Transfer Provisions.

Unless and until a Initial Note (1) is exchanged for an Exchange Note, (2) transferred after the time period referred to in Rule 144(k) under the Securities Act or (3) otherwise sold in connection with an effective registration statement pursuant to the Registration Rights Agreement, the following provisions shall apply:

(a) Transfers to Institutional Accredited Investors which are not Qualified Institutional Buyers.

The following provisions shall apply with respect to the registration of any proposed transfer of a Note to any Institutional Accredited Investor which is not a Qualified Institutional Buyer (excluding Non-U.S. Persons):

(i) The Registrar shall register the transfer if the proposed transferee has delivered to the Trustee (A) a certificate substantially in the form of Exhibit D attached

hereto and (B) if the aggregate principal amount of the Notes being transferred is less than $250,000, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act.

(ii) If Note to be transferred consists of a Physical Note, upon receipt by the Registrar of the documents referred to in the preceding sentence, and the Company shall execute and the Trustee shall authenticate and deliver, a new U.S. Physical Note of the same tranche registered in the name of the transferee and the Trustee shall cancel the Physical Note presented for transfer.

(iii) If the proposed transferor is a DTC Participant holding a beneficial interest in the Rule 144A Global Notes, upon receipt by the Registrar of the documents required by subclause (a)(i) above and instructions given in accordance with the procedures of the Depositary and of the Registrar, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Rule 144A Global Notes of the same tranche in an amount equal to the principal amount of the beneficial interest in the Rule 144A Global Notes to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of the same tranche of like tenor and amount.

(iv) If the proposed transferor is a DTC Participant holding a beneficial interest in the Regulation S Temporary Global Notes, upon receipt by the Registrar of the documents required by subclause (a)(i) above and instructions given in accordance with the procedures of the Registrar and of Euroclear or Cedelbank, as the case may be, through the Depositary, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Regulation S Temporary Global Notes of the same tranche in an amount equal to the principal amount of the beneficial interest in the Regulation S Temporary Global Notes to be transferred, and the Company shall execute, and the Trustee shall authenticate and deliver, one or more U.S. Physical Notes of the same tranche of like tenor and amount.

(b) Transfers to Qualified Institutional Buyers.

The following provisions shall apply with respect to the registration of any proposed transfer of a Note to a Qualified Institutional Buyer (excluding Non-U.S. Persons):

(i) If the Note to be transferred consists of (x) either Regulation S Physical Notes prior to the removal of the Transfer Restricted Securities Legend or U.S. Physical Notes, the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating or has otherwise advised the Company and the Registrar in writing that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the

certification provided for on the form of Note stating or has otherwise advised the Company and the Registrar in writing that:

(A) it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion, in each case for investment and not with a view to distribution;

(B) it and any such account is a Qualified Institutional Buyer within the meaning of Rule 144A;

(C) it is aware that the sale to it is being made in reliance on Rule 144A;

(D) it acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information; and

(E) it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A; or

or (y) an interest in the Rule 144A Global Notes, the transfer of such interest may be effected only through the book entry system maintained by the Depositary.

(ii) If the proposed transferee is a DTC Participant, and the Note to be transferred consists of U.S. Physical Notes, upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with the procedures of the Depositary and the Registrar, the Registrar shall reflect on its books and records the date and an increase in the principal amount of Rule 144A Global Notes of the same tranche in an amount equal to the principal amount of the U.S. Physical Notes to be transferred, and the Trustee shall cancel the U.S. Physical Notes so transferred.

(iii) If the proposed transferee is a DTC Participant and the Note to be transferred consists of a beneficial interest in the Regulation S Temporary Global Notes, upon receipt by the Registrar of the documents referred to in clause (i) above and instructions given in accordance with the procedures of the Registrar and of Euroclear or Cedelbank, as the case may be, through the Depositary, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Rule 144A Global Notes of the same tranche in an amount equal to the principal amount of the Regulation S Temporary Global Notes to be transferred, and the Trustee shall decrease the amount of the Regulation S Temporary Global Notes in a corresponding amount.

(c) Transfers to Non-U.S. Persons of U.S. Physical Notes and Interests

in Rule 144A Global Notes.

(i) The Registrar shall register any proposed transfer to a Non-U.S. Person of a U.S. Physical Note or an interest in Rule 144A Global Notes only upon receipt of a certificate from the proposed transferor substantially in the form of Exhibit E attached hereto.

(ii) (a) If the proposed transferor is a DTC Participant holding a beneficial interest in the Rule 144A Global Notes, upon receipt by the Registrar of the documents, if any, required by paragraph (i) above and instructions in accordance with the procedures of the Depositary and of the Registrar, the Registrar shall reflect on its books and records the date and a decrease in the principal amount of the Rule 144A Global Notes of the same tranche in an amount equal to the principal amount of the beneficial interest in the Rule 144A Global Notes to be transferred, (b) if the proposed transferor is a holder of U.S. Physical Notes, the Trustee shall cancel the U.S. Physical Notes so transferred, and (c) if the proposed transferee is a DTC Participant, upon receipt by the Registrar of instructions given in accordance with the procedures of the Depositary and of the Registrar, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Regulation S Global Notes of the same tranche in an amount equal to the principal amount of the U.S. Physical Notes or the Rule 144A Global Notes, as the case may be, to be transferred.

(d) Transfers to Non-U.S. Persons of Interests in the Regulation S Temporary Global Notes.

The Registrar shall register the transfer of any interest in a Regulation S Temporary Global Note to Non-U.S. Persons if the proposed transferor has delivered to the Registrar a certificate substantially in the form of Exhibit E attached hereto.

(e) Transfers of Interests in the Regulation S Permanent Global Notes.

The Registrar shall register the transfer of interests in Regulation S Permanent Global Notes without requiring any additional certification.

(f) Transfer Restricted Securities Legend.

Upon the transfer, exchange or replacement of Notes not bearing the Transfer Restricted Securities Legend, the Registrar shall deliver Notes of the same tranche that do not bear the Transfer Restricted Securities Legend. Upon the transfer, exchange or replacement of Notes bearing the Transfer Restricted Securities Legend, the Registrar shall deliver only Notes of the same tranche that bear the Transfer Restricted Securities Legend unless (A) the circumstances described in clauses (ii), (iii) and (iv) of Section 2.02(a) exist or (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the

effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act.

(g) Certain Transfers in Connection with and After the Exchange Offer.

Notwithstanding any other provision of this Indenture:

(i) no Exchange Note may be exchanged by the Holder thereof for an Initial Note;

(ii) accrued and unpaid interest on the Initial Notes being exchanged in the Exchange Offer shall be due and payable on the next Interest Payment Date for the Exchange Notes following the Exchange Offer and shall be paid to the Holder on the relevant record date of the Exchange Notes issued in respect of the Initial Note being exchanged; and

(iii) interest on the Initial Note being exchanged in the Exchange Offer shall cease to accrue on the date of completion of the Exchange Offer and interest on the Exchange Notes to be issued in the Exchange Offer shall accrue from the date of the completion of the Exchange Offer.

(h) General.

By its acceptance of any Note bearing the Transfer Restricted Securities Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and agrees that it will transfer such Note only as provided in this Indenture. The Registrar shall not register a transfer of any Note unless such transfer complies with the restrictions on transfer of such Note set forth in this Indenture. The Registrar shall be entitled to receive and rely on written instructions from the Company verifying that such transfer complies with such restrictions on transfer. In connection with any transfer of Notes, each Holder agrees by its acceptance of the Notes to furnish the Registrar or the Company such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.08 hereof or this Section 2.09. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Registrar.

SECTION 2.10. Replacement Notes.

If a mutilated Note is surrendered to the Trustee or if the Holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note of the same tranche if the requirements of the Trustee and the Company are met; provided that, if any such Note has been called for redemption in accordance with the terms thereof, the Trustee may pay the Redemption Price thereof on the Redemption Date without authenticating or replacing such Note. The Trustee or the Company may, in either case, require the Holder to provide an indemnity bond sufficient in the judgment of each of the Trustee and the Company to protect the Company, the Trustee or any Agent from any loss which any of them may suffer if a Note is replaced or if the Redemption Price therefor is paid pursuant to this Section 2.10. The Company may charge the Holder who has lost a Note for its expenses in replacing a Note.

Every replacement Note is an obligation of the Company and shall be entitled to the benefits of this Indenture equally and proportionately with any and all other Notes of the same tranche duly issued hereunder.

SECTION 2.11. Outstanding Notes.

The Notes of any tranche outstanding at any time are all the Notes of such tranche authenticated by the Trustee, except for (i) those cancelled by it, (ii) those delivered to it for cancellation and (iii) those described in this Section as not outstanding.

If a Note is replaced pursuant to Section 2.10 hereof, it ceases to be outstanding and interest ceases to accrue unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If all principal of and interest on any Note are considered paid under Section 4.01 hereof, such Note ceases to be outstanding and interest on it ceases to accrue.

Except as provided in Section 2.12 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds such Note.

SECTION 2.12. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes of any tranche have concurred in any direction, waiver or consent, Notes owned by the Company or an Affiliate of the Company shall be considered as though they are not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which such Trustee actually knows are so owned shall be so disregarded.

SECTION 2.13. Temporary Notes.

Until definitive Notes are ready for delivery, the Company may prepare and execute, and the Trustee shall authenticate upon a written order of the Company signed by one Officer of the Company, temporary Notes. Temporary Notes shall be substantially in the form of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare, and the Trustee shall authenticate, definitive Notes in exchange for temporary Notes. Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.14. Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange, payment or repurchase. The Trustee shall cancel all Notes surrendered for registration of transfer, exchange, payment, repurchase, redemption, replacement or cancellation and shall return such cancelled Notes to the Company upon the Company's written request (subject to the record retention requirements of the Exchange Act). The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

SECTION 2.15. CUSIP Numbers.

The Company in issuing the Notes may use 'CUSIP' numbers (if then generally in use), and the Trustee shall use CUSIP numbers in notices of redemption or exchange as a convenience to Holders; provided that any such notice shall state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any such notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee of any change in the CUSIP numbers.

SECTION 2.16. Defaulted Interest.

If the Company fails to make a payment of interest on any tranche of Notes, it shall pay such defaulted interest plus (to the extent lawful) any interest payable on the defaulted interest, in any lawful manner. It may elect to pay such defaulted interest, plus any such interest payable on it, to the Persons who are Holders of such Notes on which the interest is due on a subsequent special record date. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each such Note. The Company shall fix any such record date and payment date for such payment. At least 15 days before any such record date, the Company shall mail to Holders affected thereby a notice that states the record date, Interest Payment Date, and amount of such interest to be paid.

SECTION 2.17. Special Record Dates.

The Company may, but shall not be obligated to, set a record date for the purpose of determining the identity of Holders of Notes of any tranche entitled to consent to any supplement, amendment or waiver permitted by this Indenture. If a record date is fixed, the Holders of Notes of such tranche outstanding on such record date, and no other Holders, shall be entitled to consent to such supplement, amendment or waiver or revoke any consent previously given, whether or not such Holders remain Holders after such record date. No consent shall be valid or effective for more than 90 days after such record date unless consents from Holders of the principal amount of Notes of such tranche required hereunder for such amendment or waiver to be effective shall have also been given and not revoked within such 90-day period.

ARTICLE III

REDEMPTION

SECTION 3.01. Notices to Trustee.

If the Company elects to redeem Notes of any tranche pursuant to the redemption provision of Section 3.07 hereof, it shall notify the Trustee of the intended Redemption Date, the principal amount of Notes of such tranche to be redeemed and the CUSIP numbers of the Notes of such tranche to be redeemed.

The Company shall give each notice provided for in this Section 3.01 and an Officers' Certificate at least 30 days before the Redemption Date (unless a shorter period shall be satisfactory to the Trustee).

SECTION 3.02. Selection of Notes to Be Redeemed.

If fewer than all the Notes of any tranche are to be redeemed, the Trustee shall select the Notes of such tranche to be redeemed from the outstanding Notes of such tranche by a method that complies with the requirements of any exchange on which the Notes of such tranche are listed, or, if the Notes of such tranche are not listed on an exchange, on a pro rata basis or by lot or in accordance with any other method the Trustee considers fair and appropriate.

Notes and portions thereof that the Trustee selects shall be in amounts equal to the minimum authorized denomination for Notes of such tranche to be redeemed or any integral multiple thereof. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Company promptly in writing of the Notes or portions of Notes to be called for redemption.

SECTION 3.03. Notice of Redemption.

At least 30 days but not more than 60 days before the Redemption Date, the Company shall mail a notice of redemption by first-class mail to each Holder whose Notes are to be redeemed at the address of such Holder appearing in the Register.

The notice shall identify the Notes to be redeemed and shall state:

(i) the Redemption Date;

(ii) the method being used to determine the Redemption Price;

(iii) if fewer than all outstanding Notes of any tranche are to be redeemed, the portion of the principal amount of the Notes to be redeemed and that, after the Redemption Date, upon surrender of such Note, a new Note in principal amount equal to the unredeemed portion will be issued;

(iv) the name and address of the Paying Agent;

(v) that Notes called for redemption must be surrendered to the Paying Agent to collect the Redemption Price;

(vi) that, unless the Company defaults in payment of the Redemption Price, interest on Notes called for redemption ceases to accrue interest on and after the Redemption Date; and

(vii) the CUSIP number, if any, of the Notes to be redeemed.

At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at its expense. The notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Notes shall not affect the validity of the proceeding for the redemption of any other Notes.

SECTION 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed, Notes called for redemption become due and payable on the Redemption Date at the Redemption Price. Upon surrender to the Paying Agent, such Notes shall be paid at the Redemption Price.

SECTION 3.05. Deposit of Redemption Price.

Prior to or on the Redemption Date, the Company shall deposit with the Trustee or with the Paying Agent an amount of money sufficient to pay the Redemption Price of all Notes to be redeemed on that date. The Paying Agent shall promptly return to the Company any amount of money not required for that purpose.

SECTION 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder at the expense of the Company, a new Note of the same tranche equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.07. Optional Redemption.

(a) The Company may, at its option, redeem the Notes of each tranche, in whole or in part, at any time at the Redemption Price equal to the greater of:

(i) 100% of the principal amount of the Notes being redeemed; and

(ii) the sum of the present values of the remaining scheduled payments of principal and unpaid interest on the Notes being redeemed from the Redemption Date to the maturity date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at:

(A) the Treasury Rate plus 50 basis points in the case of the 2005 Notes (or 2005 Exchange Notes, as the case may be); and

(B) the Treasury Rate plus 50 basis points in the case of the 2009 Notes (or 2009 Exchange Notes, as the case may be),

plus, any interest accrued but not paid to the Redemption Date.

(b) For purposes of this optional redemption provision, the following terms have the following definitions:

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes of any tranche to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes.

"Comparable Treasury Price" means, with respect to any Redemption Date for the Notes of any tranche, (i) the average of four Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"Reference Treasury Dealer" means Morgan Stanley & Co. Incorporated and three other primary U.S. Government securities dealers in New York City (each, a "Primary Treasury Dealer") appointed by the Trustee after consultation with the Company; provided, however, that if any of the foregoing ceases to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third Business Day preceding such Redemption Date.

"Treasury Rate" means, with respect to any Redemption Date for the Notes of any tranche, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities", for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the maturity date for the Notes of such tranche, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date. The Treasury Rate shall be calculated on the third Business Day preceding the Redemption Date.

ARTICLE IV

COVENANTS

SECTION 4.01. Payment of Notes.

The Company shall pay, or cause to be paid, the principal of and interest on the Notes on the dates and in the manner provided in this Indenture and the Notes. Principal and interest shall be considered paid on the date due if the Paying Agent, if other than the Company, a Subsidiary of the Company or any Affiliate of any of them, holds as of 11:00 a.m. (New York City time) on that date immediately available funds designated for and sufficient to pay all principal and interest then due. If the Company or any Subsidiary of the Company or any Affiliate of any of them acts as Paying Agent, principal or interest shall be considered paid on the due date if the entity acting as Paying Agent complies with the second paragraph of Section 2.05 hereof.

The Company shall pay interest on overdue principal and interest on overdue installments of interest, to the extent lawful, at the rate per annum specified therefor in the Notes of such tranche.

Notwithstanding anything to the contrary contained in this Indenture, the Company may, to the extent it is required to do so by law, deduct or withhold income or other similar taxes imposed by the United States of America from principal or interest payments hereunder.

SECTION 4.02. Maintenance of Office or Agency.

The Company shall maintain in the Borough of Manhattan, The City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee or Registrar) where the Notes may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, The City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.04 hereof.

SECTION 4.03. Reports.

(a) The Company shall deliver to the Trustee within 15 days after it files them with the SEC copies of the annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the SEC may by rules and regulations prescribe) which the Company is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act; provided, however, the Company shall not be required to deliver to the Trustee any materials for which the Company has sought and received confidential treatment by the SEC. The Company also shall comply with the other provisions of Section 314(a) of the TIA.

(b) If at any time the Company is not subject to Section 13 or Section 15(d) of the Exchange Act, upon the request of a Holder of Notes, the Company will promptly furnish or cause the Trustee to furnish to such Holder or to a prospective purchaser of a Note designated by such Holder, as the case may be, the information, if any, required to be delivered by it pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes.

SECTION 4.04. Compliance Certificate.

The Company shall deliver to the Trustee, within 120 days after the end of each fiscal year of the Company, an Officers' Certificate stating that in the course of the performance by the signers of their duties as officers of the Company, they would normally have knowledge of any failure by the Company to comply with all conditions, or Default by the Company with respect to any covenants, under this Indenture, and further stating whether or not they have knowledge of any such failure or Default and, if so, specifying each such failure or Default and the nature thereof; provided, however, that the first such Officers' Certificate shall be delivered on or before May 15, 2000.. For purposes of this Section, such compliance shall be determined without regard to any period of grace or requirement of notice provided for in this Indenture. The certificate need not comply with Section 11.04 hereof.

SECTION 4.05. Taxes.

The Company shall pay prior to delinquency, all material taxes, assessments, and governmental levies except as contested in good faith by appropriate proceedings.

SECTION 4.06. Corporate Existence.

Subject to Article V hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence and (ii) the material rights (charter and statutory), licenses and franchises of the Company and its

Subsidiaries taken as a whole; provided, however, that the Company shall not be required to preserve any such right, license or franchise if the Board of Directors or management of the Company determines that the preservation thereof is no longer in the best interests of the Company, and that the loss thereof is not adverse in any material respect to the Holders.

SECTION 4.07. Limitation on Liens.

The Company shall not, nor shall it permit any of its Restricted Subsidiaries to, create, incur, assume or permit to exist any Lien on any of their respective properties or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, without effectively providing that the Notes shall be equally and ratably secured until such time as such Indebtedness is no longer secured by such Lien, except:

(i) Permitted Liens;

(ii) Liens on shares of capital stock of Subsidiaries of the Company (and the proceeds thereof) securing obligations under the Principal Credit Facilities;

(iii) Liens on receivables subject to a Receivable Financing Transaction;

(iv) Liens arising in connection with industrial development bonds or other industrial development, pollution control or other tax-favored or government-sponsored financing transactions, provided that such Liens do not at any time encumber any property other than the property financed by such transaction and other property, assets or revenues related to the property so financed on which Liens are customarily granted in connection with such transactions (in each case, together with improvements and attachments thereto);

(v) Liens granted after the Issue Date on any assets or properties of the Company or any of its Restricted Subsidiaries to secure obligations under the Notes;

(vi) Extensions, renewals and replacements of any Lien described in subsections (i) through (v) above; and

(vii) Other Liens in respect of Indebtedness of the Company and its Restricted Subsidiaries in an aggregate principal amount at any time not exceeding 5% of Consolidated Assets at such time.

SECTION 4.08. Limitation on Sale and Lease-Back Transactions.

The Company shall not, nor shall it permit any of its Restricted Subsidiaries to, enter into any sale and lease-back transaction for the sale and leasing back of any property or asset, whether now owned or hereafter acquired, of the Company or any of its Restricted Subsidiaries (except

such transactions (i) entered into prior to the Issue Date, (ii) for the sale and leasing back of any property or asset by a Restricted Subsidiary of the Company to the Company or any other Restricted Subsidiary of the Company, (iii) involving leases for less than three years or (iv) in which the lease for the property or asset is entered into within 120 days after the later of the date of acquisition, completion of construction or commencement of full operations of such property or asset) unless:

(a) the Company or such Restricted Subsidiary would be entitled under Section 4.07 hereof to create, incur, assume or permit to exist a Lien on the assets to be leased in an amount at least equal to the Attributable Value in respect of such transaction without equally and ratably securing the Notes; or

(b) the proceeds of the sale of the assets to be leased are at least equal to their fair market value and the proceeds are applied to the purchase, acquisition, construction or refurbishment of assets or to the repayment of Indebtedness of the Company or any of its Restricted Subsidiaries which on the date of original incurrence had a maturity of more than one year.

ARTICLE V

MERGER, ETC.

SECTION 5.01. When Company May Merge, etc.

The Company shall not consolidate or merge with or into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its assets to, any Person unless:

(i) the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made, is a corporation organized and existing under the laws of the United States of America, any state thereof or the District of Columbia;

(ii) the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made, assumes by supplemental indenture satisfactory in form to the Trustee all of the obligations of the Company under the Notes and this Indenture; and

(iii) immediately after such transaction, and giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

Notwithstanding the foregoing, the Company may merge with another Person or acquire by purchase or otherwise all or any part of the property or assets of any other corporation or Person in a transaction in which the surviving entity is the Company.

SECTION 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein. In the event of any such sale or conveyance, but not any such lease, the Company or any successor corporation which thereafter will have become such in the manner described in this Article V shall be discharged from all obligations and covenants under the Notes and this Indenture and may be dissolved, wound up or liquidated.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default.

An "Event of Default" with respect to any tranche of Notes occurs when any of the following occurs:

(i) the Company defaults in the payment of the principal of any Note of such tranche when it becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(ii) the Company defaults in the payment of interest on any Note of such tranche when it becomes due and payable and such default continues for a period of 30 days;

(iii) the Company or any Guarantor fails to comply with any of its other agreements or covenants in, or provisions of, the Notes of such tranche or this Indenture and the Default continues for the period and after the notice specified below;

(iv) any Guarantee of the Notes of such tranche ceases to be in full force and effect or any Guarantor denies or disaffirms its obligations under its Guarantee of the Notes of such tranche, except, in each case, in connection with a release of a Guarantee in accordance with the terms of this Indenture;

(v) the nonpayment at maturity or other default (beyond any applicable grace period) under any agreement or instrument relating to any other Indebtedness of the Company or any of its Subsidiaries (the unpaid principal amount of which is not less than $40,000,000), which default results in the acceleration of the maturity of such Indebtedness prior to its stated maturity or occurs at the final maturity thereof;

(vi) the entry of any final judgment or orders against the Company or any of its Subsidiaries in excess of $40,000,000 individually or in the aggregate (not covered by insurance) that is not paid, discharged or otherwise stayed (by appeal or otherwise) within 60 days after the entry of such judgments or orders;

(vii) the Company or a Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(a) commences a voluntary case or proceeding;

(b) consents to the entry of an order for relief against it in an involuntary case or proceeding;

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property; or

(d) makes a general assignment for the benefit of its creditors; or

(viii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(a) is for relief against the Company or any Significant Subsidiary in an involuntary case or proceeding;

(b) appoints a Custodian for the Company or any Significant Subsidiary or for all or substantially all of its property; or

(c) orders the winding up or liquidation of the Company or any Significant Subsidiary,

and any such order or decree under this clause (viii) remains unstayed and in effect for 60 days.

A Default under clause (iii) of this Section 6.01 is not an Event of Default until the Trustee notifies the Company in writing, or the Holders of at least 25% in principal amount of the outstanding Notes of such tranche notify the Company and the Trustee in writing, of the Default, and the Company does not cure the Default within 30 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default".

SECTION 6.02. Acceleration.

If an Event of Default with respect to outstanding Notes of any tranche (other than an Event of Default specified in clause (vii) or (viii) of Section 6.01 hereof) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes of such tranche, by written notice to the Company, may declare due and payable 100% of the principal amount of all Notes of such tranche plus any accrued and unpaid interest to the date of payment. Upon a declaration of acceleration, such principal (or such lesser amount) and accrued and unpaid interest to the date of payment shall be due and payable. If an Event of Default specified in clause (vii) or (viii) of Section 6.01 hereof occurs, all unpaid principal and accrued interest on the Notes of such tranche shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of a majority in principal amount of the outstanding Notes of such tranche by written notice to the Trustee may rescind and annul an acceleration and its consequences if (i) all existing Events of Default, other than the nonpayment of principal (or such lesser amount) of or interest on the Notes of such tranche which have become due solely because of the acceleration, have been cured or waived and (ii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

SECTION 6.03. Other Remedies.

If an Event of Default with respect to outstanding Notes of any tranche occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of or interest on the Notes of such tranche or to enforce the performance of any provision of the Notes of such tranche or this Indenture, including, without limitation, seeking recourse against any Guarantor.

The Trustee may maintain a proceeding even if it does not possess any of the Notes of such tranche or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon the Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. Waiver of Past Defaults.

Subject to Sections 6.07 and 9.02 hereof, the Holders of at least a majority in principal amount of the outstanding Notes of any tranche by notice to the Trustee may waive an existing Default or Event of Default with respect to such tranche except a Default or Event of Default in the payment of the principal of or interest on any Note of such tranche (provided, however, that, subject to Section 6.07, the Holders of a majority in principal amount of the then outstanding Notes of such tranche may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). When a Default or Event of Default is waived, it is deemed cured and ceases.

SECTION 6.05. Control by Majority.

The Holders of at least a majority in principal amount of the outstanding Notes of any tranche may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that (i) conflicts with law or this Indenture, (ii) the Trustee determines may be unduly prejudicial to the rights of other Holders or (iii) may involve the Trustee in personal liability. The Trustee may take any other action which it deems proper which is not inconsistent with any such direction.

SECTION 6.06. Limitation on Suits.

Subject to the provisions of Section 6.07 hereof, no Holder of Notes of any tranche may pursue any remedy with respect to this Indenture or the Notes of such tranche unless:

(i) the Holder gives to the Trustee written notice stating that an Event of Default with respect to such tranche is continuing;

(ii) the Holders of at least 25% in principal amount of the outstanding Notes of such tranche make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer to the Trustee indemnity satisfactory to the Trustee against any loss, liability, cost or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(v) during such 60-day period, the Holders of at least a majority in principal amount of the outstanding Notes of such tranche do not give the Trustee a direction inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.07. Rights of Holders To Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal of or interest, if any, on the Note on or after the respective due dates expressed or provided for in the Note, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of the Holder.

SECTION 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(i) or (ii) hereof occurs and is continuing with respect to Notes of any tranche, the Trustee may recover judgment in its own name and as trustee of an express trust against the Company (and any other obligor on the Notes, including any Guarantor) for the whole amount of principal and accrued interest, if any, remaining unpaid on the outstanding Notes of such tranche (and the related Guarantees), together with (to the extent lawful) interest on overdue principal and interest, and such further amount as shall be sufficient to cover the costs and, to the extent lawful, expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 7.07 hereof.

SECTION 6.09. Trustee May File Proofs of Claim.

The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Holders allowed in any judicial proceeding relative to the Company (or any other obligor upon the Notes, including any Guarantor), its creditors or its property and shall be entitled and empowered to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same, and any custodian in any such judicial proceedings is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. Nothing contained in this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10. Priorities.

If the Trustee collects any amount of money with respect to any tranche of Notes pursuant to this Article VI, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made by the trustee and the costs and expenses of collection;

Second: to Holders of such tranche for amounts due and unpaid on the Notes of such tranche for principal and interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes of such tranche for principal and interest, respectively; and

Third: to the Company or any other obligors on the Notes of such tranche, as their interests may appear, or to such party as a court of competent jurisdiction may direct.

The Trustee, upon prior written notice to the Company, may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10. The Trustee shall notify the Company in writing reasonably in advance of any such record date and payment date.

SECTION 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof or a suit by Holders of more than 10% in principal amount of the outstanding Notes of such tranche.

SECTION 6.12. Stay, Extension and Usury Laws.

The Company and each Guarantor covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company and each Guarantor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

ARTICLE VII

TRUSTEE

SECTION 7.01. Duties of Trustee.

(a) If an Event of Default with respect to any tranche of Notes has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(1) the Trustee need perform only those duties that are specifically set forth in this Indenture or the TIA, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; provided, however, that in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not, on their face, they conform to the requirements of this Indenture (but need not investigate or confirm the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own wilful misconduct except that:

(1) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer or other officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), (c) and (e) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee may refuse to perform any duty or exercise any right or power unless it receives indemnity satisfactory to it against any loss, liability, cost or expense (including, without limitation, reasonable fees of counsel).

(f) The Trustee shall not be obligated to pay interest on any money or other assets received by it unless otherwise agreed in writing with the Company. Assets held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation;

(h) the Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture; and

(i) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

SECTION 7.02. Rights of Trustee.

Subject to Section 315(a) through (d) of the TIA:

(a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel, or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within the rights or powers conferred upon it by this Indenture, unless the Trustee's conduct constitutes negligence.

(e) The Trustee may consult with counsel of its selection and the advice of such counsel as to matters of law shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

SECTION 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest (as such term is defined in Section 3.10(b) of the TIA), it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as trustee (to the extent permitted under Section 310(b) of the TIA) or resign. Any agent may do the same with like rights and duties. the Trustee is also subject to Sections 7.10 and 7.11 hereof.

SECTION 7.04. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 7.05. Trustee's Disclaimer.

The Trustee (i) makes no representation as to the validity or adequacy of this Indenture, the Notes or the Guarantees, (ii) is not be accountable for the Company's use of the proceeds from the Notes, and (iii) is not be responsible for any statement in the Notes other than its certificate of authentication.

SECTION 7.06. Notice of Defaults.

If a Default or Event of Default with respect to any tranche of Notes occurs and is continuing, and if it is actually known to the Trustee, the Trustee shall mail to Holders a notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in payment of any such Note, the Trustee may withhold the notice if and so long as it in good faith determines that withholding the notice is in the interests of the Holders.

SECTION 7.07. Reports by Trustee to Holders.

The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required by Section 313 of the TIA at the times and in the manner provided by the TIA, which initially shall be not less than every twelve months commencing on and may be dated as of a date up to 75 days prior to such transmission.

A copy of each report at the time of its mailing to Holders shall be filed with the SEC, if required, and each stock exchange, if any, on which the Notes are listed. The Company shall promptly notify the Trustee when the Notes of any tranche become listed on any stock exchange.

SECTION 7.08. Compensation and Indemnity.

The Company shall pay to the Trustee from time to time such compensation as shall be agreed in writing between the Company and the Trustee for its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee upon request for all reasonable disbursements, advances and expenses incurred by it, including in particular, but without limitation, those incurred in connection with the enforcement of any remedies hereunder. Such expenses may include the reasonable fees and out-of-pocket expenses of the Trustee's agents and counsel.

Except as set forth in the next paragraph, the Company shall indemnify and hold harmless the Trustee and any predecessor trustee against any and all loss and liability or expense, including taxes (other than taxes based upon, measured by or determined by the income of the Trustee) incurred by it arising out of or in connection with the acceptance or administration of the trust under this Indenture. The Trustee shall notify the Company promptly of any claim for which it may seek indemnity. The Company shall defend such claim and the Trustee shall cooperate in such defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and out-of-pocket expenses of such counsel.

The Company need not reimburse any expense or indemnify against any loss, liability, cost or expense incurred by the Trustee through negligence, wilful misconduct or bad faith.

To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay the principal of and interest on particular Notes. The Trustee's right to receive payment of any amounts due under this Section 7.07 will not be subordinate to any other liability or indebtedness of the Company.

The Company's payment obligations pursuant to this Section 7.07 shall survive the satisfaction and discharge of this Indenture. When the Trustee incurs expenses or renders services after an Event of Default specified in clause (vii) or (viii) of Section 6.01 hereof occurs, the expenses and the compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

The provisions of this Section shall survive the termination of this Indenture.

SECTION 7.09. Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.09.

The Trustee may resign and be discharged from the trust hereby created with respect to one or both tranches of Notes by so notifying the Company in writing. The Holders of a majority in principal amount of the then outstanding Notes of any tranche may remove the Trustee with respect to such tranche by so notifying the Trustee and the Company in writing. The Company must remove the Trustee with respect to one or both tranches of Notes if:

(i) the Trustee fails to comply with Section 7.10 hereof or Section 310 of the TIA;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a Custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

If, as to any tranche of Notes, the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Company shall promptly appoint a successor Trustee for such tranche of Notes. The Trustee shall be entitled to payment of its fees and reimbursement of its expenses while acting as Trustee. Within one year after the successor Trustee takes office, the Holders of at least a majority in principal amount of then outstanding Notes of such tranche may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

Any Holder of Notes of such tranche may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee if the Trustee fails to comply with Section 7.10 hereof.

If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation or removal, the resigning or removed Trustee, as the case may be, may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Notes of such tranche.

A successor Trustee as to any tranche of Notes shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The Company shall mail a notice of the successor Trustee's succession to the Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee with respect to expenses, losses and liabilities incurred by it prior to such replacement.

In case of the appointment hereunder of a successor Trustee with respect to the Notes of one but not both tranches, the Company, the retiring Trustee and each successor Trustee with respect to the Notes of one tranche shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which shall:

(i) contain such provisions as shall be necessary of desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Notes of the tranche to which the appointment of such successor Trustee relates;

(ii) contain such provisions as shall be necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Notes of the tranche as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee; and

(iii) add to or change any of the provisions of this Indenture as shall be necessary or desirable to provide for or facilitate the administration of the trusts hereunder by two Trustees; provided, however, that nothing contained herein or in such supplemental Indenture shall constitute such Trustee to be co-trustees of the same trust and that each such Trustee shall be trustee of a trust hereunder separate and apart from any trust hereunder administered by the other such Trustee.

Upon the execution and deliver of such supplemental Indenture, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Notes of that tranche to which the appointment of such successor Trustee relates.

SECTION 7.10. Successor Trustee by Merger, Etc.

Subject to Section 7.10 hereof, if the Trustee consolidates with, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation or national banking association, the successor entity without any further act shall be the successor Trustee as to such tranche of Notes.

SECTION 7.11. Eligibility; Disqualification.

The Trustee of each tranche of Notes shall at all times satisfy the requirements of Section 310(a)(1), (2) and (5) of the TIA. The Trustee as to any tranche of Notes shall at all times have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition. The Trustee is subject to Section 310(b) of the TIA.

SECTION 7.12. Preferential Collection of Claims Against the Company.

The Trustee is subject to Section 311(a) of the TIA, excluding any creditor relationship listed in Section 311(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the TIA to the extent indicated therein.

ARTICLE VIII

DISCHARGE OF INDENTURE

SECTION 8.01. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect with respect to any tranche of Notes (except as to any surviving rights of registration of transfer or exchange of Notes herein expressly provided for), and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such tranche, when:

(i) either:

(a) all Notes of such tranche previously authenticated and delivered (other than Notes of such tranche which have been destroyed, lost or stolen and which have been replaced or paid) have been delivered to the Trustee for cancellation; or

(b) all such Notes not previously delivered to the Trustee for cancellation have become due and payable (whether at stated maturity, early redemption or otherwise);

and, in the case of clause (b) above, the Company has deposited, or caused to be deposited, irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of Notes of such tranche, cash in U.S. dollars and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal of and interest on all the Notes on the dates such payments of principal or interest are due to maturity or redemption;

(ii) the Company has paid or caused to be paid all other sums payable hereunder by the Company with respect to the Notes of the applicable tranche; and

(iii) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture with respect to the Notes of such tranche have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 7.07 hereof shall survive, and, if money will have been deposited with the Trustee pursuant to subclause (b) of clause (i) of this Section, the obligations of the Trustee under Sections 8.02 and 8.05 hereof shall survive.

SECTION 8.02. Application of Trust Funds; Indemnification.

(a) Subject to the provisions of Section 8.05 hereof, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 8.01, 8.03 or 8.04 hereof and all money received by the Trustee in respect of U.S. Government Obligations deposited with the Trustee pursuant to Sections 8.01, 8.03 or 8.04 hereof, shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the persons entitled thereto, of the principal and interest for whose payment such money has been deposited with or received by the Trustee.

(b) The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against U.S. Government Obligations deposited pursuant to Sections 8.01, 8.03 or 8.04 hereof or the interest and principal received in respect of such obligations other than any payable by or on behalf of Holders.

(c) The Trustee shall deliver or pay to the Company from time to time upon the request of the Company any U.S. Government Obligations or money held by it as provided in Sections 8.01, 8.03 or 8.04 hereof which, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, are then in excess of the amount thereof which then would have been required to be deposited for the purpose for which such U.S. Government Obligations or money were deposited or received. This provision shall not authorize the sale by the Trustee of any U.S. Government Obligations held under this Indenture.

SECTION 8.03. Legal Defeasance.

The Company and the Guarantors shall be deemed to have been discharged from their obligations with respect to all of the outstanding Notes of any tranche and the related Guarantees on the 91st day after the date of the deposit referred to in subparagraph (d) hereof, and the provisions of this Indenture, as it relates to such outstanding Notes of such tranche and the related Guarantees, shall no longer be in effect (and the Trustee, at the expense of the Company, shall, upon the request of the Company, execute proper instruments acknowledging the same), except as to:

(i) the rights of Holders of Notes of such tranche to receive, solely from the trust funds described in subparagraph (a) hereof, payments of the principal of or interest on the outstanding Notes of such tranche on the date such payments are due;

(ii) the Company's obligations with respect to such Notes under Sections 2.04, 2.05, 2.07, 2.08, 2.09 and 2.10 hereof; and

(iii) the rights, powers, trust and immunities of the Trustee hereunder and the duties of the Trustee under Section 8.02 hereof and the duty of the Trustee to authenticate Notes issued on registration of transfer of exchange;

provided that the following conditions shall have been satisfied:

(a) the Company shall have deposited, or caused to be deposited, irrevocably with the Trustee as trust funds in trust for the purpose of making the following payments, specifically pledged as security for and dedicated solely to the benefit of the Holders of Notes of such tranche, cash in U.S. dollars and/or U.S. Government Obligations which through the payment of interest and principal in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be

imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal of and interest on all the Notes on the dates such payments of principal or interest are due to maturity or redemption;

(b) such deposit will not result in a breach or violation of, or constitute a default under, this Indenture;

(c) no Default or Event of Default with respect to such tranche shall have occurred and be continuing on the date of such deposit and 91 days shall have passed after the deposit has been made, and, during such 91 day period, no Default with respect to such tranche specified in Section 6.01(vii) or (viii) hereof with respect to the Company occurs which is continuing at the end of such period;

(d) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel to the effect that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (B) since the date of execution of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred;

(e) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company;

(f) such deposit shall not result in the trust arising from such deposit constituting an "investment company" (as defined in the Investment Company Act of 1940, as amended), or such trust shall be qualified under such Act or exempt from regulation thereunder; and

(g) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the defeasance contemplated by this Section 8.03 have been complied with.

SECTION 8.04. Covenant Defeasance.

On and after the 91st day after the date of the deposit referred to in subparagraph (a) hereof, the Company may omit to comply with any term, provision or condition set forth under

Sections 4.03(a), 4.04, 4.05, 4.07, 4.08 and 10.06 hereof as well as any additional covenants contained in a supplemental indenture hereto (and the failure to comply with any such provisions shall not constitute a Default or Event of Default with respect to such tranche under Section 6.01 hereof) and the occurrence of any event described in clause (iii) of Section 6.01 hereof shall not constitute a Default with respect to such tranche or Event of Default with respect to such tranche hereunder, with respect to the Notes of such tranche, provided that the following conditions shall have been satisfied:

(i) With reference to this Section 8.04, the Company has deposited, or caused to be deposited, irrevocably (except as provided in Section 8.05 hereof) with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders, cash in U.S. dollars and/or U.S. Government Obligations which through the payment of principal and interest in respect thereof, in accordance with their terms, will provide (and without reinvestment and assuming no tax liability will be imposed on such Trustee), not later than one day before the due date of any payment of money, an amount in cash, sufficient, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal and interest on all the Notes of such tranche on the dates such payments of principal and interest are due to maturity or redemption;

(ii) Such deposit will not result in a breach or violation of, or constitute a default under, this Indenture;

(iii) No Default or Event of Default with respect to the Notes of such tranche shall have occurred and be continuing on the date of such deposit and 91 days shall have passed after the deposit has been made, and, during such 91 day period, no Default with respect to the Notes of such tranche specified in Section 6.01(vii) or (viii) hereof with respect to the Company occurs which is continuing at the end of such period;

(iv) The Company shall have delivered to the Trustee an Opinion of Counsel confirming that Holders of the Notes of such tranche will not recognize income, gain or loss for federal income tax purposes as a result of such deposit and defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(v) The Company shall have delivered to the Trustee an Officers' Certificate stating the deposit was not made by the Company with the intent of preferring the Holders of the Notes of such tranche over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company;

(vi) such deposit shall not result in the trust arising from such deposit constituting an "investment company" (as defined in the Investment Company Act of

1940, as amended), or such trust shall be qualified under such Act or exempt from regulation thereunder; and

(vii) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the defeasance contemplated by this Section 8.04 have been complied with.

SECTION 8.05. Repayment to Company.

The Trustee and the Paying Agent shall pay to the Company upon request any money held by them for the payment of principal or interest that remains unclaimed for two years after the date upon which such payment shall have become due. After payment to the Company, Holders entitled to the money must look to the Company for payment as general creditors unless an applicable abandoned property law designates another Person.

ARTICLE IX

AMENDMENTS, SUPPLEMENTS AND WAIVERS

SECTION 9.01. Without Consent of Holders.

Without the consent of any Holder, the Company, the Guarantors and the Trustee may, at any time, amend this Indenture, the Notes or the Guarantees to:

(i) cure any ambiguity, defect or inconsistency, provided that such change does not adversely affect the rights hereunder of any Holder in any material respect;

(ii) provide for uncertificated Notes in addition to certificated Notes;

(iii) provide for the assumption of the Company's obligations to the Holders of Notes in the case of a merger or consolidation pursuant to Article V hereof;

(iv) comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA, provided that such change does not adversely affect the rights hereunder of any Holder in any material respect;

(v) make any change that does not adversely affect in any material respect the rights hereunder of any Holder;

(vi) add to the covenants of the Company and the Guarantors for the benefit of the Holders or to surrender any right or power herein conferred upon the Company or the Guarantors;

(vii) add a Guarantor or remove a Guarantor in respect to the Notes which, in accordance with the terms of this Indenture, ceases to be liable in respect of its Guarantee;

(viii) secure the Notes; or

(ix) provide for the issuance of the Exchange Notes, which will have terms substantially identical in all material respects to the Initial Notes of the same tranche (except that (i) such Exchange Notes shall not contain terms with respect to transfer restrictions and shall be registered under the Securities Act and (ii) certain provisions relating to an increase in the stated rate of interest thereon shall be eliminated) and which will be treated, together with any outstanding Initial Notes of the same tranche, as a single issue of securities.

SECTION 9.02. With Consent of Holders.

Except as provided below in this Section 9.02, this Indenture, the Notes or the Guarantees may be amended or supplemented, and noncompliance in any particular instance with any provision of this Indenture, the Notes or the Guarantees may be waived, in each case with the written consent of the Holders of at least a majority in principal amount of the then outstanding Notes of each tranche affected thereby.

Without the consent of each Holder of Notes of the affected tranche that is affected thereby, an amendment or waiver under this Section 9.02 may not:

(i) reduce the principal amount of Notes the Holders of which must consent to an amendment, supplement or waiver of any provision of this Indenture;

(ii) reduce the rate of or extend the time for payment of interest on any Note;

(iii) reduce the principal of or change the stated maturity of any Notes;

(iv) change the date on which any Note may be subject to redemption, or reduce the redemption price therefor;

(v) make any Note payable in currency other than that stated in the Note;

(vi) modify or change any provision of this Indenture affecting the ranking of the Notes in a manner which adversely affects the Holders thereof;

(vii) impair the right of any Holder to institute suit for the enforcement of any payment in or with respect to any Note;

(viii) modify or change any provision of any Guarantee in a manner which adversely affects the Holders of the Notes; or

(ix) make any change in the foregoing amendment and waiver provisions which require each Holder's consent.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Section 9.02 becomes effective, the Company shall mail to Holders affected thereby a notice briefly describing the amendment or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

SECTION 9.03. Compliance with Trust Indenture Act.

Every amendment to this Indenture or the Notes shall be set forth in a supplemental indenture that complies with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note; provided, however, that unless a record date shall have been established pursuant to Section 2.17 hereof, any such Holder or subsequent Holder may revoke the consent as to its Note or portion of a Note if the Trustee receives written notice of revocation before the date the amendment, supplement or waiver becomes effective. An amendment, supplement or waiver becomes effective on receipt by the Trustee of consents from the Holders of the requisite percentage principal amount of the outstanding Notes of any tranche, and thereafter shall bind every Holder of Notes of such tranche; provided, however, if the amendment, supplement or waiver makes a change described in any of the clauses (i) through (ix) of Section 9.02 hereof, the amendment, supplement or waiver shall bind only each Holder of a Note which has consented to it and every subsequent Holder of a Note or portion of a Note that evidences the same indebtedness as the consenting Holder's Note.

SECTION 9.05. Notation on or Exchange of Notes.

If an amendment, supplement or waiver changes the terms of a Note:

(a) the Trustee may require the Holder of a Note to deliver such Note to the Trustee, the Trustee may place an appropriate notation on the Note about the changed

terms and return it to the Holder and the Trustee may place an appropriate notation on any Note thereafter authenticated; or

(b) if the Company or the Trustee so determines, the Company in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. Trustee to Sign Amendment, etc.

The Trustee shall sign any amendment authorized pursuant to this Article IX if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing or refusing to sign such amendment, the Trustee shall be entitled to receive and shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel as conclusive evidence that such amendment is authorized or permitted by this Indenture.

ARTICLE X

GUARANTEES

SECTION 10.01. Guarantees.

(a) Subject to the provisions of this Article X, each Guarantor, jointly and severally, irrevocably and unconditionally guarantees to each Holder of Notes and to the Trustee on behalf of the Holders:

(i) the due and punctual payment in full of principal of and interest on the Notes when due, whether at stated maturity, upon acceleration, redemption or otherwise;

(ii) the due and punctual payment in full of interest on the overdue principal of and, to the extent permitted by law, interest on the Notes; and

(iii) the due and punctual payment of all other Obligations of the Company and the other Guarantors to the Holders or the Trustee hereunder or under the Notes, including, without limitation, the payment of fees, expenses, indemnification or other amounts.

In case of the failure of the Company punctually to make any such principal or interest payment or the failure of the Company or any other Guarantor to pay any such other Obligation, each Guarantor agrees to cause any such payment to be made punctually when due, whether at stated

maturity, upon acceleration, redemption or otherwise, and as if such payment were made by the Company and to perform any such other Obligation of the Company immediately. Each Guarantor further agrees to pay any and all expenses (including reasonable counsel fees and expenses) incurred by the Trustee or the Holders in enforcing any rights under these Guarantees. The Guarantees under this Article X are guarantees of payment and not of collection.

(b) Each of the Company and the Guarantors waives diligence, presentment, demand of payment, filing of claims with a court in the event of merger, insolvency or bankruptcy of the Company or any other Guarantor, any right to require a proceeding first against the Company or any other Guarantor, protest or notice with respect to the Notes and all demands whatsoever, and covenants that these Guarantees shall not be discharged except by complete performance of the Obligations contained in the Notes and in this Indenture, or as otherwise specifically provided therein or herein.

(c) Each Guarantor waives and relinquishes:

(i) any right to require the Trustee, the Holders or the Company (each, a "Benefited Party") to proceed against the Company, the Subsidiaries of the Company or any other Person or to proceed against or exhaust any security held by a Benefited Party at any time or to pursue any other remedy in any secured party's power before proceeding against the Guarantors;

(ii) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other Person or Persons or the failure of a Benefited Party to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other Person or Persons;

(iii) demand, protest and notice of any kind (except as expressly required by this Indenture), including, but not limited to, notice of the existence, creation or incurrence of any new or additional indebtedness or obligation or of any action or non-action on the part of the Guarantors, the Company, the Subsidiaries of the Company, any Benefited Party, any creditor of the Guarantors, the Company or the Subsidiaries of the Company or on the part of any other Person whomsoever in connection with any obligations the performance of which are hereby guaranteed;

(iv) any defense based upon an election of remedies by a Benefited Party, including but not limited to an election to proceed against the Guarantors for reimbursement;

(v) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

(vi) any defense arising because of a Benefited Party's election, in any proceeding instituted under the Bankruptcy Law, of the application of Section 1111(b)(2) of the Bankruptcy Law; and

(vii) any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Law.

(d) Each Guarantor further agrees that, as between such Guarantor, on the one hand, and Holders and the Trustee, on the other hand:

(i) for purposes of the relevant Guarantee, the maturity of the Obligations Guaranteed by such Guarantee may be accelerated as provided in Article VI, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed thereby, and

(ii) in the event of any acceleration of such Obligations (whether or not due and payable) such Obligations shall forthwith become due and payable by such Guarantor for purposes of such Guarantee.

(e) The Guarantees shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment, or any part thereof, of principal of or interest on any of the Notes is rescinded or must otherwise be returned by the Holders or the Trustee upon the insolvency, bankruptcy or reorganization of the Company or any of the Guarantors, all as though such payment had not been made.

(f) Each Guarantor shall be subrogated to all rights of the Holders against the Company in respect of any amounts paid by such Guarantor pursuant to the provisions of the Guarantees or this Indenture; provided, however, that a Guarantor shall not be entitled to enforce or to receive any payments until the principal of and interest on all Notes issued hereunder shall have been paid in full.

SECTION 10.02. Obligations of Guarantors Unconditional.

Each Guarantor agrees that its Obligations hereunder shall be Guarantees of payment and shall be unconditional, irrespective of and unaffected by the validity, regularity or enforceability of the Notes or this Indenture, or of any amendment thereto or hereto, the absence of any action to enforce the same, the waiver or consent by any Holder or by the Trustee with respect to any provisions thereof or of this Indenture, the entry of any judgment against the Company or any other Guarantor or any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

SECTION 10.03. Limitation on Guarantors' Liability.

Each Guarantor, and by its acceptance hereof each Holder, confirms that it is the intention of all such parties that the Guarantee by such Guarantor pursuant to its Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law. To effectuate the foregoing intention, the Holders and such Guarantor irrevocably agree that the Obligations of such Guarantor under this Article X shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the Obligations of such other Guarantor under this Article X, result in the Obligations of such Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance under applicable federal or state law.

SECTION 10.04. Releases of Guarantees.

(a) If the Notes of any tranche are defeased in accordance with the terms of Article VIII of this Indenture, then each Guarantor shall be deemed to have been released from and discharged of its obligations under its Guarantee as provided in Article VIII hereof in respect of such Notes, subject to the conditions stated therein.

(b) In the event an entity that is a Guarantor ceases to be a guarantor under the Principal Credit Facilities, such entity shall also cease to be a Guarantor, whether or not a Default or an Event of Default is then outstanding. In connection with any Guarantor ceasing to be a Guarantor hereunder, the Company shall deliver to the Trustee an Officers' Certificate certifying that a Guarantor has ceased to be a guarantor under the Principal Credit Facilities (or will cease to be a guarantor concurrently with it ceasing to be a Guarantor). Upon delivery to the Trustee of such Officers' Certificate, upon the request of the Company, the Trustee shall execute proper documents acknowledging the release of such Guarantor from its obligations under the Indenture and the Notes, effective upon the Guarantor ceasing to be a guarantor under the Principal Credit Facilities.

(c) Any Guarantor not released from its obligations under its Guarantee shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of the Company, such Guarantor and any other Guarantor under this Indenture as provided in this Article X.

SECTION 10.05. Application of Certain Terms and Provisions to Guarantors.

(a) For purposes of any provision of this Indenture which provides for the delivery by any Guarantor of an Officers' Certificate or an Opinion of Counsel or both, the definitions of such terms in Section 1.01 hereof shall apply to such Guarantor as if references therein to the Company were references to such Guarantor.

(b) Any request, direction, order or demand which by any provision of this Indenture is to be made by any Guarantor shall be sufficient if evidenced by a written order of the Guarantor signed by one Officer of such Guarantor.

(c) Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Holders to or on any Guarantor may be given or served as described in Section 11.02 hereof.

(d) Upon any demand, request or application by any Guarantor to the Trustee to take any action under this Indenture, such Guarantor shall furnish to the Trustee such certificates and opinions as are required in Section 7.02 hereof as if all references therein to the Company were references to such Guarantor.

SECTION 10.06. Additional Guarantors.

The Company shall cause each subsidiary of the Company that becomes a guarantor under the Principal Credit Facilities (including any subsidiary that may have been formerly released as a Guarantor pursuant to Section 10.04), after the Issue Date, to execute and deliver to the Trustee, promptly upon any such formation or acquisition:

(i) a supplemental indenture in form and substance satisfactory to the Trustee which subjects such subsidiary to the provisions of this Indenture as a Guarantor, and

(ii) an Opinion of Counsel to the effect that such supplemental indenture has been duly authorized and executed by such subsidiary and constitutes the legally valid and binding obligation of such subsidiary (subject to exceptions concerning fraudulent conveyance laws, creditors' rights and equitable principles and other customary exceptions as may be acceptable to the Trustee in its discretion).

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Trust Indenture Act Controls.

This Indenture is subject to the provisions of the TIA which are required to be part of this Indenture, and shall, to the extent applicable, be governed by such provisions.

SECTION 11.02. Notices.

Any notice or communication to the Company, the Guarantors or the Trustee is duly given if in writing and delivered in person or mailed by first-class mail to the address set forth below:

If to the Company or any Guarantor, addressed to the Company or such Guarantor:

Lear Corporation
21557 Telegraph Road
Southfield, Michigan 48086-5008
Attention: Chief Financial Officer

with a copy to:

Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
Attention: John L. MacCarthy, Esq.

If to the Trustee:
The Bank of New York
101 Barclay Street
21st Floor
New York, New York 10286
Attention: Corporate Trust Administration

The Company, the Guarantors or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to a Holder shall be mailed by first-class mail to his address shown on the Register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in such notice or communication shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or sent in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it, except that notice to the Trustee shall only be effective upon receipt thereof by the Trustee.

If the Company or any Guarantor mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

SECTION 11.03. Communication by Holders with Other Holders.

Holders may communicate pursuant to Section 312(b) of the TIA with other Holders with respect to their rights under the Notes, the Guarantees or this Indenture. The Company, the Guarantors, the Trustee, the Registrar and anyone else shall have the protection of Section 312(c) of the TIA.

SECTION 11.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(i) an Officers' Certificate (which shall include the statements set forth in Section 11.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an Opinion of Counsel (which shall include the statements set forth in Section 11.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

SECTION 11.05. Statements Required in Certificate or Opinion.

Each certificate (other than certificates provided pursuant to Section 4.04 hereof) or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that each individual signing such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of each such person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of each such person, such condition or covenant has been complied with; provided, however, that with respect to matters of fact, an Opinion of Counsel may rely on an Officers' Certificate or certificate of public officials.

SECTION 11.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or for a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 11.07. Legal Holidays.

A "Legal Holiday" is a Saturday, a Sunday or a day on which banking institutions in The City of New York are not required or authorized to be open. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue for the intervening period.

SECTION 11.08. Duplicate Originals.

The parties may sign any number of copies of this Indenture. One signed copy is enough to prove this Indenture.

SECTION 11.09. GOVERNING LAW.

THIS INDENTURE, THE NOTES AND THE GUARANTEES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 11.10. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or any of its Subsidiaries. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 11.11. Successors.

All agreements of the Company under the Notes and this Indenture and of the Guarantors under the Guarantees and this Indenture shall bind their respective successors. All agreements of the Trustee in this Indenture shall bind its successor.

SECTION 11.12. Severability.

In case any provision in the Notes or in the Guarantees or in this Indenture is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11.13. Counterpart Originals.

This Indenture may be signed in one or more counterparts. Each signed copy shall be an original, but all of them together represent the same agreement.

LEAR CORPORATION

By: /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President, General Counsel and Secretary

Dated: May 18, 1999

LEAR OPERATIONS CORPORATION

By: /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President, Secretary and General Counsel

Dated: May 18, 1999

LEAR CORPORATION AUTOMOTIVE HOLDINGS

By: /s/ Joseph F. McCarthy

Name: Joseph F. McCarthy
Title: Vice President and Secretary

Dated: May 18, 1999

THE BANK OF NEW YORK, as Trustee

By: /s/ Remo Reale

Name: Remo Reale
Title:

Dated: May 18, 1999

EXHIBIT A

[Form of 2005 Note]

[FACE OF NOTE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO LEAR CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.(1)

THE NOTE EVIDENCED HEREBY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTE EVIDENCED HEREBY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), RESELL OR OTHERWISE TRANSFER THE NOTE EVIDENCED HEREBY EXCEPT (A) TO LEAR CORPORATION OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THE NOTE EVIDENCED HEREBY(THE FORM OF WHICH LETTER CAN BE OBTAINED FROM SUCH TRUSTEE

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(1) This legend should be included only if the Note is issued in global form.

OR A SUCCESSOR TRUSTEE, AS APPLICABLE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES AT THE TIME OF TRANSFER OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO LEAR CORPORATION THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER) AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE NOTE EVIDENCED HEREBY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THE NOTE EVIDENCED HEREBY PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTE EVIDENCED HEREBY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE). IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.(2)

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(2) This legend should be included only as set forth in Section 2.02(a) of the Indenture.

LEAR CORPORATION

7.96% [Series B]3 Senior Note due 2005

CUSIP

No. $

LEAR CORPORATION, a Delaware corporation (the "Company", which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to , or its registered assigns, the principal sum of U.S. Dollars ($) on May 15, 2005.

Interest Payment Dates: May 15 and November 15, commencing November 15, 1999

Regular Record Dates: May 1 and November 1

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

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(3) Include only for the Exchange Notes.

IN WITNESS WHEREOF, the Company has caused this Note to be executed manually or by facsimile by its duly authorized officers.

Dated:

LEAR CORPORATION

By:

Name:
Title:

By:

Name:
Title:

Trustee's Certificate of Authentication

This is one of the 7.96% Senior Notes due 2005 referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK,
as Trustee

By:

Authorized Signatory

Date:

[REVERSE SIDE OF NOTE]

LEAR CORPORATION

7.96% [Series B]4 Senior Note due 2005

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Principal and Interest.

Lear Corporation, a Delaware corporation (the "Company") promises to pay interest on the principal amount of this Note at a rate of 7.96% per annum from the date of issuance until repayment at maturity or redemption. The Company will pay interest semiannually on May 15 and November 15 of each year (each, an "Interest Payment Date"), commencing November 15, 1999. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand, to the extent permitted by law, at the rate borne by this Note; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent permitted by law.

In accordance with the terms of the Registration Rights Agreement dated May 18, 1999 among the Company, the Guarantors and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc., the annual interest rate borne by the Initial Notes shall be increased by 0.25% from the rate shown above ("Additional Interest") on (A) September 16, 1999 if neither an exchange offer registration statement (the "Exchange Offer Registration Statement") nor shelf registration statement (the "Shelf Registration Statement") is filed prior to or on September 15, 1999, (B) December 15, 1999 if neither the Exchange Offer Registration Statement nor Shelf Registration Statement is declared effective by the Securities and Exchange Commission prior to or on December 14, 1999, (C) the 31st Business Day after the date on which the Exchange Offer Registration Statement was declared effective if the Company has not exchanged Exchange Notes for all Initial Notes validly tendered in accordance with the terms of an exchange offer (the "Exchange Offer") prior to or on 30 Business days after such effective the date, or (D) if applicable, the day the Shelf Registration Statement ceases to be effective if the

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(4) Include only for the Exchange Notes.

Shelf Registration Statement has been declared effective but then ceases to be effective at any time prior to the expiration of the holding period referred to in Rule 144(k). Any amount of Additional Interest will be payable in cash semiannually, in arrears, on each Interest Payment Date and will cease to accrue on the date (1) the Exchange Offer Registration Statement or Shelf Registration Statement is filed, in the case of (A) above, (2) the Exchange Offer Registration Statement or Shelf Registration Statement is declared effective, in the case of (B) above, and (3) the Exchange Notes are exchanged for all Initial Notes validly tendered in accordance with the terms of the Exchange Offer, in the case of (C) above, or (4) the Shelf Registration Statement which had ceased to remain effective prior to the expiration of the holding period referred to in Rule 144(k) is declared effective, in the case of (D) above. The Holder of this Note is entitled to the benefits of such Registration Rights Agreement. References herein to interest include any Additional Interest.

Notwithstanding any other provision of the Indenture or this Note: (i) accrued and unpaid interest on the Initial Notes being exchanged in the Exchange Offer shall be due and payable on the next Interest Payment Date for the Exchange Notes following the Exchange Offer and shall be paid to the Holder on the relevant record date of the Exchange Notes issued in respect of the Initial Notes being exchanged, (ii) interest on the Initial Notes being exchanged in the Exchange Offer shall cease to accrue on the date of completion of the Exchange Offer and interest on the Exchange Notes to be issued in the Exchange Offer shall accrue from the date of completion of the Exchange Offer and (iii) the Exchange Notes shall have no provisions for Additional Interest.

2. Method of Payment.

The Company will pay interest on the principal amount of the Notes as provided above on each Interest Payment Date, commencing November 15, 1999, to the persons which are Holders (as reflected in the Register at the close of business on the May 1 or November 1 immediately preceding the Interest Payment Date), in each case, even if the Note is cancelled on registration of transfer or registration of exchange after such record date; provided that, with respect to the payment of principal, the Company will make payment to the Holder that surrenders this Note to a Paying Agent on or after May 15, 2005.

The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. If a payment date is a date other than a Business Day at a place of payment, payment may be made at that place on the next succeeding day that is a Business Day and no interest shall accrue for the intervening period.

Principal of, and premium, if any, and interest on, Physical Notes will be payable, and Physical Notes may be presented for registration of transfer or exchange, at the office or agency of the Company maintained for such purpose. Principal of, and premium, if any, and interest on, Global Notes will be payable by the Company through the Trustee to the Depositary in immediately available funds. Holders of Physical Notes will be entitled to receive interest payments by wire transfer in immediately available funds if appropriate wire transfer instructions

have been received in writing by the Trustee not less than 15 days prior to the applicable Interest Payment Date. Such wire instructions, upon receipt by the Trustee, shall remain in effect until revoked by such Holder. If wire instructions have not been received by the Trustee with respect to any Holder of a Physical Note, payment of interest may be made by check in immediately available funds mailed to such Holder at the address set forth upon the Register maintained by the Registrar.

3. Paying Agent and Registrar.

Initially, The Bank of New York, the Trustee under the Indenture, will act as Paying Agent and the Registrar. The Company may change the Paying Agent or transfer agent without notice to any Holder. The Company, any Subsidiary of the Company or any Affiliate of any of them may act as a Paying Agent or a transfer agent, subject to certain limitations.

4. Indenture.

The Company issued the Notes under an Indenture dated as of May 15, 1999 (the "Indenture"), among the Company, the Guarantors and The Bank of New York, as trustee (the "Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended ("TIA"). The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture shall control.

5. Guarantees.

The Notes are guaranteed by the Guarantors, subject to the release of such guarantees under certain circumstances, as provided in the Indenture.

6. Optional Redemption.

The Notes will be redeemable, in whole or in part, upon not less than 30 nor more than 60 days' notice, at any time at the option of the Company, at the Redemption Price equal to the greater of: (i) 100% of the principal amount of such Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and unpaid interest on the Notes being redeemed from the Redemption Date to the maturity date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, plus in each case any interest accrued but not paid to the Redemption Date.

Notes in original denominations larger than $1,000 may be redeemed in part. On and after the Redemption Date, interest ceases to accrue on Notes or portions of Notes called for redemption, unless the Company defaults in the payment of the Redemption Price.

7. Mandatory Redemption

The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

8. Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of $1,000 of principal amount and integral multiples of $1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer or exchange of any Notes selected for redemption. Also, it need not register the transfer or exchange of any Notes for a period beginning at the opening of business 15 Business Days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection.

9. Persons Deemed Owners.

The registered Holder of a Note shall be treated as its owner for all purposes.

10. Unclaimed Money.

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee and the Paying Agent will pay the money back to the Company at its request. After that, Holders entitled to the money must look to the Company for payment, unless an abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. Discharge Prior to Redemption or Maturity.

Subject to certain conditions contained in the Indenture, at any time some or all of the obligations under the Notes, the Guarantees and the Indenture may be terminated if the Company deposits with the Trustee money and/or U.S. Government Obligations sufficient to pay the principal of, and premium, if any, and interest on, the Notes to redemption or stated maturity, as the case may be.

12. Amendment; Supplement; Waiver.

Subject to certain exceptions, the Indenture, the Notes and the Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding, and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding. Without

notice to or the consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency and make any change that does not materially and adversely affect the rights of any Holder.

13. Restrictive Covenants.

The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries, among other things, to create liens and engage in sale and lease-back transactions. In addition, the Indenture imposes certain limitations on the ability of the Company to engage in mergers and consolidations or transfers of all or substantially all of its assets. The Indenture requires the Company to deliver to the Trustee an Officers' Certificate within 120 days after the end of each fiscal year stating whether or not the signers thereof know of any Default or Event of Default under such restrictive covenants.

14. Defaults and Remedies.

The Indenture provides that each of the following events constitutes an Event of Default with respect to this Note: (i) failure to pay principal of any Note when it becomes due and payable at stated maturity, upon acceleration, redemption or otherwise; (ii) failure to pay interest on any Note when it becomes due and payable and such Default continues for a period of 30 days; (iii) failure to comply with any of the other agreements or covenants under the Indenture, which failure is not cured within 30 days after notice is given as specified in the Indenture; (iv) any Guarantee ceases to be in full force and effect or any Guarantor denies or disaffirms its obligations under its Guarantee, except, in each case, in connection with a release of a Guarantee in accordance with the terms of this Indenture; (v) the nonpayment at maturity or other default (beyond any applicable grace period) under any agreement or instrument relating to any other Indebtedness of the Company or any of its Subsidiaries (the unpaid principal amount of which is not less than $40 million), which default results in the acceleration of the maturity of such Indebtedness prior to its stated maturity or occurs at the final maturity thereof; (vi) the entry of any final judgment or orders against the Company or any of its Subsidiaries in excess of $40 million individually or in the aggregate (not covered by insurance) that is not paid, discharged or otherwise stayed (by appeal or otherwise) within 60 days after the entry of such judgments or orders; and (vii) certain events of bankruptcy, insolvency or reorganization of the Company or any Significant Subsidiary.

If an Event of Default occurs and is continuing, the principal amount hereof may be declared due and payable in the manner and with the effect provided in the Indenture.

15. Trustee Dealings with the Company.

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from and perform services for the Company or its Affiliates and may otherwise deal with the Company or its Affiliates as if it were not the Trustee.

16. No Recourse Against Others.

A director, officer, employee, agent, manager, controlling person, stockholder, incorporator or other Affiliate of the Company, as such, shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

17. Authentication.

This Note shall not be valid until the Trustee (or authenticating agent) executes the certificate of authentication on the other side of this Note.

18. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

19. Additional Rights of Holders of Transfer Restricted Securities.

In addition to the rights provided to Holders under the Indenture, Holders of Transfer Restricted Securities shall have all the rights set forth in the Registration Rights Agreement.

20. CUSIP Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

21. GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

22. Successor Corporation.

In the event a successor corporation assumes all the obligations of the Company under the Notes and the Indenture, pursuant to the terms thereof, the Company will be released from all such obligations.

ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

- ---

(Insert assignee's soc. sec. or tax I.D. no.)

- ---

- ---

- ---

- ---

(Print or type assignee's name, address and zip code)

and irrevocably appoint
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: --------

Your Name: ----------

(Print your name exactly as it appears on the face of this Note)

Your Signature: ----------

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: ----------

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL NOTES OTHER THAN EXCHANGE NOTES, REGULATION S PERMANENT GLOBAL NOTES AND UNLEGENDED REGULATION S PHYSICAL NOTES]

In connection with any transfer of this Note occurring prior to the date which is the earlier of the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933 provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.09 of the Indenture shall have been satisfied.

Date: ----------

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion, in each case for investment and not with a view to distribution, and that it and any such account is a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act of 1933 and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: ----------

NOTICE: To be executed by an executive officer

SCHEDULE OF EXCHANGES OF DEFINITIVE NOTE(5)

The following exchanges of a part of this Global Note for Physical Notes have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

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(5) This schedule should be included only if the Note is issued in global form.

EXHIBIT B

[Form of 2009 Note]

[FACE OF NOTE]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO LEAR CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.(1)

THE NOTE EVIDENCED HEREBY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "INSTITUTIONAL ACCREDITED INVESTOR") OR (C) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT; (2) AGREES THAT IT WILL NOT, PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTE EVIDENCED HEREBY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), RESELL OR OTHERWISE TRANSFER THE NOTE EVIDENCED HEREBY EXCEPT (A) TO LEAR CORPORATION OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT, PRIOR TO SUCH TRANSFER, FURNISHES TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND AGREEMENTS RELATING TO THE RESTRICTIONS ON TRANSFER OF THE NOTE EVIDENCED HEREBY (THE FORM OF WHICH LETTER CAN BE OBTAINED FROM SUCH TRUSTEE OR A

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(1) This legend should be included only if the Note is issued in global form.

SUCCESSOR TRUSTEE, AS APPLICABLE), AND, IF SUCH TRANSFER IS IN RESPECT OF AN AGGREGATE PRINCIPAL AMOUNT OF NOTES AT THE TIME OF TRANSFER OF LESS THAN $250,000, AN OPINION OF COUNSEL ACCEPTABLE TO LEAR CORPORATION THAT SUCH TRANSFER IS IN COMPLIANCE WITH THE SECURITIES ACT, (D) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT (AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER) AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE NOTE EVIDENCED HEREBY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THE NOTE EVIDENCED HEREBY PRIOR TO EXPIRATION OF THE HOLDING PERIOD APPLICABLE TO SALES OF THE NOTE EVIDENCED HEREBY UNDER RULE 144(k) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR PROVISION), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE). IF THE PROPOSED TRANSFEREE IS AN INSTITUTIONAL ACCREDITED INVESTOR OR A PURCHASER WHO IS NOT A U.S. PERSON, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE BANK OF NEW YORK, AS TRUSTEE (OR A SUCCESSOR TRUSTEE, AS APPLICABLE), SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS IT MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.(2)

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(2) This legend should be included only as set forth in Section 2.02(a) of the Indenture.

LEAR CORPORATION

8.11% [Series B](3) Senior Note due 2009

CUSIP

No. $

LEAR CORPORATION, a Delaware corporation (the "Company", which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to , or its registered assigns, the principal sum of U.S. Dollars ($) on May 15, 2009.

Interest Payment Dates: May 15 and November 15, commencing November 15, 1999

Regular Record Dates: May 1 and November 1

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

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(3) Include only for the Exchange Notes.

IN WITNESS WHEREOF, the Company has caused this Note to be executed manually or by facsimile by its duly authorized officers.

Dated:

LEAR CORPORATION

By:

Name:
Title:

By:

Name:
Title:

Trustee's Certificate of Authentication

This is one of the 8.11% Senior Notes due 2009
referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK,
as Trustee

By:

Authorized Signatory

Date:

[REVERSE SIDE OF NOTE]

LEAR CORPORATION

8.11% [Series B](4) Senior Note due 2009

Capitalized terms used herein but not defined shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Principal and Interest.

Lear Corporation, a Delaware corporation (the "Company") promises to pay interest on the principal amount of this Note at a rate of 8.11% per annum from the date of issuance until repayment at maturity or redemption. The Company will pay interest semiannually on May 15 and November 15 of each year (each, an "Interest payment Date"), commencing November 15, 1999. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand, to the extent permitted by law, at the rate borne by this Note; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent permitted by law.

In accordance with the terms of the Registration Rights Agreement dated May 18, 1999 among the Company, the Guarantors and Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Chase Securities Inc., Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc., NationsBanc Montgomery Securities LLC, Scotia Capital Markets (USA) Inc. and TD Securities (USA) Inc., the annual interest rate borne by the Initial Notes shall be increased by 0.25% from the rate shown above ("Additional Interest") on (A) September 16, 1999 if neither an exchange offer registration statement (the "Exchange Offer Registration Statement") nor shelf registration statement (the "Shelf Registration Statement") is filed prior to or on September 15, 1999, (B) December 15, 1999 if neither the Exchange Offer Registration Statement nor Shelf Registration Statement is declared effective by the Securities and Exchange Commission prior to or on December 14, 1999, (C) the 31st Business Day after the date on which the Exchange Offer Registration Statement was declared effective if the Company has not exchanged Exchange Notes for all Initial Notes validly tendered in accordance with the terms of an exchange offer (the "Exchange Offer") prior to or on 30 days after such effective the date, or (D) if applicable, the day the Shelf Registration Statement ceases to be effective if the Shelf

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(4) Include only for the Exchange Notes.

Registration Statement has been declared effective but then ceases to be effective at any time prior to the expiration of the holding period referred to in Rule 144(k). Any amount of Additional Interest will be payable in cash semiannually, in arrears, on each Interest Payment Date and will cease to accrue on the date (1) the Exchange Offer Registration Statement or Shelf Registration Statement is filed, in the case of (A) above, (2) the Exchange Offer Registration Statement or Shelf Registration Statement is declared effective, in the case of (B) above, and (3) the Exchange Notes are exchanged for all Initial Notes validly tendered in accordance with the terms of the Exchange Offer, in the case of (C) above, or (4) the Shelf Registration Statement which had ceased to remain effective prior to the expiration of the holding period referred to in Rule 144(k) is declared effective, in the case of (D) above. References herein to interest include any Additional Interest. The Holder of this Note is entitled to the benefits of such Registration Rights Agreement.

Notwithstanding any other provision of the Indenture or this Note: (i) accrued and unpaid interest on the Initial Notes being exchanged in the Exchange Offer shall be due and payable on the next Interest Payment Date for the Exchange Notes following the Exchange Offer and shall be paid to the Holder on the relevant record date of the Exchange Notes issued in respect of the Initial Notes being exchanged, (ii) interest on the Initial Notes being exchanged in the Exchange Offer shall cease to accrue on the date of completion of the Exchange Offer and interest on the Exchange Notes to be issued in the Exchange Offer shall accrue from the date of completion of the Exchange Offer and (iii) the Exchange Notes shall have no provisions for Additional Interest".

2. Method of Payment.

The Company will pay interest on the principal amount of the Notes as provided above on each Interest Payment Date, commencing November 15, 1999, to the persons which are Holders (as reflected in the Register at the close of business on the May 1 or November 1 immediately preceding the Interest Payment Date), in each case, even if the Note is cancelled on registration of transfer or registration of exchange after such record date; provided that, with respect to the payment of principal, the Company will make payment to the Holder that surrenders this Note to a Paying Agent on or after May 15, 2009.

The Company will pay principal, premium, if any, and interest in money of the United States that at the time of payment is legal tender for payment of public and private debts. If a payment date is a date other than a Business Day at a place of payment, payment may be made at that place on the next succeeding day that is a Business Day and no interest shall accrue for the intervening period.

Principal of, and premium, if any, and interest on, Physical Notes will be payable, and Physical Notes may be presented for registration of transfer or exchange, at the office or agency of the Company maintained for such purpose. Principal of, and premium, if any, and interest on, Global Notes will be payable by the Company through the Trustee to the Depositary in immediately available funds. Holders of Physical Notes will be entitled to receive interest

payments by wire transfer in immediately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 days prior to the applicable Interest Payment Date. Such wire instructions, upon receipt by the Trustee, shall remain in effect until revoked by such Holder. If wire instructions have not been received by the Trustee with respect to any Holder of a Physical Note, payment of interest may be made by check in immediately available funds mailed to such Holder at the address set forth upon the Register maintained by the Registrar.

3. Paying Agent and Registrar.

Initially, The Bank of New York, the Trustee under the Indenture, will act as Paying Agent and the Registrar. The Company may change the Paying Agent or transfer agent without notice to any Holder. The Company, any Subsidiary of the Company or any Affiliate of any of them may act as a Paying Agent or a transfer agent, subject to certain limitations.

4. Indenture.

The Company issued the Notes under an Indenture dated as of May 15, 1999 (the "Indenture"), among the Company, the Guarantors and The Bank of New York, as trustee (the "Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended ("TIA"). The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of all such terms. To the extent permitted by applicable law, in the event of any inconsistency between the terms of this Note and the terms of the Indenture, the terms of the Indenture shall control.

5. Guarantees.

The Notes are guaranteed by the Guarantors, subject to the release of such guarantees under certain circumstances, as provided in the Indenture.

6. Optional Redemption.

The Notes will be redeemable, in whole or in part, upon not less than 30 nor more than 60 days' notice, at any time at the option of the Company, at the Redemption Price equal to the greater of: (i) 100% of the principal amount of such Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and unpaid interest on the Notes being redeemed from the Redemption Date to the maturity date discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points, plus, in each case, any interest accrued but not paid to the Redemption Date.

Notes in original denominations larger than $1,000 may be redeemed in part. On and after the Redemption Date, interest ceases to accrue on Notes or portions of Notes called for redemption, unless the Company defaults in the payment of the Redemption Price.

7. Mandatory Redemption

The Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

8. Denominations; Transfer; Exchange.

The Notes are in registered form without coupons in denominations of $1,000 of principal amount and integral multiples of $1,000 in excess thereof. A Holder may register the transfer or exchange of Notes in accordance with the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not register the transfer or exchange of any Notes selected for redemption. Also, it need not register the transfer or exchange of any Notes for a period beginning at the opening of business 15 Business Days before the day of any selection of Notes for redemption under Section 3.02 hereof and ending at the close of business on the day of selection.

9. Persons Deemed Owners.

The registered Holder of a Note shall be treated as its owner for all purposes.

10. Unclaimed Money.

If money for the payment of principal, premium, if any, or interest remains unclaimed for two years, the Trustee and the Paying Agent will pay the money back to the Company at its request. After that, Holders entitled to the money must look to the Company for payment, unless an abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

11. Discharge Prior to Redemption or Maturity.

Subject to certain conditions contained in the Indenture, at any time some or all of the obligations under the Notes, the Guarantees and the Indenture may be terminated if the Company deposits with the Trustee money and/or U.S. Government Obligations sufficient to pay the principal of, and premium, if any, and interest on, the Notes to redemption or stated maturity, as the case may be.

12. Amendment; Supplement; Waiver.

Subject to certain exceptions, the Indenture, the Notes and the Guarantees may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding, and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding. Without notice to or the consent of any Holder, the parties thereto may amend or supplement the Indenture, the Notes or the Guarantees to, among other things, cure any ambiguity, defect or inconsistency and make any change that does not materially and adversely affect the rights of any Holder.

13. Restrictive Covenants.

The Indenture imposes certain limitations on the ability of the Company and its Restricted Subsidiaries, among other things, to create liens and engage in sale and lease-back transactions. In addition, the Indenture imposes certain limitations on the ability of the Company to engage in mergers and consolidations or transfers of all or substantially all of its assets. The Indenture requires the Company to deliver to the Trustee an Officers' Certificate within 120 days after the end of each fiscal year stating whether or not the signers thereof know of any Default or Event of Default under such restrictive covenants.

14. Defaults and Remedies.

The Indenture provides that each of the following events constitutes an Event of Default with respect to this Note: (i) failure to pay principal of any Note when it becomes due and payable at stated maturity, upon acceleration, redemption or otherwise; (ii) failure to pay interest on any Note when it becomes due and payable and such Default continues for a period of 30 days; (iii) failure to comply with any of the other agreements or covenants under the Indenture, which failure is not cured within 30 days after notice is given as specified in the Indenture; (iv) any Guarantee ceases to be in full force and effect or any Guarantor denies or disaffirms its obligations under its Guarantee, except, in each case, in connection with a release of a Guarantee in accordance with the terms of this Indenture; (v) the nonpayment at maturity or other default (beyond any applicable grace period) under any agreement or instrument relating to any other Indebtedness of the Company or any of its Subsidiaries (the unpaid principal amount of which is not less than $40 million), which default results in the acceleration of the maturity of such Indebtedness prior to its stated maturity or occurs at the final maturity thereof; (vi) the entry of any final judgment or orders against the Company or any of its Subsidiaries in excess of $40 million individually or in the aggregate (not covered by insurance) that is not paid, discharged or otherwise stayed (by appeal or otherwise) within 60 days after the entry of such judgments or orders; and (vii) certain events of bankruptcy, insolvency or reorganization of the Company "or any Significant Subsidiary.

If an Event of Default occurs and is continuing, the principal amount hereof may be declared due and payable in the manner and with the effect provided in the Indenture.

15. Trustee Dealings with the Company.

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from and perform services for the Company or its Affiliates and may otherwise deal with the Company or its Affiliates as if it were not the Trustee.

16. No Recourse Against Others.

A director, officer, employee, agent, manager, controlling person, stockholder, incorporator or other Affiliate of the Company, as such, shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

17. Authentication.

This Note shall not be valid until the Trustee (or authenticating agent) executes the certificate of authentication on the other side of this Note.

18. Abbreviations.

Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

19. Additional Rights of Holders of Transfer Restricted Securities.

In addition to the rights provided to Holders under the Indenture, Holders of Transfer Restricted Securities shall have all the rights set forth in the Registration Rights Agreement.

20. CUSIP Numbers.

Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

21. GOVERNING LAW.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

22. Successor Corporation.

In the event a successor corporation assumes all the obligations of the Company under the Notes and the Indenture, pursuant to the terms thereof, the Company will be released from all such obligations.

ASSIGNMENT FORM

To assign this Note, fill in the form below and have your signature guaranteed: (I) or (we) assign and transfer this Note to:

- ---

(Insert assignee's soc. sec. or tax I.D. no.)

- ---

- ---

- ---

- ---

(Print or type assignee's name, address and zip code)

and irrevocably appoint to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Dated: ----------

Your Name: ----------

(Print your name exactly as it appears on the face of this Note)

Your Signature: ----------

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: ----------

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[THE FOLLOWING PROVISION TO BE INCLUDED ON ALL NOTES OTHER THAN EXCHANGE NOTES, REGULATION S PERMANENT GLOBAL NOTES AND UNLEGENDED REGULATION S PHYSICAL NOTES]

In connection with any transfer of this Note occurring prior to the date which is the earlier of the end of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that without utilizing any general solicitation or general advertising that:

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act of 1933 provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or other Registrar shall not be obligated to register this Note in the name of any Person other than the Holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.09 of the Indenture shall have been satisfied.

Date:

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within-mentioned instrument in every particular, without alteration or any change whatsoever.

Signature Guarantee:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor acceptable to the Trustee.

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion, in each case for investment and not with a view to distribution, and that it and any such account is a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act of 1933 and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated:

NOTICE: To be executed by an executive officer

SCHEDULE OF EXCHANGES OF DEFINITIVE NOTE(5)

The following exchanges of a part of this Global Note for Physical Notes have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease (or increase)	Signature of authorized officer of Trustee or Note Custodian

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(5) This schedule should be included only if the Note is issued in global form.

EXHIBIT C

[Form of Certificate to be Delivered By Holder
in Connection with Exchanging
Regulation S Temporary Global Notes for Regulation S Permanent Global Notes]

[Date]

The Bank of New York
101 Barclay Street
21st Floor
New York, New York 10286
Attention: Corporate Trust Administration

Re: Lear Corporation

Ladies and Gentlemen:

This letter relates to U.S.$ aggregate principal amount of the Company's [7.96% Senior Notes due 2005] [8.11% Senior Notes due 2009] (the "Notes") represented by a Note (the "Legended Note") which bears a legend outlining restrictions upon transfer of such Legended Note. Pursuant to Section 2.02(a) of the Indenture dated as of May 15, 1999 (the "Indenture") relating to the Notes, we hereby certify that we are (or we will hold such securities on behalf of) a person outside the United States to whom the Notes could be transferred in accordance with Rule 904 of Regulation S promulgated under the U.S. Securities Act of 1933, as amended. Accordingly, you are hereby requested to exchange the legended certificate for an unlegended certificate representing an identical principal amount of Notes, all in the manner provided for in the Indenture.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Holder]

By:

Authorized Signature

EXHIBIT D

[Form of Certificate to Be Delivered By Transferee
in Connection with Transfers to
Institutional Accredited Investors Which Are Not Qualified
Institutional Buyers]

[Date]

The Bank of New York
101 Barclay Street
21st Floor
New York, New York 10286
Attention: Corporate Trust Administration

Re: Lear Corporation

Ladies and Gentlemen:

In connection with our proposed purchase of $ aggregate principal amount of the Company's [7.96% Senior Notes due 2005] [8.11% Senior Notes due 2009] (the "Notes") of Lear Corporation (the "Company"), we confirm that:

(1) We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or their investment.

(2) We are acquiring the Notes purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

(3) We are not acquiring the Notes with a view to distribution thereof or with any present intention of offering or selling any Notes, except as permitted below; provided that the disposition of our property and the property of any accounts for which we are acting as fiduciary will remain at all times within our control.

(4) We understand that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Indenture dated as of May 15, 1999 (the "Indenture") relating to the Notes and the undersigned agrees to be bound by, and not to

resell, pledge or otherwise transfer the Notes except in compliance with such restrictions and conditions and the Securities Act.

(5) We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell any Notes prior to the expiration of the holding period applicable to sales of the Notes under Rule 144(k) of the Securities Act, we will do so only (A) to the Company or any subsidiary thereof, (B) to a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act) in compliance with Rule 144A under the Securities Act, (C) to an institutional "accredited investor" (as defined above) that, prior to such transfer, furnishes to you a signed letter substantially in the form of this letter and, if such transfer is in respect of an aggregate principal amount of less than $250,000, an opinion of counsel acceptable to the Company that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 under the Securities Act, (E) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (F) pursuant to a registration statement which has been declared effective under the Securities Act (and continues to be effective at the time of such transfer), and we further agree to provide to any person purchasing any of the Notes from us a notice advising such purchaser that resales of the Notes are restricted as stated herein.

(6) We understand that, on any proposed resale of any Notes, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will be in certificated form and will bear a legend to the foregoing effect.

Each of the Company, the Trustee and the initial purchasers of the Notes are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

By:

Name:
Title:

EXHIBIT E

[Form of Certificate to Be Delivered by Transferor
in Connection with Transfers Pursuant to Regulation S]

[Date]

The Bank of New York
101 Barclay Street
21st Floor
New York, New York 10286
Attention: Corporate Trust Administration

Re: Lear Corporation

Ladies and Gentlemen:

In connection with our proposed sale of U.S. $ aggregate principal amount of [7.96% Senior Notes due 2005] [8.11% Senior Notes due 2009] (the "Notes") of Lear Corporation (the "Company"), we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States;

(3) no directed selling efforts have been made by us in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

Each of the Company, the Trustee and the initial purchasers of the Notes are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S under the Securities Act.

Very truly yours,

By:

Name:
Title:

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FOR IMMEDIATE RELEASE

MEDIA CONTACT:
KAREN STEWART
DIRECTOR - CORPORATE COMMUNICATIONS
(248) 447-1651

ANALYST CONTACT:
JONATHAN PEISNER
DIRECTOR - INVESTOR RELATIONS
(248) 447-1624

LEAR CORPORATION ISSUES SENIOR NOTES

SOUTHFIELD, MI, MAY 18,1999 - Lear Corporation (NYSE: LEA) today announced that it has issued $1.4 billion aggregate principal amount of senior notes. The private offering included $800 million of 10-year notes bearing interest at a rate of 8.11% and $600 million of six-year notes bearing interest at a rate of 7.96%.

The net proceeds from the sale of the senior notes were used to repay a portion of the indebtedness under the Company's senior credit facilities which was incurred to finance the Company's recent acquisition of UT Automotive.

The senior notes have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or available exemptions from such registration requirements.

# # #