

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

-----	§	
In re:	§	
	§	
BERRYMAN PRODUCTS, INC.	§	CASE NO. 493-41086-MT
	§	
Debtor.	§	CHAPTER 11
-----	§	
In re:	§	
	§	
BERRYMAN PRODUCTS OF	§	CASE NO. 493-41087-MT
DELAWARE, INC.	§	
	§	CHAPTER 11
Debtor.	§	
-----	§	

DEBTOR'S SECOND AMENDED
DISCLOSURE STATEMENT PURSUANT TO SECTION 1125 OF THE
BANKRUPTCY CODE WITH RESPECT TO THE PLAN OF
REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

DATED: June 2, 1994
Fort Worth, Texas

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I. INTRODUCTION

Berryman Products, Inc. ("BPI") and Berryman Products of Delaware ("BPD") (collectively, "Debtors" or individually "Debtor"), submit this disclosure statement (the "Disclosure Statement") pursuant to Section 1125 of the Bankruptcy Code in connection with their First Amended chapter 11 plan (the "Plan") dated May 4, 1994, a copy of which is attached hereto as Exhibit A.

UNLESS OTHERWISE DEFINED, CAPITALIZED TERMS USED HEREIN SHALL HAVE THE MEANING ASCRIBED TO SUCH TERMS IN THE PLAN.

Attached as Exhibits to or accompanying the Disclosure Statement are the following:

The Plan (Exhibit A).

Order of the Bankruptcy Court, dated June 2, 1994 approving the Disclosure Statement (Exhibit B).

Liquidation Analysis (Exhibit C).

Financial Analysis (Exhibit D).

The Ballot to accept or reject the Plan (Exhibit E).

Classification and Summary Treatment of Claims (Including Claim Analysis) (Exhibit F).

Documents Relating to the Blankenship Claim (Exhibit G).

The purpose of the Disclosure Statement is to set forth information that (1) outlines the prepetition history of the Debtor, its business and the cause(s) underlying its chapter 11 filing, (2) summarizes the Plan and alternatives to the Plan, (3) advises Creditors of their rights under the Plan, (4) assists Creditors in making an informed decision as to whether they should vote to accept or reject the Plan, and (5) provides the Bankruptcy Court with information sufficient to make a determination as to whether the Plan complies with the provisions of the Bankruptcy Code and should be confirmed.

On June 2, 1994, after notice and a hearing, the Bankruptcy Court approved the Disclosure Statement as containing information of a kind and in sufficient detail adequate to enable the Creditors of BPI and BPD to make an informed judgment as to whether to accept or reject the Plan.

APPROVAL OF THE DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR THE MERITS OF THE PLAN.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN, AND NEITHER DELIVERY OF THE DISCLOSURE STATEMENT NOR ANY EXCHANGE OF RIGHTS MADE IN CONNECTION WITH THE PLAN SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN SINCE THE DATE THE DISCLOSURE STATEMENT AND THE MATERIALS RELIED UPON IN PREPARATION OF THE DISCLOSURE STATEMENT WERE COMPILED.

CREDITORS SHOULD READ CAREFULLY THE DISCLOSURE STATEMENT IN ITS ENTIRETY PRIOR TO VOTING ON THE PLAN.

FOR THE CONVENIENCE OF CREDITORS AND EQUITY SECURITY HOLDERS, THE DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN, BUT THE PLAN ITSELF QUALIFIES ALL SUMMARIES. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THE DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.

THE DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE IN FAVOR OF OR AGAINST THE PLAN, AND NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE REORGANIZATION OF THE DEBTOR OR CLAIMANTS HOLDING CLAIMS OR INTEREST HOLDERS HOLDING INTERESTS. CERTAIN OF THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT, BY ITS NATURE, IS FORWARD LOOKING, CONTAINS ESTIMATES AND ASSUMPTIONS WHICH MAY PROVE TO BE WRONG, AND CONTAINS PROJECTIONS WHICH MAY PROVE TO BE WRONG, OR WHICH MAY BE MATERIALLY DIFFERENT FROM ACTUAL RESULTS.

EACH CLAIMANT OR INTEREST HOLDER SHOULD CONSULT ITS INDIVIDUAL ATTORNEY AND ACCOUNTANT AS TO THE EFFECT OF THE PLAN ON SUCH INDIVIDUAL CLAIMANT OR INTEREST HOLDER.

BPI and BPD believe confirmation and implementation of the Plan is in the best interests of the Debtors and their Creditors.

II. SUMMARY OF DISTRIBUTIONS UNDER THE PLAN

The following table summarizes distributions to Creditors under the Plan.

BPI

Creditors Paid In Cash, In Full, On The Effective Date

BPI Class 1
Secured Tax Claims 100% in Cash

BPI Class 2
Priority Non-Tax Claims 100% in Cash

Creditors Paid In Full On The Effective Date, Other Than Cash

BPI Class 3
Blankenship Claim Blankenship shall receive on the Distribution Date a new note bearing interest at the rate currently provided in promissory note evidencing the Blankenship Claim with monthly principal and interest payments sufficient to completely amortize the new note over a hundred and eighty (180) month period. No other alteration will be made to any of Blankenship's other rights.

Creditors Not Paid In Full On the Effective Date

BPI Class 4
Unsecured Claims Either twenty-four (24) equal payments equal to twenty-five percent (25%) of the Allowed Claim or five (5) equal payments of the full value of the Allowed Claim if prepetition payment terms are reinstated to commence on Distribution Date.

BPI Class 5
Convenience Claims Cash payment of ninety percent (90%) of Allowed Claim.

BPI Class 6
Environmental Claims Payment according to legal, equitable
and contractual rights deferred for a
period of thirty (30) days from the
Effective Date.

BPI Class 7
Nationwide Claim Fifteen year note at eight and one half
percent (8½%) interest or \$500,000.00 cash
payable on the Effective Date, or a
\$900,000.00 note payable in three equal
installments of \$300,000.00 principal with
accrued interest at six percent (6%) with
the first principal installment due on the
Effective Date.

**Creditors or Interest Holders
Receiving No Distributions**

BPI Class 8
BPD Claims

BPI Class 9
Equity Interests

BPD

**Creditors Paid In Cash, In
Full, On The Effective Date**

BPD Class 1 100% in Cash
Secured Tax Claims

BPD Class 2 100% in Cash
Priority Non-Tax Claims

**Creditors Paid In Full On The
Effective Date, Other Than Cash**

BPD Class 3 Blankenship shall receive on the
Blankenship Claim Distribution Date a new note bearing
interest at the rate currently provided in
promissory note evidencing the Blankenship
Claim with monthly principal and interest
payments sufficient to completely amortize
the new note over a one hundred and eighty

(180) month period. No other alteration will be made to any of Blankenship's other rights.

**Creditors Not Paid In
Full On the Effective Date**

BPD Class 4 Unsecured Claims	Either twenty-four (24) equal payments equal to twenty-five (25%) of the Allowed Claim or five (5) equal payments of the full value of the Allowed Claim if prepetition terms are reinstated to commence on the Distribution Date.
BPD Class 5 Convenience Claims	Cash payment of ninety percent (90%) of Allowed Claim.
BPD Class 6 Environmental Claims	Payment according to legal, equitable and contractual rights deferred for a period of thirty (30) days from the Effective Date.

**Creditors or Equity Holders
Receiving No Distributions**

BPD Class 7
BPI Claims

BPD Class 8
Equity Interests

III. VOTING PROCEDURES AND REQUIREMENTS

A. Ballots and Voting Deadlines.

Ballots to be used for voting to accept or reject the Plan, together with a postage-paid return envelope, are enclosed with all copies of the Disclosure Statement mailed to Creditors entitled to vote. **BEFORE COMPLETING YOUR BALLOT, PLEASE READ THE VOTING INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT CAREFULLY.**

Your Claims may be classified in multiple classes. If you have a Claim in more than one class you will receive separate Ballots for each class of Claim. **WHEN YOU VOTE AND RETURN YOUR BALLOT, PLEASE INDICATE THE CLASS OR CLASSES IN WHICH YOUR CLAIMS ARE CLASSIFIED BY MARKING THE APPROPRIATE SPACE PROVIDED ON YOUR BALLOT FOR SUCH PURPOSE.**

The Bankruptcy Court has directed that, in order to be counted for voting purposes, Ballots for the acceptance or rejection of the Plan must be received by 4:00 p.m. Central Standard Time on July 1, 1994. Please vote and return your ballot(s) to:

Cantey & Hanger, LLP
2100 Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Attn: Jeff P. Prostok

If you have any questions about the procedure for voting, or if you did not receive a Ballot, received a damaged Ballot or lost your Ballot, please contact Jeff P. Prostok (817) 877-2897.

TO BE COUNTED, YOUR BALLOT MUST BE RECEIVED BY JULY 1, 1994. ANY EXECUTED BALLOT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

BALLOTS MAY BE MAILED OR TELECOPIED TO CANTEY & HANGER, (817) 877-2807.

YOUR BALLOT SETS FORTH A CLAIM AMOUNT THAT IS BASED EITHER ON YOUR PROOF OF CLAIM OR THE DEBTORS' SCHEDULES OF LIABILITIES. BY INCLUDING SUCH CLAIM AMOUNT, THE PLAN PROPONENTS ARE NOT ADMITTING THAT YOU HAVE A CLAIM IN THE STATED AMOUNT AND ARE NOT WAIVING ANY RIGHTS THEY MAY HAVE TO OBJECT TO YOUR VOTING OF THE CLAIM IN SUCH AMOUNT OR YOUR RECOVERY UNDER THE RESPECTIVE PLANS BASED ON SUCH AMOUNT.

It is important that all Creditors exercise their right to vote to accept or reject the Plan. Even if you do not vote to accept the Plan, you may be bound by the Plan, if it is accepted by the requisite holders of Claims or Equity Interests. In addition, you may be bound by the Plan, even if you do not vote in favor of it, if you are the holder of an unimpaired Claim or Equity Interest.

The amount and number of votes required for confirmation of the Plan are computed on the basis of the total amount of Claims or Equity Interests actually voting for or against the Plan. **BALLOTS RETURNED WITHOUT ANY VOTE INDICATED WILL NOT BE COUNTED.**

B. Parties in Interest Entitled to Vote.

A holder of a Claim against or Equity Interest in BPI or BPD whose Claim or Equity Interest is impaired under the Plan is entitled to vote to accept or reject the Plan if either (i) its Claim or Equity Interest has been scheduled by BPI or BPD and such Claim or Equity Interest is not scheduled as disputed, contingent, or unliquidated or (ii) it has filed a proof of Claim or proof of

interest on or before the applicable Bar Date set by the Bankruptcy Court for such filings or any extension of such date approved by the Bankruptcy Court. ANY CLAIM AS TO WHICH AN OBJECTION HAS BEEN FILED IS NOT ENTITLED TO VOTE UNLESS THE BANKRUPTCY COURT, UPON APPLICATION OF THE HOLDER TO WHOSE CLAIM OBJECTION HAS BEEN MADE, TEMPORARILY ALLOWS SUCH CLAIM IN AN AMOUNT THAT IT DEEMS PROPER FOR THE PURPOSE OF ACCEPTING OR REJECTING THE PLAN. Any such application must be heard and determined by the Bankruptcy Court on or before July 1, 1994, the deadline for casting ballots. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The allowance of any Claim for purposes of voting on the Plan shall not constitute an allowance of the Claim for purposes of receiving any distribution pursuant to the Plan. Similarly, any references in the Plan or Disclosure Statement to any Claims or Equity Interests shall not constitute an admission of the existence, nature, extent or allowability of any Claims or Equity Interests.

All proofs of Claim and proofs of interest must have been filed by the close of business on July 27, 1993. IF A CLAIMANT OR INTEREST HOLDER HAS ALREADY FILED A PROOF OF CLAIM OR PROOF OF INTEREST WITH THE BANKRUPTCY COURT OR IS LISTED IN BPI or BPD'S SCHEDULES AS NON-CONTINGENT, LIQUIDATED, AND UNDISPUTED, A PROOF OF CLAIM OR PROOF OF INTEREST NEED NOT HAVE BEEN FILED. The schedules are on file with the Bankruptcy Court and are open for inspection during regular Bankruptcy Court hours.

C. Definition of "Impaired".

Pursuant to section 1124 of the Bankruptcy Code, a class of claims or interests is "impaired" under a plan of reorganization unless, with respect to each claim or interest in such class, the plan pays each claim or interest in full, in cash, or otherwise leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest, other than by curing defaults and reinstating maturities.

D. Classes Impaired Under the Plan.

The following Claims and Equity Interests are impaired under the Plan and Creditors holding such Claims are entitled to vote to accept or reject the Plan:

BPI

BPI Class 3 -- Blankenship Claim
BPI Class 4 -- Unsecured Claims
BPI Class 5 -- Convenience Claims
BPI Class 6 -- Environmental Claims
BPI Class 7 -- Nationwide Claim
BPI Class 8 -- BPD Claims

BPD

BPD Class 3 -- Blankenship Claim
BPD Class 4 -- Unsecured Claims
BPD Class 5 -- Convenience Claims
BPD Class 6 -- Environmental Claims
BPD Class 7 -- BPI Claims

ALL OTHER CLASSES OF CLAIMS ARE NOT IMPAIRED UNDER THE PLAN AND ARE NOT ENTITLED TO VOTE ON THE PLAN.

E. Vote Required for Class Acceptance.

The Bankruptcy Code requires that each class of claims or equity interests that is impaired under a plan accept the plan, or that the plan be confirmable over the class' rejection pursuant to section 1129(b) of the Bankruptcy Code. The Bankruptcy Code defines acceptance of a plan by a class of creditors as acceptance by holders of two-thirds in dollar amount and more than one-half in number of the claims in that class that cast ballots for acceptance or rejection of the plan. The Bankruptcy Code defines acceptance of a plan by a class of holders of interests as acceptance by two-thirds of the number of shares actually voted. Holders of claims or interests that fail to vote are not counted as either accepting or rejecting the plan. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not made or not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

IV. CONFIRMATION AND CONSUMMATION PROCEDURE

A. Confirmation Hearing.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a chapter 11 plan (the "Confirmation Hearing"). Section 1128(b) provides that any party in interest may object to confirmation of a plan.

The Confirmation Hearing in respect of the Plan has been scheduled for July 11, 1994, at 9:00 a.m. in the Courtroom of the Honorable Massie A. Tillman, United States Bankruptcy Court, 10th and Lamar Street, Fort Worth, Texas. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Any objection to confirmation must be made in writing and specify in detail the name and address of the objector, all grounds for the objection, and the amount of the Claim or Equity Interest held by the objector. Any such objection must be filed with the Bankruptcy Court and served upon all parties who have filed a demand for receipt of papers under Bankruptcy Rule 2002(i) and the following, together with a proof of service, such that the objection is received no later than July 1, 1994.

ANY OBJECTION MUST BE SERVED ON THE FOLLOWING PARTIES:

DEBTORS:

Berryman Products, Inc.
3800 E. Randol Mill Road
Arlington, Texas 76011

Berryman Products of
Delaware, Inc.
3800 E. Randol Mill Road
Arlington, Texas 76011

COUNSEL FOR DEBTORS:

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CANTEY & HANGER
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801 Cherry Street
Fort Worth, Texas 76102

Craig H. Averch
Barbara Jean Oyer
JONES, DAY, REAVIS & POGUE
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

U.S. TRUSTEE:

Lynn Rucker
United States Trustee
U.S. Courthouse, Room 9C60
1100 Commerce Street
Dallas, Texas 75242

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014.

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

B. Requirements for Confirmation of the Plan.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all the requirements of section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan be (i) accepted by all impaired classes of claims and equity interests or, if rejected by an impaired class, that the plan "does not discriminate" and is "fair and equitable" as to such class, (ii) feasible, and (iii) in the "best interests" of creditors and stockholders impaired under the plan.

1. **Acceptance.** The holders of BPI Claims in classes ("Classes") 3 through 8 and BPD Classes 3 through 7 of the Plan are impaired under the Plan and therefore entitled to vote to accept or reject the Plan. Each such Class must accept the Plan in order for it to be confirmed without application to that Class of the "fair and equitable" test described below. As stated above, BPI Classes 3 through 8 and BPD Classes 3 through 7 will accept the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Claims of each such Class that vote to accept or reject the Plan.

2. **Best Interests Test.** With respect to each impaired Class of Creditors and Equity Interest holders, confirmation of the Plan requires that each Claimant either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date of the Plan, that is not less than the value such Claimant would receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

To determine what members of each impaired Class of Creditors and Equity Interest holders would receive if the Debtor were liquidated, the Bankruptcy Court must determine the dollar amount that would be generated from the optimal liquidation of the Debtor's business or assets and properties in the context of a chapter 7 liquidation case. The cash amount which would be available for

satisfaction of Claims and Equity Interests of the Debtor would consist of the proceeds resulting from the disposition of the business or assets of the Debtor. Such cash amount would be reduced by the Claims of Secured Creditors to the extent of the value of their Collateral, and then by the costs and expenses of the liquidation as if conducted on the Effective Date of the Plan.

To determine if the Plan is in the best interests of each impaired Class, the present value of the distributions from the proceeds of the liquidation of the Debtor's assets and properties are compared with the present value offered to such Classes of Claims and Equity Interests under the Plan.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to Creditors in the Chapter 11 Cases, the Debtors have determined that confirmation of the Plan will provide each Creditor with equal or greater recovery than it would receive pursuant to liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

The aforementioned liquidation analysis is attached hereto as Exhibit C.

3. Fair and Equitable Test. If any impaired Class does not accept the Plan, BPI and BPD may and shall seek confirmation of the Plan notwithstanding such non-acceptance. To obtain such confirmation, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class. Additionally, the Plan must be accepted by at least one impaired class of creditors, not including the vote of any insider creditors. The Blankenship Claim is held by an insider as defined under the Bankruptcy Code. A plan does not discriminate unfairly if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are related to those of the dissenting class and if no class receives more than it is entitled to for its claims or interests.

The Bankruptcy Code establishes different "fair and equitable" tests for classes of secured claims, unsecured claims and equity interests as follows:

a. Secured Claims. Either (i) each holder of an impaired secured claim retains the liens securing such claim and receives on account of such claim deferred cash payments having a present value equal to the amount of the allowed secured claim, (ii) each holder of an impaired secured claim realizes the indubitable equivalent of its allowed secured claim, or (iii) the property securing such claim is sold free and clear of liens, with such liens attaching to the proceeds

and the treatment of such liens on proceeds is as provided in clause (i) or (ii) of this subparagraph.

b. Unsecured Claims. Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of the allowed unsecured claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive or retain any property under the plan.

c. Equity Interests. Either (i) each holder of an equity interest receives or retains under the plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such equity interest or (b) the value of the equity interest or (ii) the holders of interests that are junior to such equity interest will not receive any property under the plan.

BPI AND BPD MAY AND SHALL SEEK CONFIRMATION OF THE PLAN IF LESS THAN THE REQUISITE CREDITORS IN ANY ONE OR MORE CLASSES VOTE TO ACCEPT THE PLAN.

C. Conditions to Confirmation and Effectiveness of Plan.

Confirmation of the Plan shall not occur unless and until the following conditions are satisfied or waived by Debtors as determined in their sole discretion: (a) the Confirmation Order has been entered in form and substance acceptable to Debtors; (b) the Confirmation Order has become a Final Order; and (c) the Confirmation Order provides for approval of the Plan Documents.

The Plan shall not become effective unless and until the parties to the Plan Documents have executed and delivered such Plan Documents.

D. Effect of Confirmation Order.

Except as provided in the Plan, the Confirmation Order shall be a judicial determination of discharge of the Debtors from all debts that arose before the Effective Date and any liability on a Claim that is determined under section 502 of the Bankruptcy Code as if such Claim had arisen before the Effective Date, whether or not a proof of Claim based on any such debt or liability is filed under section 501 of the Bankruptcy Code and whether or not a Claim based on such debt or liability is allowed under section 502 of the Bankruptcy Code.

E. Consummation.

The Plan will be consummated on the Effective Date. The "Effective Date" of the Plan is a Business Day selected by Debtors after the first business day after entry of the Confirmation Order on which (i) the Confirmation Order is not stayed and (ii) all conditions to the effectiveness of the Plan have been satisfied or waived.

The Plan is to be implemented pursuant to the provisions of the Bankruptcy Code.

V. GENERAL INFORMATION

A. Historical Description.

Berryman Products, Inc. was founded in 1918. BPI's first product was a tire sealing formula under the name SEALEX Tire Sealer. With the expansion of the automotive, fleet, and equipment maintenance markets, BPI expanded its production capabilities and added new products. In 1958, BPI developed its current flagship product B12 Chemtool Carburetor Cleaner. Berryman developed a market for both "Do It Yourself" preventive maintenance consumers as well as professional mechanics. As the demand for automotive service maintenance products increased, BPI further augmented its product lines to include a full range of chemical based cleaners, fuel additives, lubricants, and performance enhancers.

The service maintenance chemical products industry experienced a significant change in the early 1980s with the change from carburation to fuel injection in domestic cars. This change led to a gradual reduction in demand for carburetor cleaning products. BPI has addressed this change in the industry by developing products to be used in fuel injected cars. In addition, more restrictive government regulations regarding the environment have adversely impacted the industry. Berryman is actively anticipating the government mandate for the phasing out of target chemicals by finding alternative, environmentally safer ingredients, and technologies.

B. Overview of Operations.

1. BPD Generally. BPD is the parent company of BPI and owns 100% of its stock. BPD was used to facilitate the purchase of BPI by the Blankenship children from their father. Both BPI and BPD are jointly liable on the debt owed to R. H. Blankenship. For example, the Blankenship note payments have been paid by BPD from BPI during the pendency of these chapter 11 cases. Any restructure of the Blankenship debt will require Bankruptcy Court approval and therefore it is necessary for both companies to seek reorganization.

During the pendency of these bankruptcy cases, BPI has paid BPD \$35,000 per month. BPD has utilized the \$35,000 for the monthly debt service to Blankenship and certain lease objections owed to Blankenship. Both are debts of BPI as well as BPD. Nationwide believes that such \$35,000 payments are avoidable. Nationwide believes that in the event Mr. Blankenship's lien is avoided, he may have no claim of any type against the BPI estate. Additionally, the plan provides for any claims against BPI held by BPD to be eliminated and any claims against BPD held by BPI to be eliminated by virtue of the plans. The stock of BPD is owned by the following people or entities:

CERTIFICATE HOLDER	RELATIONSHIP	SHARES	PERCENTAGE
Berryman Products of Delaware	Treasury Stock	26,962	32.88%
Truman Blankenship	Director/President	20,325	24.79%
Maurice Blankenship	Director/V. President	14,800	18.05%
Ed Blankenship	Director/V. President	12,000	14.63%
Patricia Wyatt	Sister/Director	2,571	3.14%
Louise Blankenship	Mother	1,445	1.76%
Gail Parman	Sister/Director	321	0.39%
Debbie Huetter	Sister	271	0.33%
Richie Parman	Son of G. Parman	300	0.37%
Chad Parman	Son of G. Parman	300	0.37%
Mark Huetter	Son of D. Huetter	300	0.37%
Jackie Huetter	Daughter of D. Huetter	300	0.37%
Kristi Huetter	Daughter of D. Huetter	300	0.37%
Tiffany Huetter	Daughter of D. Huetter	300	0.37%
Kevin Blankenship	Son of Ed Blankenship	300	0.37%
Jason Blankenship	Son of Ed Blankenship	300	0.37%
Berlin Wyatt	Daughter of P. Wyatt	300	0.37%
Kahla Blankenship	Daughter of M. Blankenship	290	0.35%
Beau Blankenship	Son of M. Blankenship	290	0.35%
Sierra Brielle Blankenship	Daughter of M. Blankenship	25	0.03%
		82,000	100%

2. **BPI Generally.** BPI employs 56 nonunion employees in its production, distribution, accounting, and sales operations.

Approximately eighty percent of the employees are employed at the main manufacturing and distribution center in Arlington, Texas. Fourteen percent of the employees are salesmen and the remaining six percent are remote warehouse operators located at distribution centers in Elk Grove, California and Cherokee, Alabama. BPI ships its products by several methods including sending their product by their own fleet of over the road vehicles, by common carrier and by contracted independent carriers. BPI backhauls cargo earning additional fees of approximately \$150,000 annually.

BPI's Texas operation is engaged in the manufacturing and packaging of its products. BPI purchases some of its blended chemicals from professional chemical blenders. The company uses three primary chemical blending companies to supply its products with no exclusive contracts. BPI believes this procurement method enables BPI to purchase large quantities of raw materials at favorable prices without significant up front capital commitments.

3. Management. A board of directors oversees the election of officers of BPI. The current BPI board of directors, elected officers, and junior management are: Truman Blankenship, Director/President; Maurice Blankenship, Director/Vice President -- General Manager; Ed Blankenship, Director/Vice President; Courtney Xepoleas, Treasurer/Controller; Patricia Wyatt, Director; Gail Parman, Director; Janie Getz, Secretary; Charles Hillman, Vice President -- Sales; and Cliff Byron, Operations Manager. Truman Blankenship, Maurice Blankenship, Ed Blankenship, Courtney Xepoleas, and Janie Getz are elected officers.

4. Domestic Market. BPI sells its automotive maintenance products domestically primarily in the Sunbelt and Western United States.

BPI sells its products to approximately 800 active domestic accounts. The top ten customers accounted for approximately \$6.4 million or 36% of 1993 sales. The composition of customers includes: Membership Clubs, Mass Retailers, Catalog Warehouses, Program Buying Groups, Automotive Chains, Car Dealers (Feeders), Repair Shops, and Others, Including Private Label.

5. International Market. BPI's international sales are currently markets characterized by large populations of older automobiles where the demand for service maintenance chemical products is high. The largest sales concentrations are in Mexico, Turkey, and the Caribbean.

6. Competition. There are three primary segments in the automotive chemical industry: (1) maintenance chemicals, (2) functional fluids and (3) products used to enhance the appearance of vehicles such as polishing, buffing, and shining

products. The maintenance chemical segment is very competitive. Berryman's primary product line falls within the maintenance chemicals segment. Within the maintenance chemical segment, major competitors with nationally recognized names set the pace for pricing and marketing policies. BPI's primary competition and its most recent publicly reported sales are as follows:

PUBLIC COMPANIES

<u>Name of Company</u>	<u>Sales¹</u>
Chevron Chemical Co. (Pro-Gard)	3200 ²
Penzoil Products Co. (Gumout)	1900 ²
Valvoline Oil Co. (Pyroil Performance Products)	70 ²
Wynn Oil Co.	100
STP (First Brands)	100
Jetco Auto Products, Inc.	30

PRIVATE COMPANIES

<u>Name of Company</u>	<u>Sales³</u>
Radiator Specialty Co.	136
McKay Chemical Co. (Blue Coral, Inc.)	95
Accra Pac Group (Cyclo Industries, Inc.)	36
Gold Eagle Co.	31
Justice Brothers, Inc.	2.5

In addition to these competitors which offer a wide range of products, there is a growing trend in the industry towards deep discounting, loss leader selling, premium advertising control and private label. These practices will pose additional competitive pressures in marketing and pricing.

Recently, many of Berryman's competitors have started lowering prices and increasing the quantity of the fill to give the consumer added product at no additional charge. This trend, if it continues, will put additional pressure on cost of goods sold.

1. Dollars in millions.

2. Represents total company sales as the automotive maintenance division sales were not separated.

3. Dollars in millions.

7. Current Sales and Product Line Analysis. In 1993, BPI had \$17.9 million in sales, a 5.6% decline from the \$18.95 million in sales achieved in 1992. This decline may in part reflect some declining customer comfort due to the filing of BPI's chapter 11 petition. The decline in sales may also be due in part to the diversion of management's attention as a result of the Hart Lawsuit. This trend has continued into fiscal 1994 and could result in a similar downtrend in this fiscal year but is expected to stabilize and return to growth mid to late 1995.

The four product lines described below constituted 83% of BPI's revenues in 1993 and form the core of the company's business.

a. B-12 Chemtool (Carburetor Cleaner). This product was originally developed in 1958 and is the company's "flagship product". Sales from this product have begun to decline with the proliferation of fuel injected automobiles. Until 1990, this product represented over 50% of BPI's revenue. In 1993, this product represented 40% of the company's revenues. It is expected that sales of this product will continue to decline over the next five years. It is anticipated that by 1998, sales of this product will be approximately less than 35% of BPI's sales. BPI has recently introduced an intake manifold cleaner in the aerosol chemtool category which will slow this decline.

b. Chem-Dip (Parts Dip). Until 1990, this product had been BPI's second leading revenue producer accounting for approximately 16% of revenue. BPI has been reducing production of this product because anticipated environmental regulations may adversely affect its marketability. This product presently represents only 11% of the company's revenues. BPI intends to continue to phase out this product and substitute technology where possible.

c. Brake Cleaner. From 1985 until 1992, this product experienced double digit increases in revenue and represented 21% of total revenue in 1993. However, the main ingredient used in the production of this product is under federal mandate to be eliminated from sale in 1995 due to environmental concerns. BPI has identified alternative ingredients and technologies which may be used to replace this ingredient and is introducing a new formula which meets environmental standards. This new product line is anticipated to replace the existing product line.

d. Gasoline Additive Products. This is the fastest growing product group partially offsetting declines in other categories. BPI has expanded its production and is focusing more of its efforts in the field of fuel additives. This

category is very competitive and is becoming very price sensitive due to large demand and the effects to dominate larger market share by competitors.

C. **Anticipated Future of BPI.**

1. **Future Management.** It is anticipated that the current management of BPI will continue after confirmation.

2. **Advertising Plans.** BPI will continue to utilize an advertising agency, to develop consumer advertising programs combining radio, cable television, billboards at sporting events and print media. BPI's advertising agency is responsible for recommending media purchases, the development, creation and the general management of BPI's national advertising efforts. BPI will also advertise in magazines geared to the professional user, engage in cooperative advertising with its major retail customers and financially assist its customers with promotional programs. These advertising efforts have the dual effect of enhancing the sales of individual products as well as promoting the Berryman name in its most significant markets.

BPI uses and will continue to use a combination of factory-direct field sales personnel and manufacturers representative sales companies to market Berryman Products nationally. Each regional manager employed by BPI has specific account responsibilities and provides representatives of those accounts with direct help regarding line expansion, cooperative advertising, turn-key sales promotions and sales training.

Advertising efforts are funded through cooperative advertising funds and a national advertising budget. Cooperative advertising opportunities are available to the entire customer base and are used to financially assist customers with promotional efforts.

3. **Research and Development.** BPI has an ongoing research and development program to introduce new products and to eliminate obsolete products. The market life cycles of some of the products which BPI manufactures are shortening due to technological advances and changes in environmental laws.

BPI's chemists and product development managers work closely with the sales staff and with vendors to understand trends in the industry, to discuss new products with strong growth potential and to keep abreast of new product introductions by competitors. In addition, BPI monitors technical bulletins by car manufacturers which identify problems which mechanics will face as a result of the introduction of new technology.

Formulas for industry products are not protected by patents and are, therefore, easily duplicated. Products manufactured by BPI's competitors are becoming more similar because of the introduction of government standards, legislation and the duplication of products among competitors. These factors may affect BPI's research and development needs.

4. New Products. BPI will or recently has introduced the following new products:

a. Maximum Strength Intake Valve and Injector Cleaner Fuel Treatment. This treatment which will be available in a 12 oz. long-neck pour bottle is formulated to maximize and quicken the cleaning of intake valves, fuel injector and combustion chamber deposits. It is highly concentrated to attack deposits in a one-tank treatment.

b. B-12 Chemtool Fuel Injection Air Intake Cleaner. This product will be available in a 9-oz. aerosol can. It contains no CFCs, and is formulated to safely clean, lubricate and protect intricate computerized fuel injection, air intake components. This product is intended to be used every three to five thousand miles to protect and extend the life of the air intake system.

c. 3-Way Battery Maintenance System. This product will be available in a 5.75 ounce aerosol can. It contains no CFCs, it cleans and neutralizes corrosion, detects leaks using a color-performance indicator and protects top or side post terminals from corrosion with chemically treated anti-corrosion belt washers.

d. B-12 Chemtool Premix Fuel Injector Cleaner. This product will be available in a 16-oz. cone-top pour can. This product combines the newest detergent technology with proven solvent cleaners to remove the toughest tire, varnish and gum deposits from the entire fuel delivery system to ensure complete fuel atomization for maximum fuel efficiency. This product is catalytic convertor and oxygen sensor safe.

e. Fuel Injector Cleaning Canister System. This product is designed to deliver fuel injector cleaner directly through the injector manifold. The dual gauge permits measurement on both sides of the cylinder. The bottom gauge can also be used to check vehicle rail pressure. Adapters and manual for domestic and airport vehicles will be sold separately.

5. Capital Expenditures. The equipment used by BPI is replaced every three to seven years. Assets are depreciated on a tax-basis method.

BPI's existing facilities in Arlington, Texas, will need modification in the next few years. It is anticipated that the construction of a warehouse to store finished products will be necessary. The proposed warehouse construction date is 1996 and the estimated cost is \$400,000.

6. Financial Projections. The following consolidated projected financial statements have been developed based on management's best information and belief and include the expected consolidated financial position, statement of operations and cash flows of the consolidated entity as of the dates and for the periods shown. These projections are based on the broad assumptions and market factors discussed in the sections above and in the footnotes. Consequently, these assumptions are subject to significant uncertainties beyond the control of the Debtors. While the financial projections herein are reasonable in light of current facts and circumstances known to management, there can be no assurance that these projections will be realized. A copy of the Financial Analysis is attached as Exhibit D.

7. Description of Claims. Attached as Exhibit F hereto is a description of the claims currently asserted against BPI. The documents and instruments evidencing the Blankenship Claim are attached as Exhibit G. The outstanding principal balance on the Blankenship Claim, which includes two notes, aggregates \$2,169,490.75. Although Environmental Claims are estimated for "payout" at \$0, there are nevertheless Environmental Claims which the Debtors must treat under the Plan. The two pending Environmental Claims are described as follows:

a. California RWQCB Proceedings. Cleanup and Abatement Order 87-118 (August 25, 1987). On August 25, 1987, the California Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB") issued Cleanup and Abatement Order No. 87-118, dated August 25, 1987 ("Order"), to BPI and A.C. Label Co. The order requires the companies to investigate and remediate soil and groundwater contamination at the San Jose Site and to submit reports to the RWQCB regarding investigative and remediation activities at the Site. On March 1, 1990, DiBona & DiBona, Dibona Associates, Inc., later renamed A.C. Label Co., Lewis P. DiBona and James R. DiBona entered into a confidential settlement agreement with BPI and other defendants. The confidential agreement establishes a program for completing the investigative and remediation activities required by the Order and allocates costs and responsibilities for performing such work.

The Joint Consultant provided BPI with an estimate of approximately \$1.5 million, subject to several limitations. The RWQCB or other government agencies could require the

companies to perform additional work at the Site. BPI believes a \$1.6 million recovery from its insurance companies will cover fully the cleanup costs.

b. Texas Water Commission. The Texas Water Commission has made inquiry into possible subsurface solvent contamination at the BPI facility in Arlington, Texas. BPI has been required to provide information and certain remediation activities pursued at the site since March, 1989. BPI will continue to comply with all requests of the Texas Water Commission as required under the Plan. The contingent nature of the claim precludes any estimate of what the costs may be.

VI. EVENTS LEADING TO THE COMMENCEMENT OF THE DEBTORS' CHAPTER 11 CASES

In May of 1991, Matt Van Hart ("Hart") brought suit against BPI in Humboldt County, California (the "Hart Lawsuit"). Hart alleged that he sustained injuries as a passenger in a car which was involved in an accident. Hart further alleged that the car in which he was riding had been serviced with brake cleaner manufactured by BPI and that the brake cleaner was a contributing cause of the accident. Hart also sued Sean Grimes, the driver of the car, Harper Motors, the garage which serviced the car and C.P. Hunt Company ("Hunt"), the California distributor of Berryman brake cleaner.

On March 25, 1993, the Humboldt County court entered a judgment finding BPI and Hunt jointly and severally liable for 80% of the injuries sustained by Hart. The court assessed damages against Hunt and BPI in the amount of \$7,506,920.90 exclusive of costs and prejudgment interest. This judgment is currently being appealed.

VII. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASES

On March 18, 1993, BPI and BPD filed voluntary petitions for protection under chapter 11 of the Bankruptcy Code of the United States Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. BPI and BPD continues business as debtors in possession of their assets and operations, subject to supervision and orders from the Bankruptcy Court. The Bankruptcy Court ordered that the cases be jointly administered.

On May 26, 1993, Nationwide Mutual Insurance Company ("Nationwide"), the insurer of Hunt, entered into a "Funding Agreement" with Hart. Pursuant to this agreement, Nationwide agreed to loan \$6 million to Hart in the form of a \$1.8 million lump sum payment to Hart, a \$2.2 million lump sum payment to Hart's attorneys and an entitlement to \$15,958 per month for life, with a guaranteed payment for ten years. In exchange, Hart released Hunt from

liability and agreed to allow Nationwide to pursue claims in the name of Hart.

On June 11, 1993, BPI filed suit against James T. Maley ("Maley"), BPI's Risk Manager, and Nationwide in the District Court of Tarrant County, Texas, 96th Judicial District (the "Nationwide Lawsuit"). In this litigation, BPI alleges that Maley and Nationwide were negligent, grossly negligent, breached their express and implied contract with BPI, breached their express warranties to BPI, breached their implied warranties to provide their services in a good and workmanlike manner and free of negligence, breached their fiduciary duties to BPI, breached their duty of good faith and fair dealing to BPI, made negligent misrepresentations to BPI, and violated the Texas Insurance Code and Regulations and the Texas Deceptive Trade Practices Act in connection with their conduct during the Hart Lawsuit. This litigation is currently pending.

On July 30, 1993, BPI filed suit against Corporate Underwriters, Ltd., Risk Managers International, Inc., Hershel Hancock, Sandra Newton, Michael Parton, and Reg Bodhanya in the District Court of Tarrant County, Texas, 352nd Judicial District (the "Corporate Underwriters Lawsuit"). In this litigation, BPI alleges that Corporate Underwriters was negligent, grossly negligent, made negligent misrepresentations, violated the Texas Insurance Code and the Texas Deceptive Trade Practices Act and breached their express and implied contract with BPI, breached fiduciary duties to BPI, committed fraud, and other wrongful conduct. A default judgment was recently taken against Corporate Underwriters, Ltd. in the amount of \$30 million. Collectibility of the lawsuit is uncertain. In the event that BPI is successful in collecting a substantial portion of the \$30 million judgment, BPI intends to amend the Plan to distribute the proceeds, if practicable, to unpaid Allowed Claims. The remaining litigation is currently pending.

On September 3, 1993, BPI filed a Motion to Establish Procedures to Estimate The Claim of Nationwide. Nationwide filed a proof of claim in the BPI case for \$6 million. Nationwide characterized this claim as a "contribution claim for amounts paid on personal injury/products liability claim." BPI filed this motion to estimate Nationwide's claim to facilitate the process of formulating and confirming a plan of reorganization since resolution of the Nationwide Lawsuit, which could have a significant effect on the amount of the Nationwide claim, was anticipated to take months or possibly years. Nationwide objected to the motion, alleging that estimation of its claim was not appropriate because its claim was not contingent nor unliquidated. On September 27, 1993, a hearing was held on BPI's motion and on October 1, 1993, the Bankruptcy Court granted BPI's motion to estimate Nationwide's claims. An estimation hearing was scheduled for April 18, 1994. The Bankruptcy

Court estimated Nationwide's Proof of Claim Number 69 at \$6,000,000.00. Proof of Claim Number 68 was not estimated by the Court.

On November 1, 1993, BPI filed an Objection and Motion for Partial Summary Judgment Against the Proof of Claim Filed by Hart. Hart filed a proof of claim for \$7.5 million against BPI for "personal injury/wrongful death." The Bankruptcy Court held a hearing on this motion on January 11, 1994. On January 14, 1994, the Bankruptcy Court granted BPI's Motion for Partial Summary Judgment finding that \$6.0 million of Hart's Claim had been assigned to Nationwide, the unassigned portion remains a claim against the estate, and that Nationwide does not have standing to assert any claim of Hart on Hart's behalf. Nationwide has appealed the judgment and the appeal is pending in front of the Honorable Terry R. Means, in the United States District Court for the Northern District of Texas.

On March 7, 1994, the Court granted an Order Sustaining Debtor's Objection to Proof of Claim No. 62 (Hart's Claim). Nationwide and Hart have filed a Motion to Vacate Order, in the alternative, for new trial, in the alternative, to set aside default, and request for sanctions. It is anticipated the matter will be heard in May or June of 1994.

In a letter dated May 4, 1994, addressed to counsel, Nationwide stated the following:

It has come to our attention that Robert H. Blankenship ("Blankenship") has asserted a secured claim against the Debtor in the above-referenced case. It is our understanding that his claim is based in part on liens he filed within one week of the petition date in this case, and in part on liens purportedly granted to him pursuant to the 1991 refinancing of his "loan" to the Debtor. See Proof of Claim No. 49. Our initial review of this matter indicates that the estate may have certain causes of action against Blankenship based on fraudulent and preferential transfers made to him.

We have concluded that further inquiry should be conducted into the 1991 refinancing of Blankenship's "loan" to the Debtor. Our initial review suggests that prior to 1991, Blankenship held a 20-year unsecured note bearing interest at 9.5%. See, Berryman Products of Delaware, Inc. Consolidated Financial Statements for the Years Ended September 30, 1990 and 1989 at p.9, note 6. After the refinancing of this obligation in 1991 (and, coincidentally, 5 years into the term of the original note), Blankenship was given a 15-year secured note

bearing interest at rates between 8.5% and 10.5%. See, Berryman Products of Delaware, Inc. Consolidated Financial Statements for the Years Ended September 30, 1992 and 1991 at p. 9, note 7.

An examination of the 1991 refinancing arrangement and applicable state law indicates that this refinancing may constitute a fraudulent transfer. Under the Uniform Fraudulent Transfer Act (codified at Tex. Bus. & Com. Code, chapter 24.01 et seq.), a transfer is fraudulent as to both present and future creditors if it is made with the intent to hinder, delay or defraud such creditors. Badges of fraud relevant to this case include the fact that the refinancing occurred only after the Hart lawsuit was filed (Tex. Bus. & Com. Code §24.005(b)(4)), and that the security interests were granted to an insider (Tex. Bus. & Com. Code §24.005(1), 24.005(11)).

Moreover, our initial review suggests that the Debtor received no reasonably equivalent value for the liens it granted in the refinancing of the Blankenship note, rendering the refinancing arrangement "constructively" fraudulent as to creditors at the time of the refinancing (such as Matt Van Hart). Tex. Bus. & Com. Code §24.006(a). A review of the consolidated financial statements you have previously provided indicates that recognition of the lawsuit filed by Matt Van Hart would have rendered the Debtor insolvent at the time of the refinancing. Tex. Bus. & Com. Code §24.006(a). As you are no doubt aware, recognition of contingent liabilities such as the Hart lawsuit is appropriate in determining insolvency. See, e.g., Covey v. Commercial Nat'l Bank of Peoria, 960 F.2d 657 (7th Cir. 1992).

Since the refinancing arrangement gave rise to liens filed in August 1991, and since these liens may prevent the Debtor from paying all allowed claims in full, we believe that the refinancing agreement should be examined in detail with an eye toward avoiding the liens as fraudulent transfers.

Finally, our review of the liens filed by Blankenship in 1993 indicate that such liens may constitute preferences under the Bankruptcy Code. In support of this finding, we would note that on March 15, 1993, and March 18, 1993 (within a week prior to the petition filed date), Blankenship filed an amended UCC-1 and a security agreement dated August 1, 1991 (respectively) with the Texas Secretary of State. Presumably, these filings were intended to secure assets over and above those secured in

Blankenship's August 5, 1991 filing with that office. To the extent that the security agreement or amended UCC-1 attempts to confer additional rights on the Debtor's collateral to Blankenship, we believe that they constitute preferential transfers under 11 U.S.C. §547 warranting further investigation by the Debtor.

We realize that the Debtor may be unable to vigorously pursue preference and fraudulent transfer claims against Blankenship because of the family ties between Blankenship and the Debtor's management. Therefore, if the Debtor is unable or unwilling to pursue such claims against Blankenship, Nationwide will pursue these claims in the Debtor's stead pursuant to the rules spelled out in Louisiana World Exposition v. Federal Insurance Co., 858 F.2d 233 (5th Cir. 1988).

Thank you for your time and consideration of these matters. Please contact myself or Mark Agee at your earliest convenience if you have any questions. If we have not heard from you by May 15, 1994, Nationwide will consider seeking leave of the Bankruptcy Court to pursue these claims for the benefit of the estate.

In response, the Debtors delivered the following letter to Nationwide, dated May 13, 1994:

Jeff Prostok and I are in receipt of your letter dated May 4, 1994.

Please accept the letter as a joint response from Berryman Products, Inc. and Berryman Products of Delaware, Inc. (collectively referred to herein as "Berryman").

Berryman has conducted a preliminary investigation of the allegations contained in your letter and the insistence that an avoidance action be instigated. Based on Berryman's preliminary investigation, as well as a review of the legal arguments contained in your letter, Berryman believes that an avoidance action against Robert H. Blankenship ("Blankenship") is unwarranted, not in the best interests of the estate, and would be a waste of the estate's limited assets. More specifically, and as is discussed in greater detail below, Berryman believes that a fraudulent transfer action is completely devoid of any legal merit and a preference action is unlikely to provide any benefit to the reorganization estate. In determining the benefit to the estate, Berryman took into consideration the probability of success on the merits, potential recovery for the estate, and the cost of

pursuing such action. Louisiana World Exposition v. Federal Ins. Co., 864 F.2d 1147, 1153 n.10 (5th Cir. 1989). Additionally, factored in the cost/benefit analysis is the fact that Blankenship has agreed to a fifteen-year payout under Berryman's proposed chapter 11 plan.

A threshold issue for both the fraudulent transfer and preference actions is the solvency of Berryman. As you are aware, preference and fraudulent transfer law measures "insolvency" by a balance sheet test that compares assets against liabilities. A debtor's assets are valued on a going concern basis. In re Taxman Clothing Co., 905 F.2d 166 (7th Cir. 1990). On a going concern basis, Berryman currently is, and has been, solvent. Indeed, the current chapter 11 plan proposed by Berryman contemplates a 100% payout to all of its creditors in a cramdown scenario. Moreover, the amount of the liability associated with Hart's contingent claim during the 1991 refinancing would be minimal for several reasons. First, the Hart litigation was in its infancy and Berryman had absolutely no reason to believe it had any liability. Second, Berryman had no reason to believe that its insurance company was insolvent or that the Hart litigation would not settle within the insurance limits.

As you are aware, absent actual intent to defraud creditors, a transfer of a security interest to secure an antecedent debt is not a fraudulent transfer and can only be avoided as a preference. Since the 1991 refinancing was clearly outside the preference period, there can be no constructively fraudulent transfer.

Actual intent to defraud is also not present in collateralizing the refinancing. Your letter implies that the grant of the security interest in connection with the 1991 refinancing was a veiled attempt to keep assets away from Hart. This argument is nonsense and ignores the facts surrounding the refinancing. Prior to the refinancing, First City held a lien on nearly all of Berryman's assets. Under its loan documents, First City would not allow a subordinate lien on those assets. First City was paid off in the refinancing, and Blankenship was given a lien on First City's collateral. Moreover, as discussed above, Berryman had absolutely no reason to believe that the Hart claim had merit and/or Corporate Underwriters, Berryman's insurance carrier, was insolvent.

In addition to the solvency defense, there are numerous other defenses to a preference action seeking to avoid the

financing statements filed within a week prior to the petition date. More specifically, Berryman's preliminary analysis indicates that Blankenship was oversecured at the time the 1993 financing statements were filed. As you are aware, a transfer may be avoided as a preference under section 547(b) only if the transfer enabled the creditor to receive more than the creditor would have received in a chapter 7 case assuming that the transfer had not been made. As an oversecured creditor, Berryman does not believe that Blankenship received more than he would have received in a hypothetical chapter 7 liquidation.

Based on all the foregoing and the fact that Blankenship has agreed to a fifteen-year payout, Berryman is not willing to expend the estate's limited assets on avoidance actions whose prospects for success appear marginal at best. Accordingly, Berryman declines to file an action seeking to avoid any transfers to Blankenship.

Nationwide may seek standing to pursue the claims on the Debtors' behalf. To succeed, Nationwide must establish that (i) the claims are colorable; (ii) unjustifiable refusal by the Debtors; and (iii) leave granted by the Bankruptcy Court. Based on the foregoing letters, the Debtors do not believe that Nationwide will be granted standing.

VIII. SUMMARY OF THE PLAN

A. Introduction.

The summary of the principal provisions of the Plan and the treatment of classes of Allowed Claims are set forth below. This summary is qualified in its entirety by references to the Plan, a copy of which is attached hereto as Exhibit A. The confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied separately with respect to each of the Debtors. Debtors believe that Creditors will obtain a greater recovery from the Debtors' estates than would be available if the assets of the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

B. Classification of Claims and Equity Interests.

The Plan classifies Claims and Equity Interests separately in accordance with the Bankruptcy Code and provides different treatment for different classes of Claims and Equity Interests. As described more fully below, the Plan provides, separately for each class, either that the Claims are unimpaired or that the holders of the Claims will receive various types of consideration, thereby giving effect to the different rights of the holders of the Claims of each class. Distributions on account of Allowed Claims under the Plan

will be in full settlement, satisfaction and discharge of such Claims. Upon confirmation of the Plan, the Debtors will be discharged from all Claims that have arisen before confirmation of the Plan, except for payments and distributions provided for in the Plan or in the Confirmation Order.

1. Unclassified Claims. The Bankruptcy Code does not require classification of certain priority claims against the Debtors. Pursuant to the terms of the Plan, Administrative Expense Claims and Priority Tax Claims shall be treated separately as unclassified claims.

a. Administrative Expenses. Administrative Expenses are claims against the Debtors constituting a cost or expense of administration in the chapter 11 cases allowed under section 503(b) of the Bankruptcy Code, including any actual and necessary costs and expenses of preserving the Debtors' estates, any actual and necessary costs and expenses of operating the businesses of the Debtors including wages, salaries and commissions for services rendered after the commencement of the chapter 11 cases, any indebtedness or obligations incurred or assumed by the Debtors in connection with the conduct of their businesses or for the acquisition or lease of property or the rendition of services, any allowance of compensation or reimbursement of expenses to the extent allowed by a final order under section 330 of the Bankruptcy Code, whether arising before or after the Effective Date, and fees or charges assessed against the Debtors' estates under Section 1930, Chapter 23, Title 28, United States Code.

Under the Plan, each Administrative Expense Creditor shall receive, at the Debtors' option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth business day after such Claim becomes an Allowed Claim, (b) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost, or (c) such other treatment as may be agreed to in writing by such Administrative Expense Creditor and the Debtors. The Debtors have incurred approximately \$400,000 in administrative expenses to date and estimate an additional \$100,000 in administrative expenses through confirmation.

b. Priority Tax Claims. A Priority Tax Claim is a Claim of a governmental unit of the kind specified in subsection 507(a)(7) of the Bankruptcy Code.

Each holder of an Allowed Priority Tax Claim shall receive, at the Debtor's option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth business day after such Claim becomes an

Allowed Claim, (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Distribution Date that precedes the sixth anniversary of the date of assessment of such Allowed Claims, or (c) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Debtors.

2. Classified Claims and Interests. The following describes the Plan's classification of those Claims and Equity Interests in the Debtors required to be classified under the Bankruptcy Code.

a. Secured Tax Claims - BPI and BPD Class 1. A Secured Tax Claim is a Claim of a governmental unit to prepetition ad valorem taxes. Under the Plan, each holder of an Allowed Secured Tax Claim shall receive, at the Debtor's option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth business day after such Claim becomes an Allowed Claim, (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Distribution Date that precedes the sixth anniversary of the date of assessment of such Allowed Claims, or (c) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Debtors.

b. Priority Non-Tax Claims - BPI and BPD Class 2. Priority Non-Tax Claims are any claims entitled to priority in accordance with section 507(a) of the Bankruptcy Code other than Administrative Expenses and Priority Tax Claims. Under the Plan, each holder of an Allowed Priority Non-Tax Claim shall receive (a) the amount of such holder's Allowed Claim in one Cash payment on the Distribution Date, or (b) such other treatment as may be agreed upon in writing by such holder of the Priority Non-Tax Claim and the Debtors.

c. Blankenship Claim - BPI and BPD Class 3. Robert H. Blankenship holds a promissory note in the original amount of \$2,500,000 executed by BPI and BPD. The Blankenship Claim is a secured claim for the outstanding amount of this note as well as certain associated fees and interest.

Blankenship shall receive treatment in accordance with section 1124(1) or (2) of the Bankruptcy Code; that is, Blankenship shall receive a new note sufficient to amortize principal and interest over a hundred and eighty month period

at the interest rate currently provided in his note, and Blankenship will be compensated for any damages under section 1124(2)(c) of the Bankruptcy Code, with no alteration to any of Blankenship's other rights.

d. Unsecured Claims - BPI and BPD Class 4. Unsecured Claims are Claims not secured by a valid and enforceable lien against the Debtors' property, excluding Convenience Claims, Secured Claims, Administrative Expense, Priority Tax Claims, Priority Non-Tax Claims, or the Nationwide Claim. BPD currently believes that it has no valid Unsecured Claims.

Each holder of an Allowed Unsecured Claim shall receive, at the election of the Unsecured Creditor, either (a) twenty-four (24) equal payments payable beginning on the Distribution Date and in twenty-three (23) monthly installments thereafter equal to the value of twenty-five percent (25%) of its Allowed Unsecured Claim, or (b) five (5) equal payments payable on the Distribution Date and in four (4) monthly installments thereafter equal to the full value of its Allowed Unsecured Claim; provided, however, that such Creditor electing such treatment covenants and agrees to reinstate the payment terms, treatment, quality controls, warranties, and packaging modifications, if any, in existence with BPI or BPD immediately prior to the Petition Date for all products delivered and services rendered by such creditor to BPI or BPD after the Effective Date.

e. Convenience Claims - BPI and BPD Class 5. A Convenience Claim is an Unsecured Claim of \$500 or less as to which the holder has made an election to be treated as a Convenience Claim on its ballot prior to the ballot deadline. However, any election by an Unsecured Creditor holding a Claim of \$500 or less to be treated as a Convenience Claim made after the ballot deadline is not binding upon the Debtors unless the applicable Debtor expressly waives the ballot deadline in writing. All Allowed Unsecured Claims of a single holder may be aggregated under the definition of Convenience Claim and the definition of Convenience Claim includes all Allowed Unsecured Claims of a single holder that are reduced to \$500 or less pursuant to section 7.4 of the Plan.

A holder of an Allowed Convenience Claim shall receive, on the Distribution Date, a payment in Cash equal to ninety percent (90%) of the amount of its Allowed Convenience Claim.

f. Environmental Claims - BPI and BPD Class 6. Environmental Claims are Claims to recover costs to remedy environmental contamination or to require Debtors to incur costs to remedy environmental contamination provided however,

that any Claim for contribution or reimbursement with respect to such costs by an entity which is not a governmental unit is an Unsecured Claim.

Holders of Environmental Claims shall retain the legal, equitable, and contractual rights to which such claim entitles the holder thereof except to the extent that payments of any kind are required to be made by Debtors in the period between the Effective Date and thirty (30) days following the Effective Date, said payments to be deferred until thirty (30) days following the Effective Date at which time any deferred payment shall be made without interest or penalty.

g. Nationwide Claims-BPI Class 7. Nationwide has filed two Claims against BPI. Nationwide has filed a Claim for \$250,000 characterized as "Damages." This Claim is based on the alleged breach of contract, negligence, breach of fiduciary duty, misrepresentation and fraudulent conduct of BPI in connection with an alleged agreement to indemnify Hunt by BPI in the Hart Lawsuit. In addition, Nationwide has filed a Claim for \$6 million characterized as a Claim for "contribution claim for amounts paid on personal injury/products liability claim." This Claim is based on the funds extended to Hart by Nationwide on account of their insured, Hunt, under the Funding Agreement. BPI has objected to both Claims.

The Nationwide Claim is a Contested Claim against BPI. It has been scheduled by BPI as unliquidated, contingent, and disputed. BPI has filed an Objection to the Nationwide Claim. Additionally, BPI has filed motions with the Bankruptcy Court requesting that the Bankruptcy Court estimate the Nationwide Claim for all bankruptcy purposes pursuant to section 502(c) of the Bankruptcy Code. The Bankruptcy Court has estimated a portion of the Nationwide Claim at \$6,000,000.00. The Bankruptcy Court has not yet estimated claim number 68 filed by Nationwide. Upon the issuance of (i) a Final Order in the contested matter created by the Objection of BPI to Nationwide's Claim, (ii) a Final Order in the Nationwide Lawsuit, and (iii) a Final Order in the Hart Lawsuit, the Nationwide Claim will become an Allowed Claim. Prior to entry of all three Final Orders referenced in the foregoing sentence, the Nationwide Claim will be characterized as a Contested Claim under this Plan. It is anticipated that the Nationwide Claim will be finally and fully liquidated in 3-5 years.

The Debtor has reserved the right to revoke and withdraw the Plan as to either or both Debtors before the entry of the Confirmation Order. If the Debtors (or either of them) revoke or withdraw the Plan, or if confirmation of the Plan as to either or both Debtors does not occur, then, with respect to

such Debtor or Debtors, as the case may be, the Plan shall be deemed null and void and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against such Debtor or Debtors, as the case may be, or any other Person or to prejudice in any manner the rights of such Debtor or Debtors, as the case may be, or person in any further proceedings involving such Debtor.

Subject to the qualifications and limitations set forth in section 5.7 of the Plan, Nationwide shall receive (i) a full and complete release from the Debtors of the Nationwide Litigation and all transactions and occurrences related to or arising from the Objection to the Nationwide Claim and the Nationwide Litigation, and (ii) at Nationwide's election, either (a) \$500,000.00 in cash on the Effective Date, or (b) a Note bearing interest at the rate of six percent (6%) per annum on a principal balance of \$900,000.00, being payable in three (3) equal installments of \$300,000.00 of principal (together with accrued interest) with the first such principal installment due and payable on the Effective Date; provided, however, if Nationwide fails to accept the Plan then Nationwide shall receive on the Distribution Date a fifteen (15) year note bearing interest at a rate of eight and a half (8½) percent per annum with monthly principal and interest payments sufficient to completely amortize the note over a three hundred and sixty (360) month period. The existing unpaid principal balance and all accrued and unpaid interest will be due and payable at the end of the fifteen year term. The amount of the note shall be equal to the amount of Nationwide's Allowed Claim. For purposes of calculating the Distribution Date under section 5.7 of the Plan and the commencing of payment under the Note, the Nationwide Claim will be deemed Allowed (and the fifteen year term commenced) after entry of a Final Order in the (i) contested matter created by the Objection of BPI to the Nationwide Claim; (ii) the Nationwide Lawsuit; and (iii) the Hart Lawsuit.

h. BPI and BPD Claims-BPI Class 8 and BPD Class 7. Any Claims against BPI held by BPD, or Claims held against BPD by BPI shall be eliminated by virtue of section 8.3 of the Plan. No distribution shall be made with respect to these Claims.

i. Equity Interests-BPI Class 9 and BPD Class 8. BPD, as the holder of all the Equity Interests in BPI, will retain all of the Equity Interests in Reorganized BPI.

All holders of Equity Interests in BPD will retain all of their respective pro rata Equity Interests in Reorganized BPD.

C. Other Provisions of the Plan.

1. Assumption of Liabilities. After confirmation of the Plan, except as otherwise provided in the Plan, Reorganized BPI shall assume liability for and the obligations to make distributions required to be made to BPI Classes 1-9 under the Plan. In addition, after confirmation, except as otherwise provided in the Plan, Reorganized BPD shall assume liability for and the obligations to make the distributions required to be made to BPD Class 1-8 under the Plan.

2. Treatment of Intercompany Claims. On the Effective Date, all Claims of BPD against BPI and all Claims of BPI against BPD shall be cancelled and extinguished.

3. Effect of Confirmation Order. Except as provided in the Plan, the Confirmation Order shall be a judicial determination of discharge of the Debtors from all debts that arose before the Effective Date and any liability on a Claim that is determined under section 502 of the Bankruptcy Code as if such Claim had arisen before the Effective Date, whether or not a proof of claim based on any such said liability is filed under section 501 of the Bankruptcy Code and whether or not a Claim based on such said liability is Allowed under section 502 of the Bankruptcy Code.

4. Discharge of Claims. All Claims existing prior to the Effective Date against the Debtors shall be and be deemed to be, discharged and released in full on the Effective Date. All holders of any and all such Claims shall be enjoined automatically, without further notice or order, from asserting a Claim against the reorganized Debtors, whether or not the holder of such Claim filed a proof of claim; provided, however, any and all holders of timely filed proofs of claim may enforce their right to distributions provided by the Plan.

5. Substantial Consummation. Substantial Consummation is the time the first Creditor receives a distribution of any kind under the terms and provisions of the Plan. All distributions of any kind made to any of the Creditors after Substantial Consummation and any and all other actions taken under the Plan after Substantial Consummation shall not be subject to release, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

6. Retention of Jurisdiction. Under the Plan and pursuant to Sections 1334 and 157 of Title 28 of the United States Code, after confirmation the Bankruptcy Court will retain exclusive jurisdiction of all matters arising in, arising under, and related to the chapter 11 cases in the Plan, for the purposes of, Section 105(a)

and 1142 of the Bankruptcy Code, and for, among other things, the following purposes: to hear and determine any and all objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation or payment of any Administrative Expense Claim, or Equity Interests; to hear and determine any and all applications for payments of fees and expenses from the Debtors' estates made by attorneys or any other professional pursuant to Sections 330 or 503 of the Bankruptcy Code, or for any payment or any other fees or expenses authorized to be paid or reimbursed from the Debtors' estates under the Bankruptcy Code, and any and all objections thereto; to hear and determine pending applications for the rejection, the assumption, or the assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any executory contract or lease; to hear and determine any and all adversary proceedings, applications, or contested matters including any remands or appeals; to hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan; to liquidate any disputed, contingent, or unliquidated Claims; to ensure the distributions to holders of Allowed Claims are accomplished as provided in the Plan; to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated; to enter and implement such orders as may be necessary or appropriate in furtherance of confirmation and implementation of the Plan; to enable Reorganized BPD or Reorganized BPI to prosecute any and all proceedings which may be brought to satisfy the means or encumbrances and to recover any transfers, assets, properties or damages to which the Debtors may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws including causes of action, controversies, disputes and conflicts between the Debtors and any other party, including but not limited to, any causes of action or objections to Claims, preferences or fraudulent transfers and obligations or equitable subordination; to consider any modification of the Plan pursuant to Section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court including, without limitation the Confirmation Order; to enter and implement such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the terms and conditions of the Plan and the transactions contemplated thereunder; to hear and determine any other matter not inconsistent with the Bankruptcy Code or Title 28 of the United States Code that may arise in connection with or related to the Plan; and to enter a final decree closing the chapter 11 cases.

7. Time and Method of Distributions under the Plan. Any payments or distributions to be made by the Debtors pursuant to the Plan will be made on the Distribution Date except as otherwise provided for in the Plan, or as may be ordered by the Bankruptcy Court. All distributions will be made by the Disbursing Agent. Payments of Cash to be made by the Debtors pursuant to the Plan will be made by check and drawn on a domestic bank or by wire transfer from a domestic bank.

Distributions and deliveries to holders of Allowed Claims will be made at the addresses set forth on the proofs of claim or proofs of interest filed by such holders. If no proof of claim or proof of interest has been filed or if the applicable Debtor has been notified of a change of address, the distribution shall be sent to the last known address of such holder. If any holder of distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the applicable Debtor is notified of such holder's then current address. All Claims for undeliverable distributions must be made on or before the first anniversary of the Distribution Date. After such date, all unclaimed property shall revert to Reorganized BPD or Reorganized BPI and the Claim of any holder with respect to such property shall be discharged and forever barred. Checks issued by the Debtors or Reorganized BPD or Reorganized BPI in respect of the Allowed Claims will be null and void if not cashed within ninety (90) days of the date of issuance. Request for the reissuance of any check must be made directly to the applicable Debtor by the holder of the Allowed Claim or Allowed Equity Interest. Any Claim in respect of such void check must be made on or before the latter of the first anniversary of the Distribution Date or ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

8. Executory Contracts and Unexpired Leases.

a. General Treatment; Assumed If Not Rejected. The Plan constitutes and incorporates a motion by the Debtors to assume, as of the Confirmation Date, all prepetition executory contracts and unexpired leases to which either of the Debtors are parties, except for executory contracts or unexpired leases that (a) have been assumed or rejected pursuant to Final Order of the Bankruptcy Court, or (b) are the subject of a separate motion filed pursuant to section 365 of the Bankruptcy Code by the Debtors filed within sixty (60) days after the Confirmation Date. The Plan constitutes and incorporates a motion by the Debtors to assume, as of the Confirmation Date, all prepetition executory contracts and unexpired leases to which either of the Debtors are parties, except for executory contracts or unexpired leases that (a) have been assumed or rejected pursuant to Final Order of the Bankruptcy Court, or (b) the

Claim arising from such executory contract or unexpired lease is the subject of a pending Objection or an Objection filed within sixty (60) days after the Confirmation Date, or (c) are the subject of a separate motion filed pursuant to section 365 of the Bankruptcy Code by the Debtors prior to the Effective Date. With respect to executory contracts or unexpired leases arising under Section 11-1(b) above, Debtor expressly reserve the right to file motions rejecting and executory contracts or unexpired leases within ninety (90) days following the Confirmation Date.

b. Bar to Rejection Damages. If the rejection of an executory contract or an unexpired lease by the Debtors results in damages to the other party or parties to such contract or lease, a Claim for such damages, shall be forever barred and shall not be enforceable against the Debtors or their respective properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon Reorganized BPD or Reorganized BPI and counsel to the Debtors by the earlier of thirty (30) days after the Confirmation Date or thirty (30) days after entry of the Final Order approving rejection of such contract or lease.

c. Rejection Claims. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract not barred by section 11.2 of the Plan shall be classified as an Unsecured Claim subject to the provisions of section 502(g) of the Bankruptcy Code; provided, however, that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code.

9. Provisions For Resolutions and Treatment of Contested and Contingent Claims.

a. Objection Deadline. Unless a different date is set by order of the Bankruptcy Court, all objections to Claims shall be served and filed by thirty (30) days after the Effective Date or thirty (30) days after a particular proof of Claim is filed, whichever is later. All Contested Claims shall be litigated to Final Order; provided, however, that the Debtors, may compromise and settle any Contested Claim, subject to the approval of the Bankruptcy Court.

b. Responsibility for Objecting to Claims. The Debtors shall have the responsibility for objecting to the allowance of Claims following the Effective Date.

c. Distributions on Account of Contested Claims.

(1) In determining the amount of distribution to be made under the Plan to the holders of Allowed Claims, the appropriate distribution required by the Plan shall be made according to the estimates of the Bankruptcy Court and subject to the provisions of the Plan.

(2) As soon as practicable after all Contested Claims become fixed, the holder of an Allowed Claim shall receive a distribution in an amount equal to the aggregate of all the distributions which such holder would have received had such Contested Claim been an Allowed Claim on the Effective Date. No interest shall be paid on account of a Contested Claim which later becomes an Allowed Claim.

(3) Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and distributions under the Plan. Any contingent right to contribution or reimbursement of an entity that is liable with the Debtors or has secured the Claim of a Creditor, shall be disallowed to the extent required by section 502(e) of the Bankruptcy Code.

10. Modification of the Plan.

a. Non-Material Modifications. The Debtors may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Equity Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Debtors may undertake such nonmaterial modification insofar as it does not adversely change the treatment of the Claim of any Creditor or the interest of any Equity Interest holder who has not accepted in writing the modification.

b. Material Modifications. Modifications of the Plan may be proposed in writing by the Debtors at any time before confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Equity Interest that has accepted or rejected this Plan will

be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

IX. TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain federal income tax aspects of the Plan, for general information only, and therefore, should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a Claim or Interest. This discussion does not purport to be a complete analysis or listing of all potential tax factors.

The following discussion is based upon existing provisions of the Internal Revenue Code ("IRC"), existing and proposed regulations thereunder, and current administrative rulings and court decisions. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming which would require significant modification of the statements expressed in this section. Certain tax aspects of the Plan are uncertain due to recent legislation and the lack of applicable regulations and other tax precedent. Some of the tax consequences under the Plan may be subject to uncertainty arising from proposed legislation as well as recently enacted changes in the law for which the IRS has not issued final regulations. Moreover, the tax consequences to holders of the Claims in Interest may vary based upon the individual tax circumstances of each such holder. Nothing herein purports to describe any state, local, or foreign tax consequences.

AS OF THIS DATE, NO RULING HAS BEEN OBTAINED FROM THE IRS WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN AND NO OPINION OF COUNSEL HAS BEEN OBTAINED BY BPI AND BPD WITH RESPECT THERETO. NO REPRESENTATIONS OR ASSURANCES ARE BEING MADE WITH RESPECT TO THE FEDERAL INCOME TAX CONSEQUENCES AS DESCRIBED HEREIN. CERTAIN TYPES OF CLAIMANTS AND INTERESTHOLDERS MAY BE SUBJECT TO SPECIAL RULES NOT ADDRESSED IN THIS SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES. THERE MAY ALSO BE STATE, LOCAL, OR FOREIGN TAX CONSIDERATIONS APPLICABLE TO EACH HOLDER OF A CLAIM OR INTEREST WHICH ARE NOT ADDRESSED HEREIN. EACH HOLDER OF A CLAIM OR INTEREST AFFECTED BY THE PLAN MUST CONSULT, AND REPLY UPON, HIS OR HER OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO THAT HOLDER'S CLAIM OR INTEREST. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH THE OFFERING FOR SALE OF SECURITIES.

A. Tax Consequences to the Debtors.

Under the IRC, a taxpayer generally must include in gross income the amount of any discharge of indebtedness income realized during the taxable year. Section 108(a)(1)(A) of the IRC provides an exception to this general rule, however, in the case of a taxpayer that is under the jurisdiction of a bankruptcy court in a case brought under the Bankruptcy Code where the discharge of indebtedness is granted by the court or is pursuant to a plan approved by the court, provided that the amount of discharged indebtedness that would otherwise be required to be included in income is applied to reduce certain tax attributes of the taxpayer. Section 108(e)(2) of the IRC provides that a taxpayer will not realize income from the discharge of indebtedness to the extent that satisfaction of the liability would have given rise to a deduction. As a result of sections 108(a)(1)(A) and 108(e)(2) of the IRC, the Debtors will not recognize any income from the discharge of indebtedness pursuant to the Reorganization Case.

Under the Plan, Claimants holding Allowed Claims in BPI Classes 1 and 2 and in BPD Classes 1 and 2 will be paid the full amount of their Allowed Claim upon the Effective Date. BPI and BPD Class 3 Claims will be paid according to the terms of their agreement. Because those Claims will be paid in full, satisfaction of such Claims should not give rise to discharge of indebtedness income to BPI or BPD for purposes of section 108 of the IRC (except to the extent that interest previously accrued and deducted by BPD or BPI, if any, is not required to be paid).

With respect to holders of claims in BPI and BPD Class 4 (Unsecured Claims), BPI and BPD Class 5 (Convenience Claims), BPI and BPD Class 6 (Environmental Claims), and BPI Class 7 (Nationwide Claim), the satisfaction and discharge of such claims may result in discharge of indebtedness income pursuant to section 108 of the IRC.

Discharge of indebtedness is likely to arise as a result of the limitation on the amount that will be paid in respect to Claims in BPI and BPD Class 4 and 5 but it is impossible to predict the exact amount of such discharge since the aggregate amount of such Claims which will ultimately be Allowed has not yet been determined.

B. Tax Consequences to Claimants Holding Claims in BPI Classes 1, 2, 3, 4, 5, 6 and 7 and BPD Classes 1, 2, 3, 4, 5 and 6.

A Claimant who receives Cash or other consideration (including stock) in satisfaction of his Claims may recognize ordinary income or loss by reason of any such consideration received in respect to accrued interest attributable to his Claims. The manner in which consideration is to be allocated between accrued interest and principal for these purposes is unclear under present law.

A Claimant who was not previously required to include in income accrued but unpaid interest attributable to his Claims and who surrenders his Claims pursuant to the Plan will be treated as having received interest income to the extent that any consideration received is treated for federal income tax purposes as attributable to such Claimant's Claim for accrued but unpaid interest, regardless of whether the Claimant realizes an overall gain or loss as a result of surrendering his Claims. A Claimant who previously included in income accrued but unpaid interest attributable to his Claims should recognize an ordinary loss to the extent that such accrued but unpaid interest is not satisfied in full.

In determining the amount of any consideration issued by BPI and BPD pursuant to the Plan that is allocable to a Claimant's Claim for accrued interest, regulations promulgated by the United States Treasury Department provide, in effect, that if a taxpayer purchases a debt obligation with accrued but unpaid interest, appropriate amounts received by the purchaser which are attributable to such interest will be treated for federal income tax purposes as a return of the purchaser's capital. Accordingly, as a general matter, only consideration treated as paid by the Debtors in respect of Claims for interest that accrued while the underlying Claims were held by the Claimant may be taxable to such Claimant as accrued interest for purposes of applying the principles outlined above.

A Claimant may recognize income, gain or loss by reason of consideration attributable to the principal of his Claims surrendered equal to the difference between the Claimant's adjusted basis in his Claim and the amount of consideration which is not allocable to unpaid, accrued interest. The character of such income, gain or loss, or ordinary income or loss, will be determined by the nature of the Claimant and whether the Claimant's Claims constitute capital assets in his hands. With respect to individual Claimants, the maximum federal income tax rate on net capital gains is 28%. With respect to corporate taxpayers, capital gains are currently subject to the same federal income tax rate as ordinary income. Capital losses generally may be used only to offset capital gains (plus, in the case of individuals, an annual amount of \$3,000.00 of income).

Claimants who hold a Claim that is not treated as a security for federal income tax purposes and who receive consideration in the Transactions will recognize gain or loss equal to the difference between (1) the amount of Cash plus the fair market value of noncash consideration received (less the portion thereof attributable to accrued interest), and (2) the Claimant's tax basis in such Claim. Such Claimant would take a basis in the nonstock consideration received equal to the fair market value of such consideration as of the date received. Provided such consideration constituted a capital asset in the recipient's hands, the Claimant's holding

period would commence the day after the Claimant received the consideration. Further, a Claimant whose Claim constitutes a security for tax purposes but who does not receive stock or securities in the Transactions will be taxed in a manner similar to that described above concerning a Claimant whose Claim does not constitute a security.

C. Tax Consequences to the BPI Interestholders and the BPD Interestholders.

All of the Existing BPI and BPD Stock will not be affected and therefore no tax ramifications will result due to this transaction.

THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX ADVISOR. THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN SOME CASES, UNCERTAIN. SUCH CONSEQUENCES MAY ALSO VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR INTEREST. ACCORDINGLY, EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OR HER OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF THE PLAN.

X. RISK FACTORS

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each holder of a Claim or Equity Interest of the Plan and this Disclosure Statement as a whole with such holders own advisors.

A. Variances From Projections.

This Plan is premised on the financial analysis conducted by Debtors and attached to the Disclosure Statement as Exhibit D. The projections contained in the financial analysis include, among other items, assumptions concerning (i) general economic conditions, (ii) the ability to make necessary capital expenditures, (iii) the ability to regain market strength, and (iv) the ability to increase gross margin and control future expenses, including labor costs, bad debts, and other operating costs. The Debtors believe the assumptions underlying the projected financial statements are reasonable. There are certain other factors, however, that relate to the Reorganized Debtors ability to achieve the projections and which might affect the reorganized Debtors ability to meet their obligations under the Plan.

B. Bankruptcy Risks.

For the Plan to be confirmed, each impaired Class of Claims and Equity Interests is given the opportunity to vote to accept or reject the Plan. With regard to such impaired Voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by Claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. The Plan will be deemed accepted by a Class of impaired Equity Interests if it is accepted by the members actually voting on the Plan who hold at least two-thirds (2/3) in amount of the total Allowed Equity Interests voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. If certain Classes of Claims that are impaired under the Plan fail to accept the Plan by the minimum percentage of votes, the Debtors will request confirmation pursuant to the cramdown provisions in Section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims or Equity Interests has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Debtors would be able to use the cramdown provision of the Bankruptcy Code for confirmation of the Plan.

Consequently, the following specific risks exist with respect to confirmation of the Plan: (i) any objection to the Plan filed in the chapter 11 cases by a member of a Class of Claims or Equity Interests can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time; (ii) if certain impaired Classes of Claims or Equity Interests under the Plan failed to provide acceptance levels to meet the minimum class vote requirements, cramdown could be requested and could delay confirmation.

C. General Market Conditions.

The automotive chemical industry is highly competitive and dominated by the Debtors' larger competitors. Consequently, the Debtors' actions are restricted by the need to respond to and remain competitive with, their larger competitors. In addition, the absence of patents for products in the industry results in easy duplication of products and difficulty to distinguish between brands. The introduction of government standards and legislation regarding environmental matters has adversely affected the industry.

D. Nationwide and Hart Litigation.

It is Nationwide's position that even if BPI is able to overturn the Matt Van Hart judgment on appeal, BPI will still be

liable to Nationwide for \$6,000,000.00 since Nationwide alleges BPI was obligated to indemnify Nationwide's insured, C. P. Hunt. BPI disagrees with Nationwide's conclusions and believes that a successful resolution on the Hart Judgment appeal will result in no recovery for Hart or Nationwide.

In addition, Nationwide asserts that there has been no attempt to make creditors aware of the nature of BPI's claims against Nationwide pending in Tarrant County or the potential counterclaims asserted by Nationwide. The Debtors have stated in their Disclosure Statement their causes of action against Nationwide. To date, Nationwide has not filed any counterclaim against BPI and therefore the Debtors are unable to speculate as to Nationwide's potential unasserted counterclaims.

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Proponents have evaluated numerous alternatives to the Plan, including the sale of the Debtors as a going concern, either as a whole or on a break up basis, and the liquidation of the Debtors. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recovery by holders of Claims, assuming confirmation of the Plan. The following discussion provides a summary of the Debtors' analysis leading to their conclusion that a sale or liquidation will not provide the highest value to the holders of Claims.

A. Sale Alternative.

The Debtors believe that a sale at this time would be a distressed sale primarily because the Debtors recent financial performance has been depressed as a result of the depressed economy. The Plan, in contrast, enables creditors to receive greater payments than would be possible if the Debtors' business were sold. These greater payments are possible because of the going concern value of the Debtors' business which would not be available if the Debtors business were sold on a liquidating basis and which would be reduced by administrative and transaction costs if purchased as an operational business.

B. Liquidation Alternative.

The Debtors have analyzed whether a liquidation of the assets of each Debtor could be in the best interest of holders of Claims. An analysis of the recovery that would likely result upon liquidation under Chapter 7 of the Bankruptcy Code is set forth as Exhibit C to the Disclosure Statement. That analysis reflects a liquidation value that is lower than the value that may be realized under the Plan. The Debtors believe that liquidation would result in substantial

diminution in the value to be realized by holders of Claims because of (i) the failure to realize that greater going concern value of the Debtors' assets, (ii) additional administrative expenses involved and the appointment of a trustee or trustees, attorneys, accountants, and other professionals to assist such trustee(s) (in the case of a Chapter 7 proceeding) and (iii) additional expenses and Claims, some of which would be entitled to priority payments, which would arise by reason of a liquidation and from the rejection of leases and other executory contracts in connection with the cessation of the Debtors' operations, and (iv) the substantial time which would elapse before Creditors would receive any distribution in respect of their Claims. Consequently, the Debtors believe that the Plan, which provides for the continuation of the Debtors' businesses, provides a greater return to holders of Claims than would liquidation. BPI retained KPMG Peat Marwick as certified public accountants. KPMG Peat Marwick worked with the Debtors to formulate the liquidation analysis reflected on Exhibit C.

C. Alternatives if the Plan is not Confirmed.

If the Plan is not confirmed, the Debtors will attempt to formulate and propose a different plan or plans of reorganization. Such plans might involve either reorganization and continuation of the Debtors' businesses, a sale of the Debtors' businesses as a going concern, an orderly liquidation of the Debtors' assets, or a combination thereof. If no plan of reorganization can be confirmed, the Chapter 11 cases may be converted to liquidation proceedings under Chapter 7 of the Bankruptcy Code. In Chapter 7 cases, a trustee or trustees would be elected or appointed to liquidate the assets of each Debtor. The proceeds of the liquidation would be distributed to the respective Creditors of the Debtors in accordance with the priorities established by the Bankruptcy Code.

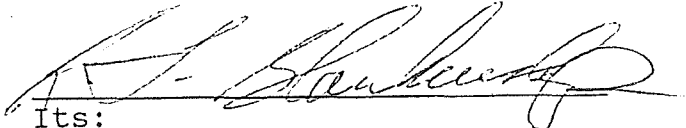
XII. CONCLUSION

The Debtors believe that the Plan is in the best interests of all Creditors, and urge holders of impaired Claims to vote to accept the Plan and to evidence such acceptances by returning their ballot so that they will be received on or before 4:00 p.m. Central Standard Time on July 1, 1994.


DATED: June 2, 1994.

Respectfully submitted,

BERRYMAN PRODUCTS, INC.

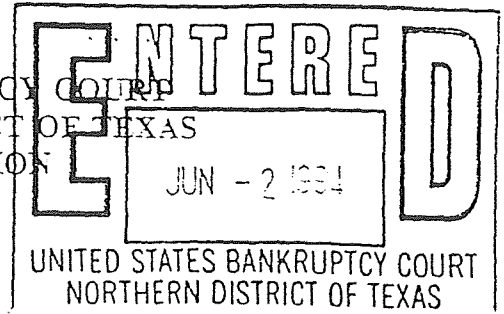
By: 
Its:

BERRYMAN PRODUCTS OF DELAWARE, INC.

By: 
Its:

REGINA CHAMBERS
JUN - 2 1994
USBC-NDTX

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION



In re:

BERRYMAN PRODUCTS, INC.

Debtor.

CASE NO. 493-41086-MT

CHAPTER 11

In re:

BERRYMAN PRODUCTS OF
DELAWARE, INC.

Debtor.

CASE NO. 493-41087-MT

CHAPTER 11

ORDER (A) APPROVING DEBTORS' DISCLOSURE STATEMENT,
(B) FIXING TIME WITHIN WHICH CREDITORS MAY VOTE
TO ACCEPT OR REJECT DEBTORS' PLAN, (C) FIXING TIME
WITHIN WHICH TO FILE AND SERVE OBJECTIONS AND BARRING
OBJECTIONS NOT TIMELY FILED, (D) FIXING DATE, TIME
AND PLACE FOR CONFIRMATION HEARING ON DEBTORS
PLAN, AND (E) APPROVING FORM AND MANNER OF
NOTICE OF CONFIRMATION HEARING

The approval of the proposed Second Amended Joint Disclosure Statement for the First Amended Joint Plan of Reorganization of Berryman Products, Inc. ("BPI") and Berryman Products of Delaware, Inc. ("BPD"), dated May 6, 1994 (the "Debtors' Disclosure Statement"), which disclosure statement was originally filed on April 11, 1994, and modified on May 6, 1994 and June 2, 1994, came on for hearing before the Court on June 2, 1994, and the Court having found that adequate and sufficient notice of the hearings on the Debtors' Disclosure Statement was given as required by Bankruptcy Rules 2002(b)(1) and 3017(a); and the Court having found further that the Debtors' Disclosure Statement, with

EXHIBIT
A

additional modifications made through the date of this Order, which modifications are not sufficiently material in nature to require additional notice to any party, contains information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of BPI and BPD (herein collectively called the "Debtors"), and the condition of their books and records, that would enable a hypothetical investor typical of the holders of the claims of the various classes in these chapter 11 cases to make an informed judgment about the proposed First Amended Joint Plan of Reorganization of BPI and BPD, dated as of May 6, 1994 (the "Debtors' Plan"), which plan of reorganization was originally filed by the Debtors on April 11, 1994 and modified on May 6, 1994 and on June 2, 1994; and the Court having considered the objections to the Debtors' Disclosure Statement that were filed and the responses of the Debtors thereto;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, AND NOTICE IS HEREBY GIVEN, THAT:

1. Pursuant to section 1125(b) of the Bankruptcy Code and Bankruptcy Rule 3017(b), the Debtors' Disclosure Statement, as modified through the date of this Order, is approved as containing adequate information.
2. Pursuant to section 1127(a) of the Bankruptcy Code, the Debtors' Plan shall be deemed to have amended, modified, and superseded in all respects all prior versions thereof, including those versions filed on April 11, 1994, May 6, 1994, and on June 2, 1994.
3. The hearing to consider confirmation (the "Confirmation Hearing") of the Debtors' Plan shall commence on July 11, 1994, at 9:00 a.m., in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division, on the 1st Floor of the

Federal Courthouse, Fort Worth, Texas. The Confirmation Hearing may be continued from time to time during the conduct thereof by announcement in open court without further notice to parties in interest. Additionally, the Debtors' Plan may be modified, pursuant to section 1127 of the Bankruptcy Code, prior to, or as a result of, the Confirmation Hearing.

4. Pursuant to Bankruptcy Rule 3020(b)(1), the Court fixes the following dates as the respective last days for filing and serving written objections to the confirmation of the Debtors' Plan (the "Objection Deadlines"):

a. July 1, 1994 is fixed as the last day for filing and serving written objections to the confirmation of the Debtors' Plan by all parties in interest.

b. Any objections to confirmation of the Debtors' Plan, including any objection to the assumption (or assumption and assignment) of any executory contract or unexpired lease pursuant to the Debtors' Plan, shall be in writing and shall: (1) state the name and address of the objector and the amount of its claim or the nature of its interest in the Debtors' Chapter 11 cases; (2) specify the basis and nature of each objection; (3) be filed with the Court, together with a proof of service on or before such date; and (4) be served on the following parties, at the following addresses, in time to be received by such parties no later than 4:00 p.m., Central Standard time, on the applicable Objection Deadline fixed in Paragraph 4(a) above:

Debtor:

Berryman Products, Inc.
3800 East Randol Mill Road
Arlington, Texas 76011
Attn: Truman Blankenship

Counsel for Berryman Products, Inc.

Cantey & Hanger
2100 Burnett Plaza
Fort Worth, Texas 76102
Attn: Jeff P. Prostok

Berryman Products of Delaware, Inc.
3800 East Randol Mill Road
Arlington, Texas 76011
Attn: Truman Blankenship

Counsel for Berryman Products of
Delaware, Inc.

Jones, Day, Reavis & Pogue
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201
Attn: Craig H. Averch or
Barbara Jean Oyer

The Court may not consider any objections at the Confirmation Hearing that have not been filed, served, and received by, on or before 4:00 p.m., Central Standard time, on the applicable Objection Deadline.

5. Only holders of record of claims against the Debtors as of the close of business on July 1, 1994 shall be entitled to vote to accept or reject the Debtors' Plan.

6. On or before June 6, 1994, the Debtors shall cause to be mailed to each person or entity designated in Bankruptcy Rule 3017(b) or 3018(a) that is entitled to vote to accept or reject the Debtors' Plan, the following materials (the "Solicitation Package"): (a) solicitation letter; (b) a copy of this Order; (c) a copy of the Debtors' Disclosure Statement with the annexes and exhibits thereto; (d) a copy of the Debtors' Plan with exhibits thereto; (e) a separate ballot or ballots, and ballot instructions for Debtors' Plan.

7. Debtors shall be relieved of any obligation to include ballots, ballot instructions or a solicitation letter in any Solicitation Package to the members of any class that is deemed to have rejected the Debtors' Plan pursuant to section 1126(g) of the Bankruptcy Code.

8. Debtors shall be relieved of any obligation to provide a Solicitation Package to the members of any class that is deemed to have accepted the Debtors' Plan pursuant to

section 1126(b) of the Bankruptcy Code; and Debtors shall, at the expense of the respective Debtors' estates, provide any member of such class a copy of the Debtors' Disclosure Statement or Debtors' Plan who request the same in writing.

9. The last day for the receipt of ballots accepting or rejecting the Debtors' Plan shall be 4:00 p.m., Central Standard Time, on July 1, 1994 (the "Voting Deadline"). In order for a ballot to be counted, it must be received before the Voting Deadline, at the following address, according to the ballot instructions:

By Mail or Hand Delivery

Cantey & Hanger
2100 Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
Attn: Jeff P. Prostok

A ballot may be sent by facsimile transmission so long as it is received by the Voting Deadline and the actual signed ballot is received not later than 4:00 p.m., Central Standard time, on July 5, 1994.

10. The notices and service of the Debtors' Disclosure Statement contemplated by this Order, shall be good and sufficient notice to all of the Debtors' creditors and equity security holders of the time and place of: (a) the Confirmation Hearing; (b) the requirement for filing any objections to confirmation of the Debtors' Plan; (c) the assumption or assumption and assignment of the Agreements pursuant to the Debtors' Plan; and (d) all other information contained in this Order.

11. Debtors are authorized and directed to arrange for the reproduction of the final versions of the Debtors' Disclosure Statement and the Debtors' Plan, together with all

annexes and exhibits to such documents, including all additions, revisions, amendments and supplements which are necessary to conform the Debtors' Disclosure Statement, the Debtors' Plan, and the respective annexes and exhibits to any of such documents, to this Order and to file the same with this Court.

Dated: 6/2, 1994.

*ORIGINAL SIGNED BY
MASSIE TILLMAN*

Massie Tillman, U.S. Bankruptcy Judge

DISCLOSU.0R2

Jeff P. Prostok
 J. Robert Forshey
 Cantey & Hanger
 2100 Burnett Plaza
 801 Cherry St.
 Fort Worth, Texas 76102
 (817) 877-2800
 COUNSEL FOR BERRYMAN PRODUCTS, INC.

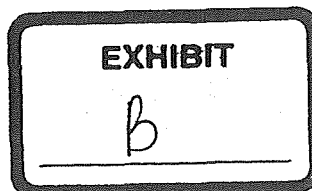
Craig H. Averch
 Barbara Jean Oyer
 JONES, DAY, REAVIS & POGUE
 2300 Trammell Crow Center
 2001 Ross Avenue
 Dallas, Texas 75201
 (214) 220-3939
 COUNSEL FOR BERRYMAN PRODUCTS
 OF DELAWARE, INC.

UNITED STATES BANKRUPTCY COURT
 FOR THE NORTHERN DISTRICT OF TEXAS
 FORT WORTH DIVISION

-----	§	
In re:	§	
	§	
BERRYMAN PRODUCTS, INC.	§	CASE NO. 493-41086-MT
	§	
Debtor.	§	CHAPTER 11
-----	§	
	§	
In re:	§	
	§	
BERRYMAN PRODUCTS OF DELAWARE, INC.	§	CASE NO. 493-41087-MT
	§	
Debtor.	§	CHAPTER 11
-----	§	

FIRST AMENDED JOINT PLAN OF REORGANIZATION OF
 BERRYMAN PRODUCTS, INC. AND
BERRYMAN PRODUCTS OF DELAWARE, INC.

Berryman Products, Inc. and Berryman Products of
 Delaware, Inc. propose the following joint plan of



reorganization pursuant to subsection 1121(a) of the
Bankruptcy Code.

ARTICLE I.

DEFINITIONS

A. Defined Terms. In addition to such other terms as are defined in other sections of this Plan, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

1.1. "Administrative Expense" means any Claim constituting a cost or expense of administration of the Chapter 11 Cases allowed under subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estate of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estate of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

1.2. "Administrative Expense Creditor" means any Person, including a Professional, entitled to payment on account of an Administrative Expense.

1.3. "Allowed", when used with respect to a Claim or Equity Interest means a Claim (i) to the extent it is not Contested; or (ii) a Contested Claim, proof of which was filed timely with the Bankruptcy Court, and (A) as to which no objection was filed by the Objection Deadline, unless such Claim is to be determined in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court; or (B) as to which an objection was filed by the Objection Deadline, to the extent allowed by a Final Order. "Allowed," when used with respect to any Equity Interest shall mean an Equity Interest, proof of which was timely and properly filed or, if no proof of interest was filed, which has been or hereafter is listed by the Debtors on their Schedules as liquidated in amount and not disputed or contingent, and, in either case, as to which no objection to

the allowance thereof has been interposed on or before the applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Court, or the Plan, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder.

1.4. "Assets" means, with respect to each of the Debtors, all of the right, title, and interest in and to property of whatsoever type or nature owned by each respective Debtor as of the Petition Date, together with assets subsequently acquired by the Debtor, and including, but not limited to property defined in section 541 of the Bankruptcy Code (each identified item of property being herein sometimes referred to as an Asset), the available insurance, insurance policies, or surplus the Debtor may have in any retirement, employee benefit, or pension plan, or any cause of action pursued in the manner prescribed in section 12.1 of the Plan or otherwise.

1.5. "Avoidance Action" means a cause of action assertable by the Debtors or its successors pursuant to sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code.

1.6. "BPD" means Berryman Products of Delaware, Inc.

1.7. "BPI" means Berryman Products, Inc.

1.8. "Ballot" means the form of ballot provided to holders of Claims or Equity Interests pursuant to Bankruptcy Rule 3017(d), by which each holder may accept or reject the Plan.

1.9. "Ballot Deadline" means the last date established by the Bankruptcy Court for the return of Ballots.

1.10. "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, or such other court having jurisdiction over all or any part of the Chapter 11 Case.

1.11. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified at title 11 of the United States Code.

1.12. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as

applicable to the Chapter 11 Cases, including applicable local rules of the Bankruptcy Court.

1.13. "Bar Date" is the date established by the Bankruptcy Court for filing proofs of Claims or proofs of interest in the Chapter 11 Cases which is July 27, 1993, provided, however, that if the Bankruptcy Court has ordered an extension of the time by which a particular Creditor or holder of an Equity Interest may file a proof of Claim or proof of interest, the date set with respect to such Creditor or holder of an Equity Interest shall be the Bar Date with respect to such Creditor or holder of an Equity Interest, but only as to such Creditor or holder of an Equity Interest.

1.14. "Blankenship" means Robert H. Blankenship, an individual, P.O. Box 288, Cherokee, Alabama 35616.

1.15. "Blankenship Claim" means the Allowed Claim as evidenced by two valid and enforceable promissory notes held by Blankenship. As of the Petition Date, one promissory note in the original amount of \$2,500,000.00 was currently outstanding in the amount of \$2,191,279.00. The other promissory note was in the original principal amount of \$150,000.00 with a current outstanding balance of approximately 134,713.01. Additionally, subsequent to the Petition Date, Blankenship is entitled to an as of yet undetermined amount of interest accrued or accruing, as well as certain attorneys' fees, other fees, costs, and expenses incurred, these additional amounts are also part of the Blankenship Claim. The Blankenship Claim is secured by certain Assets described and identified in those security documents and instruments executed contemporaneously with the said note.

1.16. "Business Day" means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in Texas are authorized or obligated by law or executive order to close.

1.17. "Cash" means legal tender of the United States of America, cash equivalents and other readily marketable securities or instruments, including, but not limited to, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks or commercial paper.

1.18. "Chapter 11 Cases" means the above captioned and numbered reorganization proceedings of the Debtors under Chapter 11 of the Bankruptcy Code.

1.19. "Claim" means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, legal, equitable, secured or unsecured or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, secured or unsecured.

1.20. "Claimant" means the holder of a Claim.

1.21. "Class" means a category or group of holders of Claims or Equity Interests as designated in Article II of the Plan.

1.22. "Confirmation Date" means the date of entry of the Confirmation Order.

1.23. "Confirmation Hearing" means the hearing conducted as it may be continued from time to time by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan.

1.24. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan in accordance with the provisions of chapter 11 of the Bankruptcy Code.

1.25. "Contested", when used with respect to a Claim, means a Claim against one of the Debtors (a) that is listed in the Debtors' Schedules as disputed, contingent, or unliquidated; (b) that is listed in the Debtors' Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; (c) that is not listed in the Debtors' Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court; or (d) as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

1.26. "Convenience Claim" means an Allowed Unsecured Claim of \$500.00 or less as to which the holder has made an election to be treated as a Convenience Claim on its Ballot prior to the Ballot Deadline; provided, however, that any election by an Unsecured Creditor holding a Claim of \$500.00 or less to be treated as a Convenience Claim made after the Ballot Deadline shall not be binding upon the Debtors unless the Debtor expressly waives the Ballot Deadline in writing; provided, further, that, for the purpose of this definition, all Allowed Unsecured Claims of a single holder shall be aggregated; and provided, further, that the definition of "Convenience Claim" shall include all Allowed Unsecured Claims of a single holder that are reduced to \$500.00 or less pursuant to section 7.4 of the Plan.

1.27. "Corporate Underwriters Lawsuit" means the lawsuit styled Berryman Products, Inc. v. Corporate Underwriters, Ltd., Risk Managers International, Inc., Hershel Hancock, Sandra Newton, Michael Parton, and Reg Bodhanya, 352nd Judicial District Court, Tarrant County, Texas, Cause No. 352-149575-93.

1.28. "Creditor" means a "creditor," as defined in section 101(10) of the Bankruptcy Code.

1.29. "Debtors" means BPD and BPI.

1.30. "Debtors in Possession" means the Debtors in their capacity as debtors-in-possession under section 1101(1) of the Bankruptcy Code.

1.31. "Disallowed", when used with respect to all or any part of a Claim or Equity Interest, means that portion of a Claim or Equity Interest to which an Objection or Motion to Disallow has been sustained by a Final Order.

1.32. "Disbursing Agent" means Reorganized BPD or Reorganized BPI in its capacity as the agent of the Bankruptcy Court, or such other person as may be retained by Reorganized BPD or Reorganized BPI after approval of such retention by the Bankruptcy Court for such purpose, to hold and distribute the consideration to be distributed to holders of Allowed Administrative Expense Claims and Allowed Claims pursuant to the Plan, the Confirmation Order, or such other order entered by the Bankruptcy Court.

1.33. "Disclosure Statement" means the written statement, dated April 11, 1994, as amended, supplemented, or modified from time to time, describing the Plan that is

prepared and distributed in accordance with sections 1125, 1126(b), and 1145 of the Bankruptcy Code and Bankruptcy Rule 3018.

1.34. "Distribution Date", when used with respect to each Claim, means the later of:

- (a) the Effective Date, or
- (b) the date as soon as practicable, but within ninety (90) days, after the date on which a Contested Claim becomes an Allowed Claim.

1.35. "Effective Date" means a Business Day selected by Debtors after the first Business Day after entry of the Confirmation Order on which (i) the Confirmation Order is not stayed and (ii) all conditions to the effectiveness of the Plan have been satisfied or waived.

1.36. "Environmental Claim" means any Claim to recover costs to remedy environmental contamination or to require the Debtors to incur costs to remedy environmental contamination; provided, however, that any Claim for contribution or reimbursement with respect to such costs by an entity which is not a governmental unit shall be treated as an Unsecured Claim.

1.37. "Equity Interest" means a share of stock in the Debtors, whether or not transferable or denominated "stock," or any similar security.

1.38. "Event of Default" means (a) the occurrence of any "Default" or "Event of Default" as defined in the Plan Documents or any of the other documents governing the relationship of Blankenship and Reorganized BPD or Reorganized BPI (b) failure by the Debtors or Reorganized BPD or Reorganized BPI to pay when due any amount due to Blankenship pursuant to the Plan or the documents which implement the Plan, or (c) failure or neglect of the Debtors or Reorganized BPD or Reorganized BPI to perform, keep, or observe any term, covenant, or condition of the Plan, provided that such events will not constitute Events of Default unless Debtors or Reorganized BPD or Reorganized BPI receive at least thirty (30) days written notice of said Event of Default.

1.39. "Final Order" means an order or judgment of the Bankruptcy Court or any other court or adjudicative body, as to which the time to appeal or seek rehearing or petition

for certiorari shall have expired or which order or judgment shall no longer be subject to appeal, rehearing, or certiorari proceeding and with respect to which no appeal, motion for rehearing, or certiorari proceeding or stay shall then be pending.

1.40. "Hart Claim" means all of the claims asserted by Matt Van Hart or his estate against BPI in the Chapter 11 cases, including, without limitation, the claim asserted in Proof of Claim No. 62, dated July 19, 1993.

1.41. "Hart Lawsuit" means that lawsuit styled Matt Van Hart v. Harper Motors, Harvey M. Harper, Co., Sean Grimes and Does 1 through 50, inclusive, originally brought in California Superior Court, Humboldt County, Cause No. 90DR0207.

1.42. "Lien" means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtors contemplated by section 101(37) of the Bankruptcy Code.

1.43. "Nationwide Claim" means all of the Claims asserted by Nationwide Mutual Insurance Company against BPI in the Chapter 11 cases, including, without limitation, the Claims asserted in proofs of Claim Nos. 68 and 69, dated July 27, 1993.

1.44. "Nationwide Liquidated Claim" means the Allowed Nationwide Claim in the amount established after entry of Final Orders in the (i) contested matter created by the Objection of BPI to the Nationwide Claim; (ii) the Nationwide Lawsuit; and (iii) the Hart Lawsuit.

1.45. "Nationwide Lawsuit" means that lawsuit styled Berryman Products, Inc. v. Nationwide Mutual Insurance Company and James T. Maley, 96th Judicial District Court, Tarrant County, Texas, Cause No. 96-148805-93.

1.46. "Objection" means an objection to the allowance of a Claim or Equity Interest interposed by any party entitled to do so within the applicable period of limitation fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court.

1.47. "Objection Deadline" means that date to be fixed in the manner prescribed under section 10.1 of the Plan.

1.48. "Person" means any individual, corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, or any political subdivision thereof or other entity.

1.49. "Petition Date" means March 18, 1993.

1.50. "Plan" means this chapter 11 plan of reorganization, either in its present form or as it may be altered, amended, or modified from time to time.

1.51. "Plan Documents" means additional exhibits to the Plan that will be filed in the Bankruptcy Court at least ten (10) calendar days prior to the date fixed by order of the Bankruptcy Court for the commencement of the Confirmation Hearing.

1.52. "Priority Claim" means a Claim other than a Claim for an Administrative Expense to the extent that it is entitled to priority in payment under section 507(a) of the Bankruptcy Code.

1.53. "Priority Non-Tax Claim" means a Claim entitled to priority pursuant to section 507(a)(3) or 507(a)(4) of the Bankruptcy Code.

1.54. "Priority Tax Claim" means a Claim of a governmental unit of the kind specified in subsection 507(a)(7) of the Bankruptcy Code.

1.55. "Professional" means those persons retained pursuant to an order of the Bankruptcy Court in accordance with sections 327 and 1103 of the Bankruptcy Code or who are entitled to compensation or reimbursement pursuant to sections 503(b)(3)(D) or 506(b) of the Bankruptcy Code.

1.56. "Rejection Claim" means a Claim arising under section 502(g) of the Bankruptcy Code as a consequence of the rejection of any executory contract or unexpired lease.

1.57. "Reorganized BPI" means BPI, or any successor thereto by merger, consolidation, or otherwise, on and after the Effective Date.

1.58. "Reorganized BPD" means BPD, or any successor thereto by merger, consolidation, or otherwise, on and after the Effective Date.

1.59. "Schedules" means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been or may be subsequently amended.

1.60. "Secured Tax Claim" means any Claim for prepetition ad valorem taxes.

1.61. "Substantial Consummation" means the day on which a Creditor first receives a distribution of any kind under the terms and provisions of this Plan.

1.62. "Unclaimed Property" means any Cash, distribution, or any other property of the Debtors unclaimed for a period of one (1) year after the applicable distribution date as set forth in section 9.1 of the Plan.

1.63. "Unsecured Claim" means any Claim that is not secured by a valid and enforceable Lien against property of the Debtors, excluding any Convenience Claim, Secured Tax Claim, Administrative Expense, Priority Tax Claim, Priority Non-Tax Claim, Environmental Claim, the Hart Claim, or the Nationwide Claim. Holders of Unsecured Claims may elect treatment as a Convenience Claim only as specified in section 7.4.

B. Interpretation. Unless otherwise specified, all section, article and exhibit references in this Plan are to the respective section in, article of, or exhibit to, the Plan as the same may be amended, waived, or modified from time to time. The headings in the Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof.

C. Other Terms. The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

D. Plan Documents. Forms of the documents necessary to implement the treatment of Blankenship under the Plan are separate from the Plan and shall be filed with the Bankruptcy Court ten (10) days before the commencement of the Confirmation Hearing. The Plan Documents may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours and Creditors and holders of

Equity Interests may obtain a copy of the Plan Documents upon written request to the Debtors.

E. Exhibits. All Exhibits to the Plan, including the Plan Documents if prepared, are incorporated into and are a part of the Plan as if set forth in full herein.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following is a designation of the classes of Claims and Equity Interests under this Plan. Administrative Claims and Priority Tax Claims have not been classified and are excluded from the following classes in accordance with section 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest shall be deemed classified in a particular class only to the extent that the Claim or Equity Interest qualifies within the description of that class. A Claim or Equity Interest is in a particular class only to the extent that the Claim or Equity Interest is an Allowed Claim or Equity Interest in that class.

2.1. BPI Claims and Equity Interests.

- (a) BPI Class 1 - Secured Tax Claims
- (b) BPI Class 2 - Priority Non-Tax Claims
- (c) BPI Class 3 - Blankenship Claim
- (d) BPI Class 4 - Unsecured Claims
- (e) BPI Class 5 - Convenience Claims
- (f) BPI Class 6 - Environmental Claims
- (g) BPI Class 7 - Nationwide Claim
- (h) BPI Class 8 - BPD Claims
- (i) BPI Class 9 - Equity Interests

2.2. BPD Claims and Equity Interests.

- (a) BPD Class 1 - Secured Tax Claims
- (b) BPD Class 2 - Priority Non-Tax Claims

- (c) BPD Class 3 - Blankenship Claim
- (d) BPD Class 4 - Unsecured Claims
- (e) BPD Class 5 - Convenience Claims
- (f) BPD Class 6 - Environmental Claims
- (g) BPD Class 7 - BPI Claims
- (h) BPD Class 8 - Equity Interests

ARTICLE III.

IDENTIFICATION OF IMPAIRED CLASSES
OF CLAIMS AND EQUITY INTERESTS

3.1. Unimpaired Classes of Claims and Equity Interests. The classes consisting of Secured Tax Claims, Priority Non-Tax Claims, and Equity Interests are not impaired under the Plan. The Plan provides payment on the Effective Date of the Plan of Cash equal to the Allowed amount of the Secured Tax Claims and the Priority Non-Tax Claims. The Plan does not alter the legal, equitable or contractual rights of the Equity Interests.

3.2. Impaired Classes of Claims and Equity Interests. With the exception of the unimpaired classes specified in section 3.1 of the Plan, all classes of Claims are impaired under the Plan.

3.3. Impairment Controversies. If a controversy arises as to whether any class of Claims or Equity Interests is impaired under the Plan, the Bankruptcy Court shall determine such controversy after notice and a hearing.

ARTICLE IV.

TREATMENT OF ADMINISTRATIVE EXPENSES AND PRIORITY CLAIMS

4.1. Administrative Expenses. Each holder of an Allowed Claim for an Administrative Expense shall receive, at the Debtors' option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim, (b) the amount of such holder's Allowed Claim in accordance with the ordinary business terms of such expense or cost; or (c) such other treatment as may be agreed to in

writing by such Administrative Expense Creditor and the Debtors.

4.2. Priority Tax Claims. Each holder of an Allowed Priority Tax Claim shall receive, at the Debtors' option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim, (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Distribution Date that precedes the sixth anniversary of the date of assessment of such Allowed Claim, or (c) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Debtors.

ARTICLE V.

TREATMENT OF BPI CLAIMS AND EQUITY INTERESTS

5.1. BPI Class 1 - Secured Tax Claims. Each holder of an Allowed Secured Tax Claim shall receive, at the Debtors' option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim, (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Distribution Date that precedes the sixth anniversary of the date of assessment of such Allowed Claim, or (c) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Debtors.

5.2. BPI Class 2 - Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim shall receive (a) the amount of such holder's Allowed Claim in one Cash payment on the Distribution Date, or (b) such other treatment as may be agreed upon in writing by such holder of a priority Non-Tax Claim and the Debtors.

5.3. BPI Class 3 - Blankenship Claim. Blankenship shall receive on the Distribution Date a new note bearing interest at the rate currently provided in the promissory note evidencing the Blankenship Claim with monthly principal and interest payments sufficient to completely amortize the

new note over a hundred and eighty (180) month period. No other alteration will be made to any of Blankenship's other rights.

5.4. BPI Class 4 - Unsecured Claims. Each holder of an Allowed Unsecured Claim shall receive, at the election of the Unsecured Creditor, either (i) twenty-four (24) equal payments payable on the Distribution Date and in twenty-three (23) monthly installments thereafter equal to the value of twenty-five percent (25%) of its Allowed Unsecured Claim, or (ii) five (5) equal payments payable on the Distribution Date and in four (4) monthly installments thereafter equal to the full value of its Allowed Unsecured Claim; provided, however, that such Creditor electing treatment under this subsection 5.4(ii) covenants and agrees to reinstate the payment terms, treatment, quality controls, warranties, and packaging modifications in existence with BPI immediately prior to the Petition Date for all products delivered and services rendered by such Creditor to BPI after the Effective Date.

5.5. BPI Class 5 - Convenience Claims. Each holder of an Allowed Convenience Claim shall receive, on the Distribution Date, a payment in Cash equal to ninety percent (90%) of the amount of its Allowed Convenience Claim.

5.6. BPI Class 6 - Environmental Claims - Each holder of an Allowed Environmental Claim shall retain the legal, equitable and contractual rights to which such claim entitles the holder thereof except to the extent that payments of any kind are required to be made by BPI in the period between the Effective Date and thirty (30) days following the Effective Date, said payments to be deferred until thirty (30) days following the Effective Date at which time any deferred payment shall be made without interest or penalty.

5.7. BPI Class 7 - Nationwide Claim - Subject to the qualifications and limitations set forth in this section 5.7 of the Plan, Nationwide shall receive (i) a full and complete release from the Debtors of the Nationwide Litigation and all transactions and occurrences related to or arising from the Objection to the Nationwide Claim and the Nationwide Litigation, and (ii) at Nationwide's election, either (a) \$500,000.00 in cash on the Effective Date, or (b) a Note bearing interest at the rate of six percent (6%) per annum on a principal balance of \$900,000.00, being payable in three (3) equal installments of \$300,000.00 of principal (together with accrued interest)

with the first such principal installment due and payable on the Effective Date; provided, however, if Nationwide fails to accept the Plan then Nationwide shall receive on the Distribution Date a fifteen (15) year note bearing interest at a rate of eight and a half (8½) percent per annum with monthly principal and interest payments sufficient to completely amortize the note over a three hundred and sixty (360) month period. The existing unpaid principal balance and all accrued and unpaid interest will be due and payable at the end of the fifteen year term. The amount of the note shall be equal to the amount of Nationwide's Liquidated Claim. For purposes of calculating the Distribution Date under this section 5.7 and the commencing of payment under the Note, the Nationwide Claim will be deemed Allowed (and the fifteen year term commenced) after entry of a Final Order in the (i) contested matter created by the Objection of BPI to the Nationwide Claim; (ii) the Nationwide Lawsuit; and (iii) the Hart Lawsuit.

5.8. BPI Class 8 - BPD Claims. Any Claims against BPI held by BPD shall be eliminated by virtue of section 8.3. No distribution will be made with respect to these claims.

5.9. BPI Class 9 - Equity Interests. BPD, as the holder of all of the Equity Interests in BPI, will retain all of the Equity Interests in the Reorganized BPI.

ARTICLE VI.

TREATMENT OF BPD CLAIMS AND EQUITY INTERESTS

6.1. BPD Class 1 - Secured Tax Claims. Each holder of an Allowed Secured Tax Claim shall receive, at the Debtors' option, (a) the amount of such holder's Allowed Claim in one Cash payment on the Effective Date or the tenth Business Day after such Claim becomes an Allowed Claim, (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Distribution Date that precedes the sixth anniversary of the date of assessment of such Allowed Claim, or (c) such other treatment as may be agreed to in writing by the holder of the Secured Tax Claim and the Debtors.

6.2. BPD Class 2 - Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim shall receive (a) the amount of such holder's Allowed Claim in one Cash payment on the Distribution Date, or (b) such other treatment as may be agreed upon in writing by such holder of a priority Non-Tax Claim and the Debtors.

6.3. BPD Class 3 - Blankenship Claim. Blankenship shall receive the treatment described in section 5.3 of the Plan. The treatment described in that section will constitute payment in full of the Blankenship Claim.

6.4. BPI Class 4 - Unsecured Claims. Each holder of an Allowed Unsecured Claim shall receive, at the election of the Unsecured Creditor, either (i) twenty-four (24) equal payments payable on the Distribution Date and in twenty-three (23) monthly installments thereafter equal to the value of twenty-five percent (25%) of its Allowed Unsecured Claim, or (ii) five (5) equal payments payable on the Distribution Date and in four (4) monthly installments thereafter equal to the full value of its Allowed Unsecured Claim; provided, however, that such Creditor electing treatment under this subsection 6.4(ii) covenants and agrees to reinstate the payment terms treatment, quality controls, warranties, and packaging modifications in existence with BPD immediately prior to the Petition Date.

6.5. BPD Class 5 - Convenience Claims. A holder of an Allowed Convenience Claim shall receive, on the Distribution Date, a payment in Cash equal to ninety percent (90%) of the amount of its Allowed Convenience Claim.

6.6. BPD Class 6 - Environmental Claims - Each holder of an Allowed Environmental Claim shall retain the legal, equitable and contractual rights to which such claim entitles the holder thereof except to the extent that payments of any kind are required to be made by BPD in the period between the Effective Date and thirty (30) days following the Effective Date, said payments to be deferred until thirty (30) days following the Effective Date at which time any deferred payment shall be made without interest or penalty.

6.7. BPD Class 7 - BPI Claims. Any Claims against BPD held by BPI shall be eliminated by virtue of section 8.3 of the Plan. No distribution shall be made with respect to these Claims.

6.8. BPD Class 8 - Equity Interests. All holders of Equity Interests in BPD will retain all of their respective pro rata Equity Interests in the Reorganized BPD.

ARTICLE VII.

ACCEPTANCE OR REJECTION OF PLAN

7.1. Classes Entitled to Vote. Each impaired class of Claims shall be entitled to vote separately to accept or reject the Plan. Any unimpaired class as defined in Section 3.1 of Claims or Equity Interests shall not be entitled to vote to accept or reject the Plan.

7.2. Class Acceptance Requirement. A class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

7.3. Cramdown. If any impaired class of Claims fails to accept the Plan by the requisite majorities, the Plan shall be confirmed in accordance with section 1129(b) of the Bankruptcy Code. This section shall constitute the Debtors' request, pursuant to section 1129(b)(1), that the Bankruptcy Court confirm the Plan notwithstanding the fact that the requirements of section 1129(a)(8) have not been met.

7.4. Unsecured Claim Reduction Election. By voting to accept the Plan, and marking its Ballot in the space provided for electing such treatment, the holder of an Allowed Unsecured Claim may elect to reduce the amount of such holder's Allowed Claim to \$500.00 and receive treatment as an Allowed Convenience Claim having a value of \$500.00 on the terms provided in the Plan. Such an election constitutes a waiver of the amount of the Allowed Unsecured Claim in excess of \$500.00, and the holder of such Allowed Claim shall be deemed to release the Debtors from any and all liability for such excess amount. The holder of an Allowed Unsecured Claim that elects to reduce the amount of its Allowed Claim pursuant to this section shall be deemed the holder of an Allowed Convenience Claim for classification, voting, and other purposes under the Plan.

7.5. Unsecured Claim Reinstatement Election. By marking its Ballot in the space for electing such treatment, the holder of an Allowed Unsecured Claim may elect to receive 100% of its Allowed Claim over five equal payments in accordance with section 5.4(ii) or section 6.4(ii). Such

an election constitutes a binding oral and legally enforceable covenant by the electing Allowed Unsecured Creditor to reinstate treatment, quality control, warranties, and packaging modifications in existence with BPI and BPD immediately prior to the Petition Date.

7.6 Cure Payments and Release of Liability. All cure payments which may be required by Bankruptcy Code Section 365(b)(1) under any executory contract or unexpired leases that is assumed, or assumed and assigned under this Plan shall be made by Reorganized BPD or Reorganized BPI as soon as practicable after the Effective Date, but not later than thirty (30) days after the Effective Date; provided, however, in the event of a dispute regarding the amount of any cure payments, the cure of any other defaults, the ability of Reorganized BPD or Reorganized BPI to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment, Reorganized BPD or Reorganized BPI shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by Bankruptcy Code Section 365(b)(1), following the entry of a Final Order resolving such dispute. To the extent that a party to an assumed executory contract or unexpired lease has not filed an appropriate pleading with the Bankruptcy Court on or before the twenty-fifth (25th) day after the Effective Date disputing the amount of any cure payments offered to it by Reorganized BPD or Reorganized BPI, disputing the cure of any other defaults, or disputing the provisions of adequate assurance of future performance, then such party shall be deemed to have waived its right to dispute such matters.

ARTICLE VIII.

MEANS OF IMPLEMENTATION AND GENERAL DESCRIPTION OF THE PLAN

8.1. Assumption of BPI Liabilities. Except as otherwise provided, herein, Reorganized BPI shall assume liability for and the obligations to make the distributions required to be made to BPI Classes 1-9 under the Plan.

8.2. Assumption of BPD Liabilities. Except as otherwise provided, herein, Reorganized BPD shall assume liability for and the obligations to make the distributions required to be made to BPD Classes 1-8 under the Plan.

8.3. Treatment of Intercompany Claims. On the Effective Date, all Claims of BPD against BPI and all Claims

of BPI against BPD shall be cancelled and extinguished. The value to BPI or BPD resulting from the elimination of said obligations shall constitute the receipt of property under the Plan on account of the BPI Claims and the BPD Claims.

8.4. Revesting of Assets. Except as otherwise provided in the Plan or the Confirmation Order, upon the Effective Date, all property of the BPI estate, wherever situated, shall vest in, or remain the property of Reorganized BPI free and clear of all Claims, all property of the BPD estate, wherever situated, shall vest in, or remain the property of Reorganized BPD free and clear of all Claims.

8.5. Injunction. From and after the Confirmation Date, all holders of Claims against and Equity Interests in the Debtors or the Debtors in Possession are permanently restrained and enjoined (i) from commencing or continuing in any manner, any action or other proceeding of any kind with respect to any such Claim or Equity Interest against the Debtors, its Assets, Reorganized BPD or Reorganized BPI or against their respective financial advisors or attorneys, (ii) from enforcing, attaching, collecting, or recovering by any manner or means, any judgment, award, decree, or order against Reorganized BPD or Reorganized BPI, its Assets or the Debtors or against their respective financial advisors or attorneys, (iii) from creating, perfecting, or enforcing any encumbrance of any kind against Reorganized BPD or Reorganized BPI, its Assets, or the Debtors or against their respective financial advisors or attorneys, (iv) from asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtors, and (v) from performing any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; provided, however, that each holder of a Contested Claim may continue to prosecute its proof of Claim in the Bankruptcy Court and all holders of Claims shall be entitled to enforce their rights under the Plan.

8.6. Substantial Consummation. All distributions of any kind made to any of the Creditors after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal or modification by any court unless the implementation of the Confirmation Order is stayed by an order granted under Bankruptcy Rule 8005.

8.7 Proceedings Regarding the Nationwide Claim. The Nationwide Claim is a Contested Claim against BPI. It has been scheduled by BPI as unliquidated, contingent, and

disputed. BPI has filed an Objection to the Nationwide Claim. Additionally, BPI has filed motions with the Bankruptcy Court requesting that the Bankruptcy Court estimate the Nationwide Claim for all bankruptcy purposes pursuant to section 502(c) of the Bankruptcy Code. The Bankruptcy Court has estimated a portion of the Nationwide Claim at \$6,000,000.00. The Bankruptcy Court has not yet estimated claim number 68 filed by Nationwide. Upon the issuance of (i) a Final Order in the contested matter created by the Objection of BPI to Nationwide's Claim, (ii) a Final Order in the Nationwide Lawsuit, and (iii) a Final Order in the Hart Lawsuit, the Nationwide Claim will become an Allowed Claim. Prior to entry of all three Final Orders referenced in the foregoing sentence, the Nationwide Claim will be characterized as a Contested Claim under this Plan. It is anticipated that the Nationwide Claim will be finally and fully liquidated in 3-5 years.

8.8 Revocation of Plan. The Debtors have reserved the right to revoke and withdraw this Plan as to either or both Debtors before the entry of the Confirmation Order. If the Debtors (or either of them) revoke or withdraw this Plan, or if confirmation of this Plan as to either or both Debtors does not occur, then, with respect to such Debtor or Debtors, as the case may be, this Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against such Debtor or Debtors, as the case may be, or any other Person or to prejudice in any manner the rights of such Debtor or Debtors, as the case may be, or person in any further proceedings involving such Debtor.

ARTICLE IX.

PROVISIONS GOVERNING DISTRIBUTION

9.1. Date of Distributions. Any payments or distributions to be made by the Debtors pursuant to the Plan shall be made on the Distribution Date except as otherwise provided for in the Plan, or as may be ordered by the Bankruptcy Court.

9.2. Distributions to be Made by the Debtors. Distributions to be made to any Creditor under the Plan shall be made by the Disbursing Agent.

9.3. Means of Cash Payment. Payments of Cash to be made by the Debtors pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer from a domestic bank.

9.4. Delivery of Distributions. Distributions and deliveries to holders of Allowed Claims shall be made at the addresses set forth on the proofs of Claim or proofs of interest filed by such holders (or at the last known addresses of such holders if no proof of Claim or proof of interest is filed or if the Debtors has been notified of a change of address). If any holder's distribution is returned as undeliverable, no further distributions to such holder shall be made unless and until the applicable Debtor is notified of such holder's then current address, at which time all missed distributions shall be made to such holder without interest. All claims for undeliverable distributions shall be made on or before the first anniversary of the Distribution Date. After such date, all Unclaimed Property shall revert to Reorganized BPD or Reorganized BPI, and the Claim of any holder with respect to such property shall be discharged and forever barred.

9.5. Time Bar to Cash Payments. Checks issued by the Debtors or Reorganized BPD or Reorganized BPI in respect of Allowed Claims shall be null and void if not cashed within ninety (90) days of the date of issuance thereof. Requests for reissuance of any check shall be made directly to the applicable Debtor by the holder of the Allowed Claim or Allowed Equity Interest with respect to which such check originally was issued. Any claim in respect of such a voided check shall be made on or before the later of the first anniversary of the Distribution Date or ninety (90) days after the date of issuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

ARTICLE X.

PROCEDURES FOR RESOLVING AND TREATING CONTESTED AND CONTINGENT CLAIMS

10.1. Objection Deadline. Unless a different date is set by order of the Bankruptcy Court, all objections to Claims shall be served and filed by thirty (30) days after the Effective Date or thirty (30) days after a particular proof of Claim is filed, whichever is later. All Contested Claims shall be litigated to Final Order; provided, however, that the Debtors, may compromise and settle any Contested Claim, subject to the approval of the Bankruptcy Court.

10.2. Responsibility for Objecting to Claims. The Debtors shall have the responsibility for objecting to the allowance of Claims following the Effective Date.

10.3. Distributions on Account of Contested Claims.

(a) In determining the amount of distribution to be made under the Plan to the holders of Allowed Claims, the appropriate distribution required by the Plan shall be made according to the estimates of the Bankruptcy Court and subject to the provisions of the Plan.

(b) As soon as practicable after all Contested Claims become fixed, the holder of an Allowed Claim shall receive a distribution in an amount equal to the aggregate of all the distributions which such holder would have received had such Contested Claim been an Allowed Claim on the Effective Date. No interest shall be paid on account of a Contested Claim which later becomes an Allowed Claim.

(c) Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and distributions under the Plan. Any contingent right to contribution or reimbursement of an entity that is liable with the Debtors or has secured the Claim of a Creditor, shall be disallowed to the extent required by section 502(e) of the Bankruptcy Code.

ARTICLE XI.

EXECUTORY CONTRACTS AND LEASES

11.1. General Treatment; Assumed If Not Rejected. The Plan constitutes and incorporates a motion by the Debtors to assume, as of the Confirmation Date, all prepetition executory contracts and unexpired leases to which either of the Debtors are parties, except for executory contracts or unexpired leases that (a) have been assumed or rejected pursuant to Final Order of the Bankruptcy Court, or (b) the Claim arising from such executory contract or unexpired lease is the subject of a pending Objection or an Objection filed within sixty (60) days after the Confirmation Date, or (c) are the subject of a separate motion filed pursuant to section 365 of the Bankruptcy Code by the Debtors prior to the Effective Date. With respect to executory contracts or unexpired leases arising under Section 11-1(b) above, Debtors expressly reserve the right to file motions rejecting such executory contracts or unexpired leases within ninety (90) days following the Confirmation Date.

11.2. Bar to Rejection Damages. If the rejection of an executory contract or an unexpired lease by the Debtors results in damages to the other party or parties to such contract or lease, a Claim for such damages, shall be forever barred and shall not be enforceable against the Debtors or their respective properties or agents, successors, or assigns, unless a proof of Claim is filed with the Bankruptcy Court and served upon Reorganized BPD or Reorganized BPI and counsel to the Debtors by the earlier of thirty (30) days after the Confirmation Date or thirty (30) days after entry of the Final Order approving rejection of such contract or lease.

11.3. Rejection Claims. Any Rejection Claim arising from the rejection of an unexpired lease or executory contract not barred by section 11.2 of the Plan shall be classified as an Unsecured Claim subject to the provisions of section 502(g) of the Bankruptcy Code; provided, however, that any Rejection Claim based upon the rejection of an unexpired lease of real property either prior to the Confirmation Date or upon the entry of the Confirmation Order shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code. Nothing contained herein shall be deemed an admission by the Debtors that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Debtors of any objections to such Claim if asserted.

ARTICLE XII.

MAINTENANCE OF CAUSES OF ACTION

12.1. Generally. Unless expressly waived or released by the Debtors, Reorganized BPD or Reorganized BPI shall retain any cause of action, including but not limited to avoidance or recovery actions under sections 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code, or may litigate any other causes of action, rights to payments, or Claims that may belong or have belonged to the Debtors. If Reorganized BPD or Reorganized BPI is successful in its prosecution of a cause of action pursuant to this section, the recovery shall be for the benefit of the Unsecured Creditors. Persons subject to a successful avoidance action may file a Claim, as appropriate, within such time as is established by the Bankruptcy Court.

ARTICLE XIII.

CONDITIONS PRECEDENT TO CONFIRMATION
AND EFFECTIVENESS OF PLAN

13.1. Conditions to Confirmation of Plan.

Confirmation of the Plan shall not occur unless and until the following conditions shall have been satisfied or waived by the Debtors, as determined in their sole discretion: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) the Confirmation Order shall become a Final Order; and (c) the Confirmation Order shall provide for approval of the Plan Documents.

13.2. Conditions to Effectiveness of Plan. The Plan shall not become effective unless and until the parties to the Plan Documents have executed and delivered such Plan Documents. Failure to execute the Plan Documents within sixty (60) days after the Confirmation Date shall be deemed an Event of Default under the Plan and shall constitute cause for effective withdrawal or revocation under section 15.5 of the Plan.

ARTICLE XIV.

DISCHARGE

14.1. Discharge of Debtors. All consideration distributed under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature whatsoever against the Debtors or any of their assets or properties; and except as otherwise provided herein, upon the Effective Date, the Debtors and their successors in interest shall be deemed discharged and released pursuant to section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including without limitation demands and liabilities that arose before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under section 502 of the Bankruptcy Code; (c) the holder of a Claim based upon such debt has accepted this Plan; or (d) the Claim has been Allowed, Disallowed, or estimated pursuant to section 502(c) of the Bankruptcy Code. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Debtors and their successors in interest other than those obligations specifically set forth pursuant to this Plan.

ARTICLE XV.

CONSUMMATION OF THE PLAN

15.1. Retention of Jurisdiction. Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and the Plan, for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

(a) To hear and determine any and all objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense, Claim, or Equity Interest;

(b) To hear and determine any and all applications for payments of fees and expenses from the Debtors' estates made by attorneys or any other Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed from the Debtors' estates under the Bankruptcy Code, and any and all objections thereto;

(c) To hear and determine pending applications for the rejection, the assumption, or the assumption and assignment of unexpired leases and executory contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect of the assumption or rejection of any executory contract or lease;

(d) To hear and determine any and all adversary proceedings, applications, or contested matters, including any remands or appeals;

(e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan;

(f) To liquidate any disputed, contingent, or unliquidated claims;

(g) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(i) To enter and implement such orders as may be necessary or appropriate in furtherance of Confirmation and implementation of the Plan;

(j) To enable Reorganized BPD or Reorganized BPI to prosecute any and all proceedings which may be brought to set aside liens or encumbrances and to recover any transfers, assets, properties or damages to which the Debtors may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state or local laws, including causes of action, controversies, disputes and conflicts between the Debtors and any other party, including but not limited to, any causes of action or objections to claims, preferences of fraudulent transfers and obligations or equitable subordination.

(k) To consider any modification of the Plan pursuant to section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation the Confirmation Order;

(l) To enter and implement such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the terms and conditions of the Plan and the transactions contemplated thereunder;

(m) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan; and

(n) To enter a final decree closing the Chapter 11 Cases.

15.2. Abstention and Other Courts. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to these Chapter 11 Cases, this section of the Plan shall have no effect upon and shall

not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

15.3. Non-Material Modifications. The Debtors may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Equity Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Debtors may undertake such nonmaterial modification pursuant to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the interest of any Equity Interest holder who has not accepted in writing the modification.

15.4. Material Modifications. Modifications of this Plan may be proposed in writing by the Debtors at any time before confirmation, provided that this Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. This Plan may be modified at any time after confirmation and before its Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Equity Interest that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

15.5. Revocation. The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date in accordance with the provisions of the Bankruptcy Code. If the Plan is revoked or withdrawn, or for any other reason not confirmed, nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any other Person in any further proceedings involving the Debtors.

15.6. Effective Withdrawal or Revocation. If the Debtors revoke or withdraw this Plan, an Event of Default occurs, or if the conditions to the Effective Date do not occur within sixty (60) days after the Confirmation Date, then the Plan shall be deemed null and void.

ARTICLE XVI.

MISCELLANEOUS PROVISIONS

16.1. Severability. Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Equity Interest or transaction, the Debtors may modify the Plan in accordance with Article 15 of the Plan so that such provision shall not be applicable to the holder of any Claim or Equity Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

16.2. Setoffs. The Debtors or Reorganized BPD or Reorganized BPI may, but shall not be required to, set off against any Claim and the payments or other distributions to be made pursuant to this Plan in respect of such Claim, Claims of any nature whatsoever the Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors of any such Claim that the Debtors may have against such holder.

16.3. Compliance with All Applicable Laws. If notified by any governmental authority that they are in violation of any applicable law, rule, regulation, or order of such governmental authority relating to their businesses, the Debtors and Reorganized BPD or Reorganized BPI shall comply with such law, rule, regulation, or order; provided that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Debtors or Reorganized BPD or Reorganized BPI.

16.4. De Minimis Distributions. No distribution of less than twenty-five dollars (\$25) shall be made to any holder of an Allowed Claim. Such undistributed amount will be retained by Reorganized BPD or Reorganized BPI.

16.5. Limitation of Liability. None of the directors, officers, agents, representatives, financial advisors, attorneys, or employees of the Debtors shall have any liability for actions taken or omitted to be taken in good faith under or in connection with the Plan.

16.6. Binding Effect. The Plan shall be binding upon, and shall inure to the benefit of the Debtors, the holders of the Claims, the holders of equity interests, and their respective successors and assigns.

16.7. Governing Law. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, without regard to conflicts of law.

16.8. Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid on or before the Effective Date.

16.9. Timing of Distributions. Any payment or distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

16.10. Filing of Additional Documents. On or before Substantial Consummation of the Plan, the Debtors and Reorganized BPD or Reorganized BPI shall file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

16.11. Notices. Any notice required or permitted to be provided under the Plan shall be in writing and served by either (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) reputable overnight delivery service, freight prepaid, to be addressed as follows:

Berryman Products, Inc.
3800 E. Randol Mill Road
Arlington, Texas 76011

Berryman Products of Delaware, Inc.
3800 E. Randol Mill Road
Arlington, Texas 76011

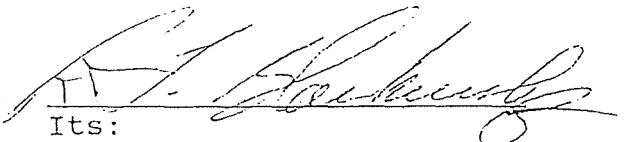
with copies to:

Jeff P. Prostok
J. Robert Forshey
Cantey & Hanger
2100 Burnett Plaza
801 Cherry St.
Fort Worth, Texas 76102

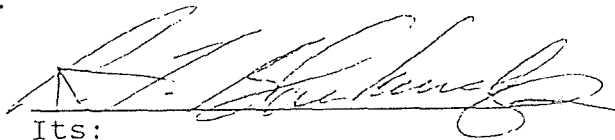
Craig H. Averch
Barbara Jean Oyer
JONES, DAY, REAVIS & POGUE
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, Texas 75201

Dated: May 6, 1994
Fort Worth, Texas.

Respectfully Submitted,
BERRYMAN PRODUCTS, INC.

By: 
Its:

BERRYMAN PRODUCTS OF DELAWARE,
INC.

By: 
Its:

CANTEY & HANGER
Jeff P. Prostok
State Bar No. 16352500
J. Robert Forshey
State Bar No. 07264200
2100 Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102
(817) 877-2800
COUNSEL FOR BERRYMAN PRODUCTS, INC.

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2001 Ross Avenue
Dallas, Texas 75201
(214) 220-3939
COUNSEL FOR BERRYMAN PRODUCTS
OF DELAWARE, INC.

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BERRYMAN PRODUCTS, INC. & BERRYMAN PRODUCTS OF DELAWARE, INC.
Collectively Debtors or Berryman or the Company

Consolidated Liquidation Analysis

Introduction

Section 1129(a)(7)A of the bankruptcy code states that the Bankruptcy Court shall not confirm a Plan of Reorganization unless it is in the "best interest" of creditors and interest holders. The "best interests" test is satisfied if each class of claims or interest holders receives or retains at least the amount of value they would receive if the Debtors were liquidated in a hypothetical case under chapter 7 of the bankruptcy code.

This Liquidation Analysis ("Analysis") estimates amounts that would be paid to claimants and interest holders under a hypothetical chapter 7 liquidation. Although the assumptions and estimates utilized in this Analysis are considered reasonable by Berryman, they are subject to significant economic and competitive uncertainties and contingencies beyond the control of Berryman. This Analysis is also based upon assumptions with regard to liquidation decisions that are subject to change. Accordingly, there can be no assurance that the values reflected in the Analysis would be realized if Berryman were, in fact, to undergo such a liquidation. The significant assumptions utilized in preparing the Analysis are presented below.

Significant Assumptions

The cash available for distribution to holders of General Unsecured Claims, (including convenience claims, environmental claims and Nationwide's claim) would be reduced by the proceeds allocable; to secured creditors upon the liquidation of collateral, administrative expenses, priority claims and the costs of the chapter 7 case.

Costs of liquidation under chapter 7 would include selling expenses, such as the fees of a trustee, and cost of asset dispositions, in aggregate assumed to be 3% of proceeds generated from non cash assets. Administrative expenses include claims arising from the operation of Berryman's business for approximately one month in a chapter 7 proceeding, professional fees, post petition payables outstanding at the commencement of the liquidation, and remaining costs for the environmental abatement clean-up order.

The Analysis is based on the unaudited February 28, 1994, balance sheet, discussions with management, internal data, review of appraisals prepared by an independent appraisal firm, all of which are subject to change dependent upon the length of reorganization case.



Notes:

- (1) Berryman sells its products under warranty. It is assumed that in a liquidation scenario, without an ongoing company, the collection of receivables would decrease significantly as the ability to honor the warranty would no longer exist.
- (2) Berryman purchases two types of raw materials, blended chemicals and packaging products. The chemicals are blended in accordance with Berryman's formulas and therefore there is no resale market. The packaging products include cans, caps, cartons, valves, many of which are also specific to Berryman's requirements. It is assumed that only 10% of cost would be recovered from all the raw materials in a liquidation.
- (3) Finished goods are assumed to yield 50% of cost as the traditional customers would not be interested in Berryman's products. Other purchasers would only be interested in discontinued products at a discount. The lack of warranty would also impact the selling price.
- (4) Prepaid expenses have been offset against estimated expenses, therefore no cash recovery is assumed.
- (5) Improvements to property leased by Berryman is assumed to have no recovery in a liquidation. The lease would be rejected and the property returned to the owner. A lease rejection claim would be added to the unsecured claims.
- (6) The property owned by Berryman is a warehouse located in Cherokee, Alabama. The value attributed to the property for purposes of this Analysis is assumed to be its original cost, undepreciated.
- (7) Machinery, fixtures, and equipment have been appraised by an independent firm. The value reflected of approximately \$362,000 assumes the machinery fixtures and equipment are valued "where is and as is". If the assets were moved, the value would reduce to \$211,000.
- (8) Other assets including goodwill, trademarks, patents and deposits are not assumed to yield value in a liquidation.
- (9) The bankruptcy court has estimated the Nationwide claim at \$6 million. It should be recognized that Berryman disagrees with this estimate which is currently under appeal. Berryman is in the process of pursuing actions which is believed will ultimately negate Nationwide's claim. For purposes of this Liquidation Analysis only, Berryman has included the Nationwide claim at the \$6 million estimated amount.

BERRYMAN PRODUCTS, INC. BERRYMAN PRODUCTS OF DELAWARE, INC.
LIQUIDATION ANALYSIS


	ASSETS BOOK VALUE AS OF 2/28/94	NOTES	ESTIMATED % RECOVERY	ESTIMATED RECOVERY
CURRENT ASSETS				
Cash on hand and in bank	\$2,353,026		100%	\$2,353,026
Accounts Receivable, Net	2,913,678	(1)	50%	1,456,839
Inventory – raw materials	851,409	(2)	10%	85,141
Inventory – finished products	602,101	(3)	50%	301,051
Prepaid expenses	188,840	(4)	Offset	0
Prepaid federal and state taxes	140,032	(4)	Offset	0
Total Current Assets	\$7,049,086			\$4,196,056
FIXED ASSETS				
Land improvements	2,376	(5)	0%	0
Building	166,092	(6)	100%	166,092
Leasehold improvements	236,698	(5)	0%	
Machinery, Fixtures and Equipment	2,087,420	(7)	17%	362,029
Less: Accumulated depreciation	1,566,432		0%	
Net Fixed Assets	926,154		57%	528,121
OTHER ASSETS				
Deposits on contract	15,859		0%	0
Goodwill	2,679,118		0%	0
Trademarks/Patents/Registration	44,450		0%	0
Total Other Assets	2,739,427	(8)		0
TOTAL ASSETS	\$10,714,667			\$4,724,177
Less: CLASS 1 Secured Tax Claims				50,000
Less: CLASS 2 Priority Non-Tax Claim				350,000
Less: CLASS 3 Blankenship Claim				2,153,032
Less: Estimated Selling Expenses				71,135
Less: Chapter 7 Administrative Expenses				713,488

CASH AVAILABLE TO PAY UNSECURED CLAIMS \$1,386,523

CLAIMS		TOTAL CLAIMS ESTIMATED AS OF JULY 1, 1994		ESTIMATED % RECOVERY PER PLAN	ESTIMATED % RECOVERY PER LIQUIDATION
CLASS 4 Unsecured Claims		1,371,024	*	100% **	18.27%
Lease rejection claims	(5)	207,900	*	100%	18.27%
CLASS 5 Convenience Claims		10,907	*	90%	18.27%
CLASS 6 Environmental Claims		Unknown	*	100%	*
CLASS 7 Nationwide Claim		6,000,000	*	100%	18.27%
Total		\$7,589,831	*		

*RECOVERY FOR UNSECURED CLAIMS IS ESTIMATED WITHOUT INCLUDING AN ESTIMATE FOR ANY ENVIRONMENTAL CLAIMS AS THEY ARE CURRENTLY CONTINGENT, UNLIQUIDATED AND DISPUTED. RECOVERIES TO UNSECURED CREDITORS WOULD BE REDUCED BY ANY AMOUNTS PAID TO SATISFY ENVIRONMENTAL CLAIMS.

** Creditors have the option to be paid 100% of the allowed claims if prepetition terms and treatment are reinstated. If terms and treatment are not reinstated the creditor will receive 25% of Allowed Claim over 24 months. For purposes of this Liquidation Analysis all creditors are assumed to accept the option of reinstating terms and treatment.



BERRYMAN PRODUCTS, INC.
and BERRYMAN PRODUCTS OF DELAWARE, INC.
Financial Analysis

Capitalized terms used herein and not defined shall have the respective meanings assigned to them in the chapter 11 Plan of Reorganization ("the Plan") proposed by Berryman Products, Inc. and Berryman Products of Delaware, Inc. (collectively "Berryman, the Company or the Debtors"). The term "Berryman" when used with reference to the period prior to the Effective Date of the Plan means Berryman and when used with reference to the period after the Effective Date of the Plan means Reorganized Berryman.

Introduction

The Bankruptcy Code requires the Bankruptcy Court to find, as a condition to confirmation of a Plan of reorganization for Berryman, that confirmation is not likely to be followed by the liquidation of Berryman or the need for further financial reorganization. The management of Berryman developed a business plan ("Business Plan") and prepared certain projections of operating profit, balance sheets and cash flows ("Management's Projections") for the fiscal years ended September 30, 1994 and for each of the fiscal years in the five-year period (the "Projection Period"). Management's Projections have been revised to include the terms of the Plan, are herein after referred to as the financial analysis ("Financial Analysis").

The Financial Analysis should be read in conjunction with the assumptions, reference notes, qualifications and explanations set forth herein and the historical consolidated financial information (including the notes and schedules thereto) and other information set forth herein and in the Disclosure Statement.

The Company does not, as a matter of course, publish its business plans or strategies or make public its projections or forecasts of its anticipated financial position or results of operations. Accordingly, Berryman does not anticipate that it will, and disclaims any obligation to furnish updated business plans or projections, prior to the Effective Date.

Management's Projections are based on and assume the successful implementation of Berryman's Business Plan. The Projections reflect numerous assumptions, including anticipated future performance of Reorganized Berryman, industry performance, general business and economic conditions, tax issues and other matters, most of which are

EXHIBIT

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beyond the control of Reorganized Berryman. In addition, unanticipated events and circumstances may affect the actual financial results of Reorganized Berryman. Therefore, while Management's Projections are necessarily presented with numerical specificity, the actual results achieved throughout the Projection Period may vary from the projected results and such variations may be material. Accordingly, no representation is made with respect to the accuracy of Management's Projections or the ability of Berryman or Reorganized Berryman to achieve the financial results.

Although management believes that the assumptions underlying the Projections, when considered on an overall basis, are reasonable in light of current circumstances, no assurance can be given that Management's Projections will be realized. Holders of Claims must make their own determinations as to the reasonableness of such assumptions and the reliability of Management's Projections in reaching their determination of whether to accept or reject the Plan.

Principal Assumptions

The significant assumptions used in the Financial Analysis follow:

- (i) *Effective Date:* For purposes of the Financial Analysis management assumed confirmation of the Plan in accordance with its terms and that all transactions contemplated by the Plan will be consummated by the Effective Date, July 1, 1994. Management's Projections for the fiscal year ending September 30, 1994 have been prorated in the Financial Analysis to reflect nine months prior to the assumed Effective Date and three months following the assumed Effective Date. Given that the Effective Date may not occur on July 1, 1994, results may be different from those set forth.
- (ii) *Source of the Projections:* The Projections were prepared by management and adjusted for the implementation of the Plan effective July 1, 1994.
- (iii) *Fiscal Year End:* The Financial Analysis assumes Reorganized Berryman will continue to report on a September 30 fiscal year end.
- (iv) *Revenues:* As a result of the bankruptcy, Berryman is experiencing a 6.4% decrease in revenues from 1993 to 1994. Revenues during the remaining four years of the Projection Period are assumed to increase an average of 2.8% annually through increases in sales in accordance with Management

assumptions related to sales by product line and the introduction of new products. This assumption takes into account assumed results for all of Berryman's product lines including the end of the product cycle for selected products and the successful introduction of new product lines. Management's Projections do not reflect any future price increases due to competitive pricing conditions in the marketplace. In fact as a result of intense competition, prices may decrease. Therefore, the projected 2.8% sales increase is aggressive given the product life cycles and competition anticipated in the 1995-1998 period.

- (v) *Cost of Goods Sold:* The Financial Analysis assumes that cost of goods sold, as a percent of sales, 46.4% in 1993 will increase to 48.75% in fiscal year 1998 due to competitive pressures in many product categories.
- (vi) *Marketing, General and Administrative Expenses:* The Financial Analysis assumes that marketing, general and administrative expenses as a percentage of revenues increase from 16.3% in fiscal year 1993 to an average of 18.5% during the projection period. This increase is due to anticipated increased advertising for new product lines and greater overall competition.
- (vii) *Extraordinary Items:* Extraordinary items for 1993 and 1994 represent professional fees and expenses associated with the bankruptcy. The extraordinary item for 1997 reflects the financial statement recognition of Nationwide claim, net of 34% tax effect. It should be recognized that this claim is unliquidated and although it has been estimated at \$6 million by the bankruptcy court, the Debtor disagrees and estimation is currently under appeal. Debtor anticipates continuing to pursue counterclaims against Nationwide which the Debtor believes will ultimately not result in any payments to Nationwide. For purposes of this Financial Analysis only, the claim has been reflected in its full estimated amount in 1997 to be paid out over 15 years in accordance with the Plan.
- (viii) *Capital Expenditures:* Annual cash capital expenditures are assumed to average \$388,000 during the Projection Period. These assumed capital expenditures relate primarily to upgrading the capacity of Berryman's manufacturing and distribution facilities.

Projections

The last day of Berryman's current fiscal year is September 30, 1994. Actual 1994 results may differ from the results estimated by management included in the Financial Analysis. The Financial Analysis has been prepared on the assumption that the Effective Date is July 1, 1994. The Financial Analysis set forth herein include the following schedules:

- (1) **Consolidated Balance Sheets** presents (i) historical balance sheets for the years ended September 30, 1988 through September 30, 1993; (ii) Projected ProForma July 1, 1994 balance sheet reflecting reorganized Berryman's balance sheet; and (iii) the projected consolidated balance sheet of Reorganized Berryman for the years ended September 30, 1994 through September 30, 1998.
- (2) **Reorganized Berryman Projected Consolidated Statements of Operation** presents (i) consolidated results of operations for the years ended September 30, 1988 through September 30, 1993; and (ii) projected consolidated results of operations of Berryman for the nine months ended July 1, 1994, the three months ended September 30, 1994 and for each fiscal year included in the Projection Period through September 30, 1998.
- (3) **Reorganized Berryman Projected Consolidated Statements of Cash Flows** presents (i) consolidated cash flows for the fiscal years ended September 30, 1988 through September 30, 1993; (ii) projected consolidated cash flows for the nine months ended July 1, 1994, the three months ended September 30, 1994, after giving effect to the consummation of the Plan; and (iii) the projected cash flows of Reorganized Berryman for each year in the Projection Period through September 30, 1998.
- (4) **Analysis of Recoveries** reflects classes of claims, estimated claim amounts by class, type and amount of consideration to be received by each class of claims and an estimated percent recovery.

BERRYMAN PRODUCTS OF DELAWARE, INC.
 Consolidated Balance Sheets 1988 - 1998
 Years Ended September 30

	Actual					Projected Pro Forma	Projected					
	1988	1989	1990	1991	1992	June 30, 1994	1994	1995	1996	1997	1998	
SSETS:												
Current Assets												
Cash / Temporary Investments	453,780	587,304	1,411,811	702,787	1,361,082	1,821,485	2,036,551	2,382,658	2,101,154	1,976,670	2,324,445	2,298,244
Cash Restricted	0	0	100,000	100,000	99,200	99,200	99,200	100,000	100,000	100,000	0	0
Accounts receivable	2,260,673	2,491,360	2,400,750	2,714,318	3,413,246	3,558,441	3,358,441	3,350,000	3,443,800	3,540,226	3,639,353	3,741,255
Allow doubtful accts	(50,410)	(49,241)	(59,713)	(60,784)	(58,679)	(58,679)	(58,679)	(68,681)	(70,604)	(72,581)	(74,614)	(76,203)
Accounts Receivable, net	2,210,263	2,442,119	2,341,037	2,653,534	3,354,567	3,499,762	3,299,762	3,281,319	3,373,196	3,467,645	3,564,739	3,664,552
Accrued Interest	0	1,274	908	1,138	203	311	311	1,000	1,000	1,000	1,000	1,000
Inventory	935,803	1,065,141	1,048,591	1,569,589	1,358,039	1,453,217	1,453,217	1,640,816	1,704,330	1,761,082	1,810,392	1,861,083
Reserve for LIFO	(194,796)	(317,731)	(182,638)	(148,510)	(30,270)	(85,283)	(85,283)	(131,265)	(136,346)	(140,887)	(144,831)	(148,887)
Inventory, net	741,007	747,410	865,953	1,421,079	1,327,769	1,367,934	1,367,934	1,509,551	1,567,983	1,620,195	1,665,561	1,712,197
Prepaid Expenses	47,100	50,908	33,872	261,708	281,907	414,062	414,062	280,000	285,000	290,000	295,000	300,000
Total Current Assets	3,452,150	3,829,015	4,753,381	5,140,246	6,424,728	7,202,754	7,417,820	7,554,528	7,428,333	7,455,510	7,850,745	7,975,992
Trademarks												
Plant, Prop. & Equip	0	0	15,845	37,521	50,606	47,267	43,517	42,267	37,267	32,267	27,267	22,267
Less accum depreciation	(1,433,648)	(1,582,963)	(1,564,060)	(1,554,437)	(1,838,454)	(1,691,396)	(1,908,499)	(1,980,867)	(2,305,505)	(2,718,148)	(3,189,571)	(3,609,749)
Plant, Property & Equipment, net	607,462	538,670	506,268	1,044,507	860,763	869,740	652,637	821,394	862,156	1,222,513	1,022,090	891,912
Deposits	8,744	7,948	20,689	8,597	14,041	22,569	22,569	13,765	13,765	13,765	13,765	13,765
Goodwill	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000	3,420,000
Intangible - Goodwill	(233,888)	(326,498)	(419,108)	(511,718)	(604,328)	(701,784)	(771,242)	(794,395)	(887,005)	(979,615)	(1,072,225)	(1,164,835)
Goodwill, net	3,186,112	3,093,502	3,000,892	2,908,282	2,815,672	2,718,216	2,648,758	2,625,606	2,532,996	2,440,386	2,347,776	2,255,166
Prepaid Taxes	52,108	63,683	466	0	15,705	62,202	62,202	0	0	0	0	0
Tax Asset (Booked BFI)	39,945	42,921	58,577	35,116	12,999	12,999	12,999	12,999	12,999	12,999	2,052,999	1,916,999
TOTAL ASSETS	7,346,521	7,575,739	8,356,118	9,178,269	10,194,514	10,935,747	10,860,502	11,070,558	10,887,515	11,177,440	13,314,641	13,076,101
LIABILITIES:												
Current Liabilities												
Accounts Payable	1,383,518	1,387,502	1,605,455	1,611,314	1,896,225	462,773	462,773	1,848,276	1,919,820	1,983,748	2,039,292	2,096,393
Accounts Payable - Prepetition	0	0	0	0	0	1,386,053	1,386,053	548,409	0	0	0	0
Accounts Profit Sharing	100,000	0	158,640	116,465	160,000	150,000	150,000	125,000	150,000	175,000	175,000	175,000
Fed/State Taxes Payable	0	1,922	23,238	87,508	25,051	59,519	59,519	9,519	32,873	32,873	32,873	32,873
Other Liab/Accr Pay	294,603	305,339	244,824	435,794	398,518	479,838	829,838	480,552	499,153	515,774	530,216	545,062
Total Fed/State & Other Payables	294,603	307,261	268,062	523,302	423,569	539,357	889,357	490,071	532,026	548,647	563,089	577,935
Deferred Income	0	0	154,686	524,004	424,004	341,462	211,462	211,462	111,462	31,462	0	0
Current Portion of LT Debt	338,730	334,274	412,764	323,042	300,164	177,116	0	164,541	140,232	140,232	468,512	340,232
Total Current Liabilities	2,116,851	2,029,037	2,599,607	3,098,127	3,203,962	3,056,761	3,099,645	3,387,758	2,853,540	2,879,089	3,245,894	3,189,560
Secured Note												
Nationwide Claim	4,282,233	3,822,959	3,201,863	2,450,164	2,278,033	2,278,032	2,148,550	1,948,950	1,833,027	1,692,795	1,552,563	1,412,331
TOTAL LIABILITIES	6,399,084	5,851,996	5,801,470	5,548,291	5,481,995	5,334,793	5,248,195	5,336,709	4,686,567	4,571,884	10,598,457	10,201,891
STOCKHOLDERS' EQUITY:												
Common Stock	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Paid in Capital	358,800	358,800	358,800	358,800	358,800	358,800	358,800	358,800	358,800	358,800	358,800	358,800
Retained Earnings	1,041,502	1,825,090	2,655,995	3,987,733	5,144,373	6,106,873	6,118,226	6,239,769	6,706,867	7,111,475	3,222,103	3,380,129
Minority Stock	(461,065)	(468,347)	(468,347)	(724,755)	(798,854)	(872,919)	(872,919)	(872,919)	(872,919)	(872,919)	(872,919)	(872,919)
TOTAL STOCKHOLDERS' EQUITY	947,437	1,723,743	2,554,648	3,629,978	4,712,519	5,600,954	5,612,307	5,733,850	6,200,948	6,605,556	2,716,184	2,874,210
TOTAL LIABILITIES / STOCKHOLDERS' EQUITY	7,346,521	7,575,739	8,356,118	9,178,269	10,194,514	10,935,747	10,860,502	11,070,558	10,887,515	11,177,440	13,314,641	13,076,101

BERRYMAN PRODUCTS OF DELAWARE, INC.
Consolidated Statements of Cash Flows 1988 - 1998

Years Ended September 30

	Actual						Projected Pro Forma Three Months		Projected				
	1988	1989	1990	1991	1992	1993	Nine Months Ended June 30, 1994	Ended Sept 30, 1994	1994	Projected			
										1995	1996	1997	1998
Net Income	661,503	783,663	830,687	1,332,036	1,141,318	1,088,905	1,113,531	1,213,542	1,322,896	467,099	404,607	(3,000,371)	158,025
Adjustments to reconcile net income to net cash provided by operating activities:													
Depreciation and amortization	336,364	375,180	319,287	403,572	457,799	390,732	290,311	96,770	387,081	422,248	510,253	569,033	517,788
(Increase) decrease in restricted cash	0	0	(100,000)	0	800	0	0	(800)	(800)	0	0	100,000	0
(Increase) decrease in accounts receivable	(136,841)	(231,856)	101,082	(312,497)	(701,033)	(145,195)	0	218,443	218,443	(91,877)	0	(97,094)	(99,813)
(Increase) decrease in inventory	(102,273)	(6,403)	(118,343)	(555,326)	93,310	(40,165)	0	(141,617)	(141,617)	(38,432)	(32,212)	(45,365)	(46,636)
(Increase) decrease in prepaid expenses	80,640	(3,808)	17,036	(227,836)	(20,199)	(132,155)	0	134,062	134,062	(5,000)	(5,000)	(1,000)	(5,000)
(Increase) decrease in other assets	(44,278)	(2,180)	(28,397)	35,533	16,673	(8,528)	0	8,115	8,115	0	0	(2,640,000)	136,000
(Increase) decrease in prepaid taxes	84,732	(11,575)	63,217	466	(15,705)	(46,497)	0	62,202	62,202	0	0	0	0
Increase (decrease) in accounts payable - POST	(225,233)	3,984	217,953	5,859	284,911	(1,433,452)	0	1,385,503	1,385,503	71,544	63,928	53,545	57,100
Increase (decrease) in accounts payable - PRE	0	0	0	0	0	1,386,053	0	(837,644)	(837,644)	(548,409)	43,601	14,442	14,846
Increase (decrease) in accrued expenses	(30,795)	(89,264)	98,125	148,795	6,259	71,320	330,000	(374,286)	(24,286)	0	0	0	0
Increase (decrease) in taxes payable	0	1,922	21,316	64,270	(62,457)	34,468	0	(30,000)	(30,000)	23,354	0	0	0
Increase (decrease) in deferred income	0	0	154,686	369,318	(100,000)	(82,542)	0	0	(130,000)	(100,000)	(80,000)	(34,462)	0
Other	(4,982)	(1,345)	(3,205)	(14,174)	2,796	(13,939)	0	0	0	0	0	0	0
Total Adjustments	(42,666)	34,655	742,757	(82,000)	(36,846)	(19,900)	(510,311)	500,749	1,011,060	(242,971)	384,141	(1,479,902)	574,286
Net cash provided by operating activities:	618,837	818,318	1,573,444	1,250,036	1,104,472	1,069,005	521,664	622,291	1,143,955	224,128	788,748	(1,309,273)	732,311
Cash flows from investing activities:													
Proceeds from sale of assets	20,000	0	200	1,764	0	0	0	0	0	0	0	0	0
Capital expenditures	(477,916)	(213,782)	(167,476)	(825,476)	(167,476)	(138,081)	0	(241,125)	(241,125)	(365,400)	(773,000)	(271,000)	(290,000)
Trademark expenditures	0	0	(39,054)	(37,520)	(23,054)	(704)	0	0	0	0	0	0	0
Cash used by investing activities	(457,916)	(213,782)	(206,330)	(861,232)	(190,530)	(138,785)	0	(241,125)	(241,125)	(365,400)	(773,000)	(271,000)	(290,000)
Cash flows from financing activities:													
Insurance payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from notes	0	0	0	479,161	295,429	0	0	0	0	0	0	0	0
Principal payments on debt	(335,728)	(463,730)	(542,607)	(1,320,581)	(476,977)	(283,972)	(129,482)	(212,175)	(341,657)	(140,232)	(140,232)	188,048	(268,512)
Nationwide Claim	0	0	0	0	0	0	0	0	0	0	0	5,800,000	(200,000)
Dividends paid	0	0	0	0	0	(111,780)	0	0	0	0	0	0	0
Cash paid to acquire treasury stock	(331,065)	(7,282)	0	(256,408)	(74,099)	(24,065)	0	0	0	0	0	0	0
Cash used by financing activities	(666,793)	(471,012)	(542,607)	(1,097,828)	(255,647)	(469,817)	(129,482)	(212,175)	(341,657)	(140,232)	(140,232)	5,988,048	(468,512)
Net (dec) in cash and cash equivalents and cash equivalents at beg of year	(505,872)	133,524	824,507	(709,024)	658,295	460,403	392,182	168,991	561,173	(281,504)	(124,484)	347,775	(26,201)
and cash equivalents at end of year	999,652	453,780	587,304	1,411,811	702,787	1,361,082	1,821,485	2,213,667	1,821,485	2,382,658	2,101,154	1,976,670	2,324,445
and cash equivalents at end of year	453,780	587,304	1,411,811	702,787	1,361,082	1,821,485	2,213,667	2,382,658	2,382,658	2,101,154	1,976,670	2,324,445	2,298,244

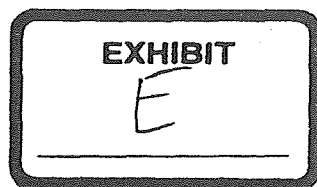
BERRYMAN PRODUCTS OF DELAWARE, INC.

Consolidated Statement of Operations 1988-1998

Years Ended September 30

	Actual						Projected ProForma Three Months		Projected				
	1988	1989	1990	1991	1992	1993	Nine Months Ended June 30, 1994	Ended Sept 30, 1994	1994	1995	1996	1997	1998
Revenues, net										0.028	0.028	0.028	0.028
Domestic	15,601,327	16,094,269	15,819,759	17,367,428	18,400,115	17,197,791	11,813,625	3,937,875	15,751,500	16,192,542	16,645,933	17,112,019	17,591,156
International	0	58,000	126,000	300,000	554,000	700,000	748,875	249,625	998,500	1,026,458	1,055,199	1,084,744	1,115,117
Total	15,601,327	16,152,269	15,945,759	17,667,428	18,954,115	17,897,791	12,562,500	4,187,500	16,750,000	17,219,000	17,701,132	18,196,764	18,706,273
Percent COGS	51.35%	50.01%	46.39%	49.99%	48.85%	46.36%	48.00%	48.00%	48.00%	48.50%	48.75%	48.75%	48.75%
Cost of Goods Sold	8,010,522	8,077,000	7,396,600	8,831,600	9,259,000	8,296,634	6,030,000	2,010,000	8,040,000	8,351,215	8,629,302	8,870,922	9,119,308
Gross Profit	7,590,805	8,075,269	8,549,159	8,835,828	9,695,115	9,601,157	6,532,500	2,177,500	8,710,000	8,867,785	9,071,830	9,325,841	9,586,965
Operating Expenses													
I.	1,408,649	1,480,691	1,596,075	1,714,131	1,989,119	1,906,468	1,507,500	502,500	2,010,000	2,066,280	2,124,136	2,183,612	2,244,733
F	814,226	801,847	777,356	899,930	979,263	902,193	659,531	219,844	879,375	903,998	929,309	955,330	982,079
Advertising	993,754	992,432	1,017,903	1,074,579	1,043,034	1,241,873	910,781	303,594	1,214,375	1,248,378	1,283,332	1,319,265	1,356,205
Expenses relative to sales	1,097,066	1,040,882	986,031	1,190,938	1,131,375	1,157,196	816,563	272,188	1,088,750	1,119,235	1,150,574	1,182,790	1,215,908
Professional services	67,899	139,505	148,916	314,715	356,506	372,748	262,500	87,500	350,000	300,000	300,000	300,000	300,000
General and Administrative	1,109,626	1,094,816	1,352,829	1,612,578	1,623,155	1,660,865	1,413,281	471,094	1,884,375	1,937,138	1,991,377	2,047,136	2,104,456
Total Operating Expense	5,491,221	5,550,173	5,879,110	6,806,871	7,122,452	7,241,343	5,570,156	1,856,719	7,426,875	7,575,028	7,778,728	7,988,133	8,203,400
(EBITDA)	2,099,584	2,525,096	2,670,049	2,028,957	2,572,663	2,359,814	962,344	320,781	1,283,125	1,292,758	1,293,102	1,337,709	1,303,565
Interest Expense	401,542	415,023	336,538	263,760	198,881	219,033	145,746	48,582	194,328	180,313	168,363	666,413	677,464
Depreciation/Amortization	336,364	375,180	319,287	403,572	457,799	390,732	290,311	96,770	387,081	422,248	510,253	569,033	517,788
Income from Operations	1,361,678	1,734,893	2,014,224	1,361,625	1,915,983	1,750,049	526,287	175,429	701,716	690,197	614,486	102,262	228,313
Other Income/(Expense)	73,731	60,951	74,797	81,013	115,072	146,737	150,750	50,250	201,000	215,238	221,264	227,460	233,828
Net Income Before Taxes	1,435,409	1,795,844	2,089,021	1,442,638	2,031,055	1,896,786	677,037	225,679	902,716	905,434	835,750	329,722	462,141
Federal/State Taxes	501,941	631,344	718,762	555,939	729,737	657,881	221,933	73,978	295,911	288,335	256,143	84,093	129,116
Profit Sharing	100,000	150,000	158,640	132,824	160,000	150,000	93,750	31,250	125,000	150,000	175,000	175,000	175,000
Net Income After Taxes	833,468	1,014,500	1,211,619	753,875	1,141,318	1,088,905	361,353	120,451	481,805	467,099	404,607	70,629	158,025
Extraordinary Items	(171,965)	(230,837)	(380,932)	578,161	0	0	(350,000)	1,091	(348,909)	0	0	(3,960,000)	0
Net Income After Extraordinary Items	661,503	783,663	830,687	1,332,036	1,141,318	1,088,905	11,353	121,542	132,896	467,099	404,607	(3,889,371)	158,025

Ballot to accept or reject the plan.



BPI PLAN CLASS 3

BALLOT FOR BPI BLANKENSHIP CLAIM

BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR
BERRYMAN PRODUCTS, INC. ("PLAN")

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products, Inc.
Case No. 493-41086-MT-11

The undersigned, a secured creditor of Berryman Products, Inc. ("BPI") in Class 3 of the Plan indicates acceptance or rejection of the Plan in the corresponding box below.

<u>Plan</u>	<u>CHECK ONE BOX</u>	
BPI Class 3	Accepts []	Rejects []

BALLOT MUST BE RECEIVED BY 4:00 P.M.
C.S.T, ON JULY 1, 1994

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

BPI PLAN CLASS 4

BALLOT FOR GENERAL UNSECURED CLAIMS OVER \$500.00

BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR BERRYMAN PRODUCTS, INC. ("PLAN")

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products, Inc.
Case No. 493-41086-MT-11

BALLOT MUST BE RECEIVED BY 4:00 P.M. C.S.T.,
ON JULY 1, 1994

The undersigned, an unsecured creditor of Berryman Products, Inc. ("BPI") in Class 4 of the Plan in an amount of \$ _____ indicates acceptance or rejection of the BPI Plan in the corresponding box below.

<u>BPI Plan</u>	<u>CHECK ONE BOX</u>	
BPI Class 4	Accepts	Rejects
	<input type="checkbox"/>	<input type="checkbox"/>

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

**INSTRUCTIONS FOR COMPLETING BPI CLASS 4 BALLOT
FOR GENERAL UNSECURED CLAIMS OVER \$500.00**

1. THIS BALLOT RELATES TO YOUR CLAIM AS A CREDITOR OF BERRYMAN PRODUCTS, INC. ("BPI"). BPI PLAN CLASS 4 CREDITORS ARE HOLDERS OF GENERAL UNSECURED CLAIMS OVER \$500.00. ALL CREDITORS IN BPI PLAN CLASS 4 SHOULD COMPLETE THIS BALLOT AND RETURN IT IN THE ENCLOSED POSTAGE PREPAID ENVELOPE.
2. TO HAVE YOUR VOTE COUNTED, INDICATE ACCEPTANCE OR REJECTION OF THE BPI PLAN IN THE BOX PROVIDED. PLEASE PROVIDE ALL OF THE INFORMATION REQUESTED. SIGN AND DATE THE BALLOT AND RETURN IT IN THE ENVELOPE PROVIDED. THE BALLOT SHOULD BE RETURNED WELL IN ADVANCE OF 4:00 P.M., C.S.T., ON JULY 1, 1994. FOR YOUR VOTE TO BE COUNTED AS VOTING TO ACCEPT OR TO REJECT THE BPI PLAN, YOU SHOULD COMPLETE THE BALLOT, INDICATE ACCEPTANCE OR REJECTION OF THE BPI PLAN IN THE BOX INDICATED, AND SIGN AND RETURN THIS BALLOT BY MAIL OR OVERNIGHT COURIER TO THE ADDRESS INDICATED ON THE ENCLOSED PRE-ADDRESSED ENVELOPE. ANY EXECUTED BALLOT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE BPI PLAN WILL NOT BE COUNTED. BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED. YOU MAY FAX A COMPLETED BALLOT TO CANTEY & HANGER, C/O JEFF P. PROSTOK, AT 801 CHERRY STREET, SUITE 2100, FORT WORTH, TEXAS 76102, FAX NO. (817) 877-2807, TELEPHONE NO. (817) 877-2897 BY JULY 1, 1994. PROVIDED, HOWEVER, THAT YOUR ACTUAL SIGNED BALLOT MUST BE RECEIVED BY 4:00 P.M., C.S.T., ON JULY 5, 1994 OR SUCH FAX BALLOT WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ABOUT VOTING THIS BALLOT, PLEASE CONTACT:

**JEFF P. PROSTOK
(817) 877-2987 (collect)**

BPI PLAN CLASS 4

REQUESTED TREATMENT FOR GENERAL UNSECURED CLAIMS OVER \$500.00

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products, Inc.
Case No. 493-41086-MT-11

In accordance with Section 5.4 of the Plan, the unsecured creditor chooses the following treatment:

- 1. Twenty-four equal payments payable on the Distribution Date and in twenty-three monthly installments thereafter equal to twenty-five percent of its Allowed Unsecured Claim; or
- 2. Five equal payments payable on the Distribution Date and in four monthly installments thereafter equal to the full value of its Allowed Unsecured Claim; provided, however, that such creditor electing this treatment covenants and agrees to reinstate the payment terms, treatment, quality controls, warranties, and packaging modifications in existence with BPI immediately prior to the Petition Date for all products delivered and services rendered by such creditor to BPI after the Effective Date.

BALLOT MUST BE RECEIVED BY 4:00 P.M. C.S.T.,
ON JULY 1, 1994

BPI Plan Class 5 Option
(If applicable, check box below)

- The Undersigned elects to reduce its claim to \$500.00 and receive \$450.00 in cash on the Effective Date.

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

**INSTRUCTIONS FOR CLASS 4 TREATMENT CARD
FOR UNSECURED CLAIMS OVER \$500.00**

1. THIS TREATMENT CARD RELATES TO YOUR CLAIM AS A CREDITOR OF BERRYMAN PRODUCTS, INC. ("BPI"). BPI PLAN CLASS 4 CREDITORS ARE HOLDERS OF GENERAL UNSECURED CLAIMS OVER \$500.00. ALL CREDITORS IN BPI PLAN CLASS 4 SHOULD COMPLETE THIS TREATMENT CARD AND RETURN IT IN THE ENCLOSED POSTAGE PREPAID ENVELOPE.

2. IN ADDITION, THE BPI PLAN PROVIDES FOR AN ADMINISTRATIVE CONVENIENCE CLASS FOR GENERAL UNSECURED CLAIMS AGAINST BPI LESS THAN OR EQUAL TO \$500.00 (CLASS 5). CLASS 4 CREDITORS ELECTING CLASS 5 TREATMENT WILL BE PAID \$450.00 IN CASH ON THE EFFECTIVE DATE OF THE BPI PLAN. IF YOU DESIRE TO REDUCE YOUR CLAIM TO \$500.00 AND RECEIVE \$450.00 IN CASH ON THE EFFECTIVE DATE, CHECK THE BOX PROVIDED ON THE TREATMENT CARD FOR THE BPI PLAN CLASS 5 OPTION.

3. TO ENSURE YOUR ELECTION IS PROPERLY RECOGNIZED, INDICATE YOUR CHOICE OF TREATMENT IN THE BOX PROVIDED. PLEASE PROVIDE ALL OF THE INFORMATION REQUESTED. SIGN AND DATE THE TREATMENT CARD AND RETURN IT IN THE ENVELOPE PROVIDED. THE TREATMENT CARD SHOULD BE RETURNED WELL IN ADVANCE OF 4:00 P.M., C.S.T., ON JULY 4, 1994. FOR YOUR VOTE TO BE COUNTED AS VOTING TO ACCEPT OR TO REJECT THE BPI PLAN, YOU SHOULD COMPLETE THE TREATMENT CARD, INDICATE ACCEPTANCE OR REJECTION OF THE BPI PLAN IN THE BOX INDICATED, AND SIGN AND RETURN THIS TREATMENT CARD BY MAIL OR OVERNIGHT COURIER TO THE ADDRESS INDICATED ON THE ENCLOSED PRE-ADDRESSED ENVELOPE. ANY EXECUTED TREATMENT CARD WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE BPI PLAN WILL NOT BE COUNTED. TREATMENT CARDS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED. YOU MAY FAX A COMPLETED BALLOT TO CANTEY & HANGER, C/O JEFF P. PROSTOK, AT 801 CHERRY STREET, SUITE 2100, FORT WORTH, TEXAS 76102, FAX NO. (817) 877-2807, TELEPHONE NO. (817) 877-2897 BY JULY 1, 1994. PROVIDED, HOWEVER, THAT YOUR ACTUAL SIGNED TREATMENT CARD MUST BE RECEIVED BY 4:00 P.M., C.S.T., ON JULY 5, 1994 OR SUCH FAX BALLOT WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ABOUT VOTING THIS TREATMENT CARD, PLEASE CONTACT:

JEFF P. PROSTOK
(817) 877-2987 (collect)

BPI PLAN CLASS 5

**BALLOT FOR BPI ADMINISTRATIVE
CONVENIENCE CLAIMS UP TO \$500**

**BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR
BERRYMAN PRODUCTS, INC. ("PLAN")**

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products, Inc.
Case No. 493-41086-MT-11

**BALLOT MUST BE RECEIVED BY
4:00 P.M. C.S.T., ON JULY 1, 1994**

The undersigned, an unsecured creditor of Berryman Products, Inc. ("BPI") in Class 5 of the Plan in an amount less than or equal to \$500, indicates acceptance or rejection of the Plan in the corresponding box below.

<u>Plan</u>	<u>CHECK ONE BOX</u>	
BPI Class 5	Accepts []	Rejects []

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

**INSTRUCTIONS FOR COMPLETING BALLOT FOR OWNERS OF
BPI PLAN CLASS 5 ADMINISTRATIVE CONVENIENCE CLAIMS UNDER \$500.00**

1. THIS BALLOT RELATES TO YOUR CLAIM AS A CREDITOR OF BERRYMAN PRODUCTS, INC. ("BPI").
2. PLEASE PROVIDE ALL OF THE INFORMATION REQUESTED. SIGN AND DATE THE BALLOT AND RETURN IT IN THE ENVELOPE PROVIDED. THE BALLOT SHOULD BE RETURNED WELL IN ADVANCE OF 4:00 P.M., C.S.T., ON JULY 1, 1994. FOR YOUR VOTE TO BE COUNTED AS VOTING TO ACCEPT OR TO REJECT THE BPI PLAN, YOU SHOULD COMPLETE THE BALLOT, SIGN AND RETURN THIS BALLOT BY MAIL OR OVERNIGHT COURIER TO THE ADDRESS INDICATED ON THE ENCLOSED PRE-ADDRESSED ENVELOPE. BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED. YOU MAY FAX A COMPLETED BALLOT TO CANTEY & HANGER, C/O JEFF P. PROSTOK, AT 801 CHERRY STREET, SUITE 2100, FORT WORTH, TEXAS 76102, FAX NO. (817) 877-2807, TELEPHONE NO. (817) 877-2897 BY JULY 1, 1994. PROVIDED, HOWEVER, THAT YOUR ACTUAL SIGNED BALLOT MUST BE RECEIVED BY 4:00 P.M., C.S.T., ON JULY 5, 1994 OR SUCH FAX BALLOT WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS ABOUT VOTING THIS BALLOT, PLEASE CONTACT:

**JEFF P. PROSTOK
(817) 877-2987 (collect)**

BPI PLAN CLASS 6

BALLOT FOR BPI ENVIRONMENTAL CLAIM

**BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR
BERRYMAN PRODUCTS, INC. ("PLAN")**

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products, Inc.
Case No. 493-41086-MT-11

The undersigned, a secured creditor of Berryman Products, Inc. ("BPI") in Class 6 of the Plan indicates acceptance or rejection of the Plan in the corresponding box below.

<u>Plan</u>	<u>CHECK ONE BOX</u>	
BPI Class 6	Accepts	Rejects
	<input type="checkbox"/>	<input type="checkbox"/>

BALLOT MUST BE RECEIVED BY 4:00 P.M.
C.S.T, ON JULY 1, 1994

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

BPI PLAN CLASS 7

BALLOT FOR BPI NATIONWIDE CLAIM

BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR BERRYMAN PRODUCTS, INC. ("PLAN")

The undersigned, a secured creditor of Berryman Products, Inc. ("BPI") in Class 7 of the Plan indicates acceptance or rejection of the Plan in the corresponding box below.

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products, Inc.
Case No. 493-41086-MT-11

Plan	CHECK ONE BOX	
	Accepts	Rejects
BPI Class 3	<input type="checkbox"/>	<input type="checkbox"/>

If Nationwide accepts, then Nationwide chooses the following treatment:

- 1. \$500.00 in cash on the Effective Date; or
- 2. A Note bearing interest at the rate of six percent (6%) per annum on a principal balance of \$900,000.00, being payable in three (3) equal installments of \$300,000.00 principal (together with accrued interest) with the first such principal installment due and payable on the Effective Date.

BALLOT MUST BE RECEIVED BY 4:00 P.M. C.S.T,
ON JULY 1, 1994

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

BPD PLAN CLASS 3

BALLOT FOR BPD BLANKENSHIP CLAIM

BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR
BERRYMAN PRODUCTS OF DELAWARE, INC. ("PLAN")

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products of Delaware, Inc.
Case No. 493-41087-MT-11

The undersigned, a secured creditor of Berryman Products of Delaware, Inc. ("BPD") in Class 3 of the Plan indicates acceptance or rejection of the Plan in the corresponding box below.

<u>Plan</u>	<u>CHECK ONE BOX</u>	
BPD Class 3	Accepts []	Rejects []

BALLOT MUST BE RECEIVED BY 4:00 P.M.
C.S.T, ON JULY 1, 1994

Signed: _____

Date: _____

[If appropriate]:

By: _____

As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

BPD PLAN CLASS 6

BALLOT FOR BPD ENVIRONMENTAL CLAIM

BALLOT FOR ACCEPTANCE OR REJECTION OF FIRST AMENDED CHAPTER 11 PLAN FOR
BERRYMAN PRODUCTS OF DELAWARE, INC. ("PLAN")

United States Bankruptcy Court
Northern District of Texas
Fort Worth Division

Berryman Products of Delaware, Inc.
Case No. 493-41087-MT-11

The undersigned, a secured creditor of Berryman Products of Delaware, Inc. ("BPD") in Class 6 of the Plan indicates acceptance or rejection of the Plan in the corresponding box below.

<u>Plan</u>	<u>CHECK ONE BOX</u>	
BPD Class 6	Accepts	Rejects
	<input type="checkbox"/>	<input type="checkbox"/>

BALLOT MUST BE RECEIVED BY 4:00 P.M.
C.S.T, ON JULY 1, 1994

Signed: _____

Date: _____

[If appropriate]:

By: _____

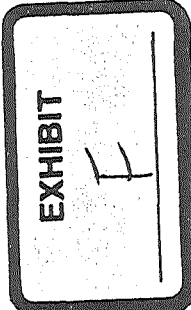
As: _____

Address: _____

PLEASE READ VOTING INSTRUCTIONS ON REVERSE SIDE BEFORE COMPLETING BALLOT

**BERRYMAN PRODUCTS, INC. and BERRYMAN PRODUCTS OF DELAWARE, INC.
CLASSIFICATION AND SUMMARY TREATMENT OF CLAIMS
SEE PLAN FOR DETAILED TERMS**

CLASS OF DEBT	TYPE	TOTAL CLAIMS ESTIMATED AS OF JULY 1, 1994	CASH AT EFFECTIVE/ DISTRIBUTION DATE	ESTIMATED % OF RECOVERY	TERMS REFLECTED IN FINANCIAL ANALYSIS
<u>BPI CLAIMS</u>					
BPI CLASS 1	Secured Tax Claims	\$50,000.00	\$50,000.00	100%	Cash at Distribution Date
BPI CLASS 2	Priority Non-Tax Claims	\$350,000.00	\$350,000.00	100%	Cash at Distribution Date
BPI CLASS 3	Secured Claim	\$0.00	\$0.00	100%	See BPD Class 3 treatment.
BPI CLASS 4	Unsecured Claims	\$1,371,023.68	\$274,204.74	100%	Creditors have the option to be paid 100% of the allowed claims if prepetition terms and treatment are reinstated. If terms and treatment are not reinstated the creditor will receive 25% of Allowed Claim over 24 months. For purposes of this Financial Analysis all creditors are assumed to accept the option of reinstating terms and treatment, therefore all creditors in this class will receive one fifth of payment on Distribution Date with four equal payments each month thereafter.
BPI CLASS 5	Convenience Claims	\$10,907.40	\$9,816.66	90%	90% of Claim at Distribution Date
BPI CLASS 6	Environmental Claims	\$0.00	\$0.00	100%	Reinstated with first payment on Distribution Date.
BPI CLASS 7	Nationwide Claim	\$8,000,000.00	\$0.00	100%	Treatment in financial analysis assumes that settlement of claim would not occur before three years. The debtor believes the claim will not ultimately be allowed for \$8 million. However, for purposes of this Financial Analysis this claim is reflected as \$8 million and paid as a 15 year note with a 30 year amortization at a rate of 8.5% commencing in 1997.
BPI CLASS 8	BPD Claims	\$0.00	\$0.00	100%	Eliminated by virtue of Section 8.3 of the Plan. No distribution made.
	Subtotal	<u>\$7,781,931.08</u>	<u>\$684,021.40</u>		
<u>BPD CLAIMS</u>					
BPD CLASS 1	Secured Tax Claims	\$0.00	\$0.00	100%	See BPI Class 1 treatment
BPD CLASS 2	Priority Non-Tax Claims	\$0.00	\$0.00	100%	Paid 100% claim
BPD CLASS 3	Secured Claim	\$2,153,032.00	\$0.00	100%	15 year amortization term note with interest with a floor of 8.5% and a ceiling of 10% based on the prime rate.
BPD CLASS 4	Unsecured Claims	\$0.00	\$0.00	100%	See BPI Class 4
BPD CLASS 5	Convenience Claims	\$0.00	\$0.00	100%	See BPI Class 5
BPD CLASS 6	Environmental Claims	\$0.00	\$0.00	100%	See BPI Class 6
BPD CLASS 7	BPI Claims	\$0.00	\$0.00	100%	Eliminated by virtue of Section 8.3 of the Plan. No distribution made.
	Subtotal	<u>\$2,153,032.00</u>	<u>\$0.00</u>		
	TOTAL	<u>\$9,934,963.08</u>	<u>\$684,021.40</u>		



CLASS ACCT#	VENDOR	BAL PER SCHEDULE F	BAL AT 9/30/93	Explanation
4.1	UNSECURED CLAIMS			
4.1	000130 ABF FREIGHT SYSTEM INC	582.09	582.09	
4.1	000131 ABF FREIGHT SYSTEM INC	1,538.35	1,538.35	
4.1	000140 ACTION TECHNOLOGY CO	2,850.00	2,850.00	
4.1	000151 AEROSOL SYSTEMS INC	2,224.24	2,224.24	
4.1	000230 AMERICAN RETREADING SPEC	1,307.24	1,307.24	
4.1	003770 ARATEX SERVICES INC	1,630.57	1,630.57	
4.1	000304 ARLINGTON BLINDS LTD INC	1,450.00	1,450.00	
4.1	000319 ARMSTRONG CONTAINERS INC	11,424.10	11,424.10	
4.1	000446 BENNETT PRINTING COMPANY	3,143.07	3,143.07	
4.1	000158 BERLIN PACKAGING	741.31	741.31	
4.1	000695 CAROLINA FREIGHT CORP	1,340.94	1,340.94	
4.1	000680 CENTURY PAPERS	610.79	610.79	
4.1	000773 COCKRELL PRINTING	6,965.89	6,965.89	
4.1	000790 CONSOLIDATED FREIGHTWAYS	8,570.71	9,299.88 *	Additional invoices & disallowed discount
4.1	000822 CON-WAY SW EXPRESS	9,292.40	9,566.84 *	Additional invoices received after filing
4.1	000839 CRAFTMARK LABEL GRAPHICS	1,493.91	1,493.91	
4.1	000850 CROWN CORK & SEAL	484,159.08	484,091.63 *	Reconcile to Proof-of-claim
4.1	000853 CRYOGENIC EXPERTS INC	597.10	597.10	
4.1	000963 DANTACK CORP	854.47	854.47	
4.1	001020 DELTA SOLVENTS	299,182.69	298,935.69 *	Reconcile to Proof-of-claim
4.1	001092 E L M INDUSTRIES INC	650.00	650.00	
4.1	001103 EDWARDS TRANSPORTATION	3,216.70	3,216.70	
4.1	001136 ENVIROCHEM TECHNOLOGIES	11,000.00	11,000.00	
4.1	001210 FEDERAL EXPRESS CORP	1,072.69	1,072.69	
4.1	001276 FORT WORTH TRAILER SERVICES I	1,714.81	1,714.81	
4.1	001384 G & M TRANSPORTATION	5,550.00	975.00 *	\$4550 applied to A/R balance
4.1	003810 GI TRUCKING COMPANY	5,801.59	8,072.15 *	Additional invoices received after filing
4.1	001425 GRAINGER INC, W W	997.98	997.98	
4.1	001449 GREEN BAY PACKAGING INC	20,475.74	20,475.74	
4.1	001685 INLAND CONTAINER CORP	14,819.47	14,819.47	
4.1	001810 KARTRIDGPAK	0.00	894.40 *	Invoices received after filing
4.1	001850 KNIGHT ENGINEERING	50,689.69	50,689.69	
4.1	001930 LIQUID CARBONIC CORP	1,011.04	1,011.04	
4.1	001950 LONE STAR CORRUGATED COnt	1,884.87	1,884.87	
4.1	001962 LONE STAR INDUSTRIAL SVCS	538.41	538.41	
4.1	000160 LONE STAR PALLET	3,650.00	3,650.00	
4.1	001985 LONGHORN GASKET & SUPPLY	2,798.27	2,798.27	
4.1	002000 LORD LABEL	3,500.00	3,500.00	
4.1	002090 MASTERS INTERNATIONAL	1,619.78	1,619.78	
4.1	002140 MERCHANTS FAST MOTOR FRT	3,097.99	3,141.10 *	Reconcile to Proof-of-claim
4.1	003013 MICROFILM SPECIALISTS	1,255.31	1,255.31	
4.1	003018 MILAN EXPRESS CO INC	3,329.52	3,475.57 *	Additional invoices received after filing
4.1	003160 NEWMAN GREEN INC	1,062.10	1,062.10	
4.1	003210 OLD DOMINION FREIGHT LINE INC	478.32	1,195.80 *	Disallowed discounts
4.1	003330 PAYLESS CASHWAYS INC	902.70	925.07 *	Reconcile to Proof-of-claim
4.1	003580 PENNCO CONTAINER CORP	5,454.98	5,454.98	
4.1	003490 QUAL-PAK CORP	2,344.45	2,344.45	
4.1	003495 QUEST PACKAGING	6,679.23	6,679.23	
4.1	003610 ROADWAY EXPRESS INC	675.73	675.73	
4.1	003623 ROLLINS LEASING CORP	725.98	759.88 *	Reconcile to Proof-of-claim
4.1	003740 SEAQUIST VALVE CO	47,551.76	47,551.76	
4.1	003750 SELF INDUSTRIES INC	23,310.00	23,310.00	
4.1	003811 SHANNON CORP	602.74	924.50 *	Additional invoices received after filing
4.1	003843 SMITH SECURITY, STANLEY	512.94	512.94	
4.1	003862 SOLVENTS & CHEMICALS	9,739.84	9,739.84	
4.1	003910 SOUTHWEST SOLVENTS	192,841.45	192,841.45	
4.1	003935 SOUTHWESTERN MOTOR TRANS	550.00	550.00	
4.1	004058 TARRANT TRUCK REPAIR INC	1,800.28	1,800.28	
4.1	004222 THOROUGHbred PLASTICS	15,308.84	15,308.84	
4.1	003548 TNT REDDAWAY TRUCK LINE	2,055.38	2,055.38	
4.1	004323 TRINITY TEMPORARIES INC	2,165.64	2,165.64	
4.1	004400 UNITED PARCEL SERVICE - TX	1,053.41	1,053.41	
4.1	004420 UNITED STATES CAN CO	29,262.35	29,262.35	

CLASS ACCT#	VENDOR	BAL PER SCHEDULE F	BAL AT 9/30/93	Explanation
4.1	004503 VALLEY SOLVENTS	26,822.70	26,822.70	
4.1	004510 VAN BLARCOM CLOSURES	10,872.00	10,872.00	
4.1	004595 WEBB CO INC, HERBERT	1,073.56	1,073.56	
4.1	004603 WHITMIRE CONTAINER	1,472.64	1,472.64	
4.1	004600 WILLIG FREIGHT LINES	4,741.57	4,741.57	
4.1	004650 YELLOW FREIGHT LINES INC	1,819.44	1,968.49 *	Disallowed discount
TOTAL \$500-OVER		\$1,370,310.84	\$1,371,023.68	
TOTAL CLASS 4		\$1,370,310.84	\$1,371,023.68	

5.1 CONVENIENCE CLAIMS (UNDER \$500) 90% - DISTRIBUTION DATE

5.1	000115 A TO Z AUTO PARTS #1	224.31	224.31	
5.1	000104 AAA COOPER TRANSPORTATION	71.59	71.59	
5.1	000124 ABBA INTL COMPUTER SUPPLIES	156.36	156.36	
5.1	000136 ACE FIRE EXTINGUISHER CO	54.66	54.66	
5.1	000143 AD-ART INC	431.61	431.61	
5.1	000157 AIRBORNE EXPRESS	9.00	9.00	
5.1	000188 AMFAX	90.09	90.09	
5.1	000299 AREDALE FORD SALES	373.19	373.19	
5.1	000339 AUTOMATED LABEL SYSTEMS CO	(854.19)	(854.19)	
5.1	000538 BROWING-FERRIS INDUSTRIES	48.00	48.00	
5.1	000560 BUZZ PRINT	363.07	363.07	
5.1	001650 CALIFORNIA WASTE REMOVAL	37.00	74.56 *	Reconcile to Proof-of-claim
5.1	000654 CARDOX DIV LIQUID AIR	0.00	191.38 *	Invoices received after filing
5.1	000670 CENTRAL FREIGHT LINES	211.83	211.83	
5.1	001480 CHEVRON USA	0.00	52.85 *	Invoices received after filing
5.1	000717 CHURCHILL TRUCK LINES	95.71	95.71	
5.1	000741 CITY GLASS & MIRROR INC	419.68	419.68	
5.1	000772 COFFEE EXPRESS	281.38	281.38	
5.1	000785 COMPUTER VISIONS	483.80	483.80	
5.1	001970 DALLAS PETERBILT INC	68.17	68.17	
5.1	000957 DALTON INC	328.00	328.00	
5.1	000960 DALWORTH TOOL & SUPPLY	51.20	51.20	
5.1	000980 DATA DOCUMENTS	67.02	67.02	
5.1	001033 DIESEL PERFORMANCE INC	177.79	177.79	
5.1	001080 DOLLAHITE PRINTERS	310.55	310.55	
5.1	001082 DOMINO AMJET INC	1,038.38	0.00 *	Credit Received 4/20/93 - #CW125548
5.1	001090 E G M P SECURITY	60.00	60.00	
5.1	001230 FINA	85.37	88.64 *	Reconcile to Proof-of-claim
5.1	001275 FORT WORTH STAR TELEGRAM	(2.00)	0.00 *	Refund received
5.1	000810 HANEY & MURPHY	213.98	213.98	
5.1	001544 HOME DEPOT	0.00	330.30 *	Invoices received after filing
5.1	001758 JONES CUSTOM PRODUCTS INC	(638.70)	(638.70)	
5.1	001818 KELLER & ASSOC INC, J J	289.81	289.81	
5.1	001830 KENNEDY WELDING SUPPLY	103.92	103.92	
5.1	001908 LAUNEY MEDICAL & SURGICAL	20.00	20.00	
5.1	002077 MATHEWS INTERNATIONAL CORP	285.54	285.54	
5.1	002075 MATSCO	113.14	113.14	
5.1	002130 McCUTCHEN DOYLE BROWN	78.89	78.89	
5.1	002142 MERRITT COMPANY, THE	397.00	397.00	
5.1	003051 MOBIL OIL CREDIT	98.49	97.94 *	Reconcile to Proof-of-claim
5.1	003080 MOORE SUPPLY COMPANY	59.18	59.18	
5.1	003090 MOTION INDUSTRIES	331.48	331.48	
5.1	003164 NATIONAL EMPLOYER	152.20	0.00 *	Was not a invoice - solicitation only
5.1	003180 NORTH AMERICAN CONTAINER	337.25	337.25	
5.1	003190 NORTON MFG CO INC, B W	(13.77)	(13.77)	
5.1	003191 OFFICE DEPOT	0.00	89.76 *	Invoices received after filing
5.1	003237 ON-SITE ENVIRONMENTAL SVC	0.00	189.00 *	Invoices received after filing
5.1	003353 PIERCE AIR CONDITIONING	104.00	104.00	
5.1	003390 PITNEY BOWES	1.14	1.14	
5.1	003450 PROFESSIONAL PACKAGING SYS	86.25	86.25	
5.1	003501 RADIAL TIRE OF ELK GROVE	398.70	398.70	

CLASS ACCT#	VENDOR	BAL PER SCHEDULE F	BAL AT 9/30/93	Explanation
5.1 003549	RELIANCE METAL CENTER	188.41	186.41	
5.1 003551	RESPOND FIRST AID SYSTEM	110.66	110.66	
5.1 003554	RICKS TIRE SERVICE	57.50	57.50	
5.1 003555	RIDGECREST MEDICAL CENTER	20.00	20.00	
5.1 003734	S & W DRUG TESTING LAB	102.00	102.00	
5.1 003800	SARGENT-SOWELL INC	214.39	214.39	
5.1 000260	SCIENTIFIC PRODUCTS DIVISION	469.77	469.77	
5.1 003024	SHELTONS WATER REFINING	94.82	94.82	
5.1 003950	SPARKLETTS WATER	82.88	82.88	
5.1 004033	STUDIO 3 PHOTOGRAPHY	118.26	118.26	
5.1 004115	TESTPRODUCTS	190.85	190.85	
5.1 004170	TEXAS RUBBER SUPPLY INC	27.25	27.25	
5.1 004175	TEXAS SEAL SUPPLY CO INC	222.53	222.53	
5.1 004120	TEX-PAK	239.40	239.40	
5.1 000786	THE COLOR PLACE INC	221.11	221.11	
5.1 004282	TRAFFIC SERVICE BUREAU INC	125.00	125.00	
5.1 004285	TRAILMOBILE	210.40	210.40	
5.1 004300	TRANSPORT INTL POOL	499.36	499.36	
5.1 004325	TRINITY OFFICE SUPPLY	273.07	273.07	
5.1 004335	TWI INTERNATIONAL	75.00	75.00	
5.1 004337	TWO BROTHERS PEST CONTROL	26.00	26.00	
5.1 000541	UNISYS	(100.34)	(100.34)	
5.1 004395	UNITED PARCEL SERVICE - AL	16.10	16.10	
5.1 004390	UNITED PARCEL SERVICE - CA	101.13	101.13	
5.1 004500	VALLEY INDUSTRIAL SERVICE	29.00	29.00	
5.1 004539	VIKING FREIGHT SYSTEMS	146.49	146.49	
5.1 004031	XTRA LEASE	361.50	361.50	
TOTAL UNDER \$500		11,200.61	10,907.40	

TOTAL CLASS 5	\$11,200.61	\$10,907.40
TOTAL CLASS 4 and 5	\$1,381,511.45	\$1,381,931.08

Amounts Paid:

1-1 000652	CA STATE BOARD OF EQUAL	53.64	53.64
2-1 000120	A T & T	1,113.35	
2-1 000101	AAAD	3,781.50	
2-1 000328	ARTISTIC PAINTING COMPANY INC	2,651.00	
2-1 000655	CARQUEST CORP	1,109.87	
2-1 000780	COMDATA NETWORK INC	2,652.27	
		<u>11,287.99</u>	
3-1 000320	ARLINGTON UTILITIES	614.75	
3-1 000650	CABLE & WIRELESS COMM	5.55	
3-1 000740	CITIZENS UTILITIES CO	180.92	
3-1 001130	ELK GROVE WATERWORKS	52.28	
3-1 001960	LONE STAR GAS CO	973.40	
3-1 002120	MCI TELECOMMUNICATIONS	80.88	
3-1 003390	PITNEY BOWES	59.86	
3-1 003850	SMUD	202.81	
3-1 004044	SWINGSTER MARKETING	703.86	
3-1 004210	THOMAS ELECTRONICS INC	644.11	
		<u>3,486.22</u>	
4-1 001936	LOCKWOOD, ALEX, FITZGIBBON	0.00	4,121.53
		<u>0.00</u>	<u>4,121.53</u>
TOTALS		1,386,351.30	1,386,052.61

(PAID COURT ORDER 3/7/94)

COPY

NOTE

\$2,500,000.00

Arlington, Texas

August 1, 1991

For Value Received, the undersigned promises to pay to

ROBERT H. BLANKENSHIP

or order,

the sum of TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS with interest thereon as hereinafter specified from date until maturity, payable monthly as it accrues. Both principal and interest shall be payable at Arlington, Tarrant County, Texas, or at such other place as Noteholder may declare.

The unpaid principal of this Note from time to time outstanding shall bear interest prior to maturity at a varying rate per annum which is the rate established by TEXAS COMMERCE BANK-ARLINGTON, or its successors, "Reference Bank," from time to time as its "Prime Rate" as hereinafter defined (but in no event to exceed the maximum rate of non-usurious interest allowed from time to time by law, hereinafter called the "Highest Lawful Rate"), with adjustments in such varying rate to be made on the same date as any change in such Prime Rate and adjustments due to changes in the Highest Lawful Rate to be made on the effective date of any change in the Highest Lawful Rate. It is, however, understood and agreed that the interest rate on said note shall never be less than 8½% nor shall it exceed 10½%.

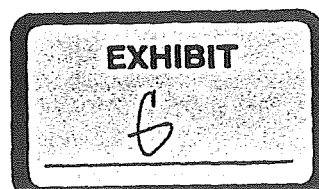
"Prime Rate" shall mean that variable rate of interest per annum established by "Reference Bank" from time to time as its "prime rate." Such rate is set by Reference Bank as a general reference rate of interest, taking into account such factors as Reference Bank may deem appropriate, it being understood that many of Reference Bank's commercial or other loans are priced in relation to such rate, that it is not necessarily the lowest or best rate actually charged to any customer and that Reference Bank may make various commercial or other loans at rates of interest having no relationship to such rate. "Reference Bank" shall mean Bank unless a different bank is named herein as establishing the Prime Rate, in which case "Reference Bank" shall mean such other bank.

In the event that Reference Bank does not have a rate designated by it as its "prime rate", then the "Prime Rate" under this note shall be deemed to be the variable rate of interest per annum which is the general reference rate designated by Reference Bank as its "reference rate," "Base Rate" or other similar rate and which is comparable to the "Prime Rate" as described above.

The principal of this note is payable in 180 monthly installments of THIRTEEN THOUSAND EIGHT HUNDRED EIGHTY EIGHT and 89/100 DOLLARS (\$13,888.89) each beginning on or before the 15th day of August, 1991, and a like installment on or before the 15th day of each succeeding month thereafter until the principal of this Note is paid in full.

The interest on this note is payable monthly as it accrues at the same time as and in addition to the principal payments.

NOTE
Page 1



All past due principal and interest due under the terms of this Note shall bear interest from maturity at a rate per annum which is one percent (1%) per annum above the prematurity rate specified herein (but in no event to exceed the Highest Lawful Rate) from maturity until paid.

This Note is secured by the Accounts Receivable, Inventory, Equipment and Machinery of Berryman Products, Inc., a Texas Corporation.

If this note is not paid at maturity whether by acceleration or otherwise and is placed in the hands of an attorney for collection, or suit is filed hereon, or proceedings are had in probate, bankruptcy, receivership, reorganization, arrangement or other legal proceedings for collection hereof, Maker and each other liable party agrees to pay holder hereof its collection costs, including court costs and a reasonable amount (which is agreed to be an additional amount equal to fifteen percent of the unpaid principal and interest hereof) for attorney's fees, but in no event to exceed the attorney's fees assessed by a court. Maker and each other liable party are and shall be directly and primarily, jointly and severally, liable for the payment of all sums called for herein, and Maker and each other liable party hereby expressly waives bringing of suit and diligence in taking any action to collect any sums owing hereof and in the handling of any security, and Maker and each other liable party hereby consents to and agrees to remain liable hereon regardless of any renewals, extensions for any period or rearrangements hereof, or partial prepayments hereon, or any release or substitution of security hereof, in whole or in part, with or without notice, from time to time, before or after maturity.

It is the intention of Maker and Noteholder to conform strictly to applicable usury laws. Accordingly, if the transactions contemplated hereby would be usurious under applicable law, then, in that event, notwithstanding anything to the contrary herein or in any agreement entered into in connection with or as security for this note, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law that is taken, reserved, contracted for, charged or received under this note or under any of the agreements or otherwise in connection with this note shall under no circumstances exceed the maximum amount of nonusurious interest allowed by applicable law, and any excess shall be credited on this note by the holder hereof (or, to the extent that this note shall have been or would thereby be paid in full, refunded to Maker); and (ii) in the event that maturity of this note is accelerated by reason of an election by the holder hereof resulting from any default hereunder or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum amount of nonusurious interest allowed by applicable law, and excess interest, if any, provided for in this note or otherwise shall be cancelled automatically as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited on this note (or, to the extent that this note shall have been or would thereby be paid in full, refunded to Maker).

Maker reserves the option of prepaying the principal of this note, in whole or in part, at any time after the date hereof without penalty. At the option of Noteholder, it may demand (at any time at or after prepayment) all accrued and unpaid interest with respect to the principal amount prepaid through the date of prepayment. All amounts of principal so prepaid and received by the owner and holder of this note shall be applied to the last maturing installments of this note in the inverse order of their maturity.

This note shall be construed under and governed by the laws of the State of Texas (including applicable federal law) but in any event Tex. Rev. Civ. Stat. Ann. art 5069 ch 15 (which regulates certain revolving loan accounts and revolving triparty accounts) shall not apply to the loan evidenced by this note.

In conjunction with this Note, Maker has executed a Loan Agreement of even date herewith and the terms and conditions of said Loan Agreement shall become a part hereof as if recited herein and default in any of the terms and conditions of said Loan Agreement shall constitute default under this Note and, at the option of holder hereof, this Note, may be declared due and payable.

BERRYMAN PRODUCTS OF DELAWARE, INC.

By 
R. T. BLANKENSHIP, President

NOTE

July 31

19.91

(City)

(State)

Highway 72, East of Cherokee, Colbert County, Alabama

(Property Address)

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 150,000.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is Robert H. Blankenship. I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of _____%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the 1st day of each month beginning on September 1, 1991. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on August 1, 2006, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my monthly payments at P.O. Box 288, Cherokee, AL 35616 or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 1,521.40

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 10 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

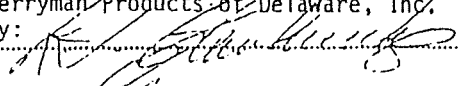
This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

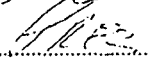
Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

Berryman Products of Delaware, Inc.

by: (Seal)
Borrower

its: (Seal)
Borrower

.....(Seal)
Borrower

(Sign Original Only)

BERRYMAN PRODUCTS, INC.
OFFICE FURNITURE FIXTURES - 5 YEAR PROPERTY

FY94

*Value of Blankenship Collateral
(Not Including Accounts Receivable)*

ITEM #	DESCRIPTION OF PROPERTY	DATE ACQD.	COST OR BASIS	PRIOR DEP RE	DEPRE METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
599	Used OMNIFAX G35 Fax Machine	8/9/91	300.00	213.60	11.52%	34.56	2.88	51.84
357	VGA Monitor/Board(Sales)286 UniP/C	8/14/91	431.00	306.87	11.52%	49.65	4.14	74.48
	FL-VCR/Antenna/Cables	7/91	459.09	326.88	11.52%	52.89	4.41	79.32
580	9600 BAUD MODEM-UNISYS	9/10/91	818.91	583.06	11.52%	94.34	7.86	141.51
TOTAL 5-YR PROPERTY 1991			\$133,092.89	\$94,762.13		\$15,332.30	\$1,277.69	\$22,998.46
5-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1992 (HALF YEAR CONVENTION)								
358	NEC High Impact Printer 6300 Pin Writer	10/3/91	\$740.19	\$384.90	19.20%	142.12	11.84	213.17
359	KXP4420 Panasonic Printer	11/19/91	\$743.97	\$386.86	19.20%	142.84	11.90	214.27
	Monitor/Unisys Boosters	12/91	1,312.61	\$682.56	19.20%	252.02	21.00	378.03
	Systech Software	12/91	2,629.83	\$1,367.52	19.20%	504.93	42.08	757.38
	ICC Software	12/91	665.32	\$345.96	19.20%	127.74	10.65	191.62
360	386SX 25MHZ;2MG/40MEG P/C	7/92	1,163.70	\$605.12	19.20%	223.43	18.62	335.15
361	NEC High Impact Printer SN#056296	7/92	662.66	\$344.58	19.20%	127.23	10.60	190.85
TOTAL 5-YR 1992 EQUIPMENT			\$7,918.28	\$4,117.50		\$1,520.31	\$126.69	\$2,280.47
5-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1993 (HALF YEAR CONVENTION)								
362	Panasonic Printer	2/93	210.12	42.02	32.00%	67.24	5.60	100.86
363	Pull Tractor NEC P6300 Printer	3/93	145.46	29.09	32.00%	46.55	3.88	69.82
577	Amer Power Conversion-UPS 900	3/93	754.25	150.85	32.00%	241.36	20.11	362.04
364	Compact Wall Mounted Cooler	3/93	468.71	93.74	32.00%	149.99	12.50	224.98
A-010	Fax Mach-ALABAMA	4/93	267.40	53.48	32.00%	85.57	7.13	128.35
365	Panasonic Fax PX-150 \$400 & Stand \$34.34	6/93	434.34	86.87	32.00%	138.99	11.58	208.48
TOTAL 5-YR 1993 EQUIPMENT			\$2,280.28	\$456.05		\$729.69	\$60.81	\$1,094.54
5-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1994 (HALF YEAR CONVENTION)								
	Sharp UX104 Fax Machine (S. King)-Sales	10/93	\$319.47	\$0.00	20.00%	63.89	5.32	255.58
	Sharp UX174 Fax Machine (P. Athans)-Sales	10/93	\$367.49	\$0.00	20.00%	73.50	6.12	293.99
	Computer Visions/486SX-25 (Maint Dept)	10/93	\$1,481.56	\$0.00	20.00%	296.31	24.69	1,185.25
	Panasonic 4410 Laser Printer (Maint Dept)	10/93	\$537.67	\$0.00	20.00%	107.53	8.96	430.14
	24-pin Color Printer (Used) (Maint Dept)	11/93	\$215.50	\$0.00	20.00%	43.10	3.92	172.40
	Micro A Memory Board & 560MB Disk Drive	11/93	\$21,541.75	\$0.00	20.00%	4,308.35	391.67	17,233.40
	Compsee-Printer/Software(bar-coding) (Prod/Oper)	12/93	\$3,262.18	\$0.00	20.00%	652.44	65.24	2,609.74

BERRYMAN PRODUCTS, INC.
 OFFICE FURNITURE FIXTURES – 5 YEAR PROPERTY

FY94

ITEM #	DESCRIPTION OF PROPERTY	DATE ACQD.	COST OR BASIS	PRIOR DEPRE	DEPRE METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
	Compsee—Installation (Production/Operations)	12/93	\$216.50	\$0.00	20.00%	43.30	4.33	173.20
	Used 386SX—5MG Computer (VP Exec Sec)	12/93	\$754.25	\$0.00	20.00%	150.85	15.09	603.40
	Used Panasonic KXP— (Order Dept Printer)	12/93	\$129.30	\$0.00	20.00%	25.86	2.59	103.44
	Management Info Sys—Transnet/Ansinet initiation fee	12/93	\$300.00	\$0.00	20.00%	60.00	6.00	240.00
	Telink Systems (EDI) – multinetwork communications	12/93	\$495.65	\$0.00	20.00%	99.13	9.91	396.52
	386SX—4 MG –Maintenance Dept	12/93	\$888.94	\$0.00	20.00%	177.79	17.78	711.15
	386SX—4 MG 1MG SVGA—Controller/Acct Dept	12/93	\$1,100.00	\$0.00	20.00%	220.00	22.00	880.00
	Incredible Universe – Corel 4 Upgrade	1/94	\$258.57	\$0.00	20.00%	51.71	5.75	206.86
	Telink Systems – Software for Shipping Notice	1/94	\$350.19	\$0.00	20.00%	70.04	7.78	280.15
	486DX—66MHZ – Art Department	1/94	\$2,936.19	\$0.00	20.00%	587.24	65.25	2,348.95
	14" Computer Monitor (CA Whse)	2/94	\$215.49	\$0.00	20.00%	43.10	5.39	172.39
	Okidata Printer ML400E (Janie)	3/94	\$624.95	\$0.00	20.00%	124.99	17.86	499.96
	Sharp UX174 Fax Machine (G. Schafer) – Sales	4/94	\$324.74	\$0.00	20.00%	64.95	10.82	259.79
TOTAL 5–YR 1994 EQUIPMENT			\$36,320.39	\$0.00		\$7,264.08	\$696.47	\$29,056.31
TOTAL 5–YEAR PROPERTY			\$290,583.91	\$206,581.29		\$27,721.39	\$2,401.25	\$56,281.23

 OFFICE FURNITURE & FIXTURES
 7 YEAR PROPERTY ACQUIRED IN YEAR ENDED 9/88

ITEM NO.	DESCRIPTION OF PROPERTY	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
	615 Sales Office Furniture	3,053.00	9/87	2,781.16	0.0446	271.84	22.65	0.00
	609 (2) Chairs	245.00	10/87	221.41	0.0875	21.44	1.79	2.15
	620 Office Furniture	5,000.00	11/87	4,510.00	0.0875	437.50	36.46	52.50
	Sharp 760-Copier	1,487.00	10/87	1,341.96	0.0875	130.11	10.84	14.93
	588 File Racks	1,610.00	6/88	1,378.49	0.0886	142.65	11.89	88.86
C-019	Ricoh Copier CALIF	1,746.00	7/88	1,459.41	0.0873	152.43	12.70	134.16
	TOTAL 1988 & PRIOR OFFICE FURNITURE (7-YEAR)	13,141.00		11,692.43		1,155.96	96.33	292.61

 7-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1989

ITEM NO.	DESCRIPTION	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
511(1-2)	2Hon Files/Lateral-5 Dwr Putty	\$1,396.71	10/11/88	\$1,137.20	8.74%	\$122.07	\$10.17	137.44
521(1-2)	2 Hon Files/Lateral-5Drawer/L Grey	1,273.30	10/04/88	1,036.72	8.74%	111.29	9.27	125.29
566-567	Used Blue Vinyl Wing Chair/Sofa	535.00	11/4/88	435.60	8.74%	46.76	3.90	52.64
392	Texas Longhorn Picture by David Gray-Limited Edtion 154/2500	374.50	11/18/88	304.93	8.74%	32.73	2.73	36.84
553	(1)Hon Files Light Gray, Lateral-5 Dwr Concrete Picnic Tables	595.00	02/17/89	469.58	8.87%	52.78	4.40	72.64
		395.90	04/11/89	303.89	8.85%	35.04	2.92	56.97
493,513,532(5)	Hon 7901 Gry-Blk Evry Day Chrs (ITEM546,554,588)	529.38	5/22/89	406.35	8.85%	46.85	3.90	76.18
516-(1-2)	1 Ergo ANA 395Steno Chair/1-397 Ergonomic Chair	356.31	5/19/89	273.50	8.85%	31.53	2.63	51.28
553-1	Hon 5-Drawer Lateral Filing Cabinet Light Gray CALIF-Desk,Credenza,file cabinet, computer stand Exec Chair;2 side chairs	690.15	7/20/89	516.93	8.73%	60.25	5.02	112.97
		1,032.50	8/31/89	773.34	8.73%	90.14	7.51	169.02
572	Fire King File Cabinet Legal/Parchment	775.75	8/21/89	581.04	8.73%	67.72	5.64	126.99
	TOTAL 1989 OFFICE FURNITURE (7-YEAR)	\$7,954.50		\$6,239.08		\$697.16	\$58.10	1,018.26

 7-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1990

ITEM NO.	DESCRIPTION	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
	Pictures for Sales Office	\$2,907.36	12/89	\$2,440.14	8.75%	\$254.39	\$21.20	212.83
385	The "X" Factor - monoprint by Gronowsky \$1082.							
386	Snake Steps by Ochocki (Poster) \$190							
387	Feathered Mobile by J.Carter \$180							
388	Home Coming by J.Carter (Poster) \$180							
389	Reframe of J. Carter (Poster) \$90.							
390	Horse House by Gronowsky (Monoprint) \$785.							
391	Color in the Afternoon by Collins (Poster)\$185							
568-569	LaminatedWalnutCoffee&EndTables	597.90	12/89	501.82	8.75%	52.32	4.36	43.76
435-(1-2)	7 Wine Vinyl Guest Chrs (V6811)ITEM# 521-1,2;533;51 C	1,124.09	1/90	955.13	8.87%	99.71	8.31	69.25
	6 Black Highback Conf chairs (FL)	1,122.95	4/90	757.54	9.30%	104.43	8.70	260.98
531	5 Cu. Excellence Refrigerator	170.53	8/90	110.61	10.04%	17.12	1.43	42.80

OFFICE FURNITURE & FIXTURES

7 YEAR PROPERTY ACQUIRED IN YEAR ENDED 9/88

ITEM NO.	DESCRIPTION OF PROPERTY	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
TOTAL 1990 OFFICE FURNITURE (7-YEAR)		\$5,922.83		\$4,765.24		\$527.97	\$44.00	629.62

7-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1991 (HALF-YEAR CONV)

2-Chairs & Phone (FL)	\$415.49	10/90	\$233.79	12.49%	\$51.89	\$4.32	129.81
375 Wood 2 Dwr Lateral File \$600.	\$1,356.53	11/90	\$763.32	12.49%	\$169.43	\$14.12	423.78
376 Free-standing bookcase \$500	*						
377 Lamp table \$256	*						
378,379 2-2/Drawer Lateral File-Sand \$493.	\$593.40	1/91	333.91	12.49%	\$74.12	\$6.18	185.37
380 1-Vert 4-dwr Blk File \$100	*						
381-382 2-5-DRW Hon Lateral SAND-Sales	999.57	1/91	562.45	12.49%	\$124.85	\$10.40	312.27
383 1-Burgandy-Sec Chair (Sales)	106.18	1/91	59.74	12.49%	\$13.26	\$1.11	33.18
681/686 2-P/C Carts-Global	350.56	1/91	197.26	12.49%	\$43.78	\$3.65	109.52
384 Rolling Serving-Cart-V.P.Sec.	376.93	1/91	212.1	12.49%	\$47.08	\$3.92	117.75
412 1Lvseat \$239/2RattanCH\$91-ea/3WickerTbles \$298	673.45	3/91	378.96	12.49%	\$84.11	\$7.01	210.38
624 Hon 6531 Bur Exc Tilt SWV Chair	267.05	6/91	150.3	12.49%	\$33.35	\$2.78	83.40
547-(1-2) 2 Burgandy Vinyl Chairs (Shipping Dept)	193.03	5/91	108.61	12.49%	\$24.11	\$2.01	60.31
TOTAL 1991 OFFICE FURNITURE (7-YEAR)	\$5,332.19		\$3,000.44		\$665.99	\$55.50	1,665.76

7-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1993 (HALF-YEAR CONV)

394-395 (2)Cherry desk/credenza units w/ 6 wooden flame stitch guest chairs	\$4,500.00	1/93	643.05	24.49%	\$1,102.05	\$91.84	2,754.90
396-397 2 Hon 665L-Q 5-Drawer Lateral Files (Lt Gray)	1,834.83	1/93	262.2	24.49%	\$449.35	\$37.45	1,123.28
418 4-Drawer Lateral Files (putty)	390.69	2/93	55.83	24.49%	\$95.68	\$7.97	239.18
TOTAL 1993 OFFICE FURNITURE (7-YEAR)	\$6,725.52		\$961.08		\$1,647.08	\$137.26	4,117.36

7-YEAR OFFICE FURNITURE AND FIXTURES ACQUIRED IN 1994 (HALF-YEAR CONV)

4-Drawer Fireproof File Cabinet(sand) (Operations)	781.19	1/94	0	14.29%	\$111.63	\$12.40	669.56
TOTAL 1993 OFFICE FURNITURE (7-YEAR)	\$781.19		\$0.00		\$111.63	\$12.40	669.56

TOTAL 7-YEAR PROPERTY	\$39,857.23		\$26,658.27		\$4,805.79	\$403.58	8,393.16
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ITEM NO	ADVERTISING EQUIPMENT						FY 94	
DESCRIPTION	COST/BASIS	DATE ACQD	DEPRE ALLOW PRIOR YRS	METH	DEPRE YR THIS YR	DEPRE MTH	REMAIN BAL	
606 10K Lettering	2,620.00	9/82	2,620.00			0	0	
Tradeshow Booth	26,031.00	8/87	24,870.57	0.0446	1,160.43	96.70	(0.00)	
Durastran Display	3,111.00	9/88	2,505.81	0.0887	275.95	23.00	329.24	
Previous Years Balance	<u>\$31,762.00</u>		<u>\$29,996.38</u>	MACRS-MIDQTR	<u>\$1,436.38</u>	<u>\$119.70</u>	<u>\$329.24</u>	

ITEM NO	ADVERTISING EQUIPMENT ACQUIRED IN 1989					Correct to FY92		
650 Nanny Architect Table	\$298.53	7/17/89	\$269.93	9.58%	28.60	\$2.38	0.00	
Hon 7901 Blue Black All Day Chair	113.41	7/18/89	102.55	9.58%	10.86	0.91	(0.00)	
648 Artist Desk	494.98	7/31/89	447.56	9.58%	47.42	3.95	0.00	
Adobe Illustrator & Pagemaker Aldus Software	937.44	8/15/89	847.63	9.58%	89.81	7.48	0.00	
655/656 386 PC/VGA Monitor 1mg Ram 3 1/2" Drive	4,121.64	8/15/89	3,726.79	9.58%	394.85	32.90	(0.00)	
652 Techtronic Color Laser Printer/Postscript Card	10,500.00	8/15/89	9,494.10	9.58%	1,005.90	83.83	(0.00)	
TOTAL FY 89 ADV EQUIPMENT (5YR)	<u>\$16,466.00</u>		<u>\$14,888.56</u>		<u>\$1,577.44</u>	<u>\$131.45</u>	<u>(\$0.00)</u>	

ITEM NO	ADVERTISING EQUIPMENT ACQUIRED IN 1990 (MID-QUARTER)							
655 2 MB Memory for 386 P/C (Advertising)	\$1,536.95	11/30/89	\$1,346.52	11.01%	\$169.22	\$14.10	21.21	
647 Advertising Shelves	395.90	1/12/90	334.02	11.37%	45.01	3.75	16.87	
TOTAL FY 90 ADV EQUIPMENT (5YR)	<u>\$1,932.85</u>		<u>\$1,680.54</u>		<u>\$214.23</u>	<u>\$17.85</u>	<u>38.08</u>	

ITEM NO	ADVERTISING EQUIPMENT ACQUIRED IN 1991 (HALF YEAR CONV)							
FLEX FACE SIGN	\$4,470.18	1/91	\$3,182.77	11.52%	\$514.96	\$42.91	772.45	
1-Vertical 4-DRW-BLK	104.49	1/91	74.4	11.52%	12.04	1.00	18.05	
Chandler Sign-West Bldg Sign	2257.81	4/26/91	1607.56	11.52%	260.10	21.67	390.15	
Chandler Sign-Flex Sign	5508.36	5/24/91	3921.96	11.52%	634.56	52.88	951.84	
Chandler Sign-Flex Sign	465.47	8/8/91	331.41	11.52%	53.62	4.47	80.44	
TOTAL FY 91 ADV EQUIPMENT (5YR)	<u>\$12,806.31</u>		<u>\$9,118.10</u>		<u>\$1,475.29</u>	<u>\$122.94</u>	<u>\$2,212.92</u>	

ITEM NO	ADVERTISING EQUIPMENT ACQUIRED IN 1992 (HALF YEAR CONV)							
604 Dymaquick 10' Display	\$3,653.44	10/8/91	\$1,899.79	19.20%	\$701.46	\$58.46	\$1,052.19	
TOTAL FY 92 ADV EQUIPMENT (5YR)	<u>\$3,653.44</u>		<u>\$1,899.79</u>		<u>\$701.46</u>	<u>\$58.46</u>	<u>\$1,052.19</u>	
TOTAL ADVERTISING EQUIPMENT	<u>\$66,620.60</u>		<u>\$57,583.37</u>		<u>\$5,404.80</u>	<u>\$450.40</u>	<u>\$3,632.43</u>	

BERRYMAN PRODUCTS
TRANSPORTATION EQUIPMENT

FY94

DESCRIPTION OF PROPERTY	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
80 Bud Trailer	12,664.00	4/80	12,664.00				
85 Mack Truck	46,933.00	6/85	46,933.00				
Intern Truck	77,240.00	4/87	77,240.00				
TRADED 10/93	(77,240.00)		(77,240.00)				
87 Trailmobile Van	12,400.00	8/87	12,400.00				
(2) Trailmobile Vans	33,340.00	3/88	33,340.00				
88 Ford 150 (CALIF)	9,000.00	4/88	9,000.00				
88 Peterbilt Truck	92,028.30	4/88	92,028.30				
TRADED 10/93	(92,028.30)		(92,028.30)				
TOTAL TRANSPORTATION PRIOR TO FY89	\$114,337.00		\$114,337.00		\$0.00	\$0.00	\$0.00

5 YR TRANSPORTATION EQUIPMENT ACQUIRED IN FY 1989

REMAINING BAL

89 Ford 150 Crew	15,200.00	5/23/89	14,126.88	7.06%	\$1,073.12	89.43	0.00
TOTAL 1989 TRANSPORTATION	\$15,200.00		\$14,126.88		\$1,073.12	89.43	0.00

5 YR TRANSPORTATION EQUIPMENT ACQUIRED IN FY 1990 (MID-QUARTER)

REMAINING BAL

89 Ford 4/Dr Tempo	8,273.15	1/12/90	\$6,980.07	11.37%	940.66	78.39	352.42
TRADED 10/93	(8,273.15)		(\$6,980.07)	11.37%	(940.66)	(78.39)	(352.42)
90 Lincoln Town Car (TX) RTB	24,350.00	9/30/90	9,315.49	MAX	1,475.00	122.92	13,559.51
90 Ford E150 Van	16,883.00	9/30/90	8,996.48	MAX	1,475.00	122.92	6,411.52
LOSS BY THEFT 10/93	(16,883.00)		(8,996.48)		(1,475.00)	(122.92)	(6,411.52)
TOTAL FY 90 TRANSPORTATION	\$24,350.00		\$9,315.49		\$1,475.00	\$122.91	\$13,559.51

5 YR TRANSPORTATION EQUIPMENT ACQUIRED IN FY 1991 (HALF YEAR CONV)

REMAINING BAL

91 Mercury Marquis (TX) CFH	10,500.00	10/90	7,476.00	11.52%	1,209.60	100.80	1,814.40
91 PETERBILT	82,500.00	1/91	58,740.00	11.52%	9,504.00	792.00	14,256.00
1 - Great Dane Trailers 48Ft	16,150.50	2/91	11,499.16	11.52%	1,860.54	155.04	2,790.80
1 - Great Dane Trailers 28.6Ft	13,018.50	2/91	9,269.17	11.52%	1,499.73	124.98	2,249.60
89 MACK TRACTOR	23,250.00	2/91	16,554.00	11.52%	2,678.40	223.20	4,017.60
Paint Mack/Peterbilt	2,100.00	4/17/91	1,495.20	11.52%	241.92	20.16	362.88
Paint DANE Trailers	2,000.00	5/14/91	1,424.00	11.52%	230.40	19.20	345.60

BERRYMAN PRODUCTS
 TRANSPORTATION EQUIPMENT

FY94

DESCRIPTION OF PROPERTY	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	METH	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
Paint DANE TRAILERS	4,000.00	6/12/91	2,848.00	11.52%	460.80	38.40	691.20
Paint DANE Trailers	4,000.00	7/23/91	2,848.00	11.52%	460.80	38.40	691.20
91 Dodge Dynasty (INDIANA) Ron Litke	13,100.00	7/31/91	9,327.20	MAX	1,475.00	122.92	2,297.80
TRADED 10/93	(13,100.00)		(9,327.20)		(1,475.00)	(122.92)	(2,297.80)
91 CHEV P/UP - Alabama	10,096.12	8/91	7,188.44	11.52%	1,163.07	96.92	1,744.61
TOTAL FY 91 TRANSPORTATION	\$167,615.12		\$119,341.97		\$19,309.26	\$1,609.11	\$28,963.89

5 YR TRANSPORTATION EQUIPMENT ACQUIRED IN FY 1992 (HALF YEAR CONV) REMAINING BAL

91 Dodge Dynasty (TX) C Xepoleas	\$12,000.00	11/15/91	\$6,240.00	19.20%	\$2,304.00	\$192.00	\$3,456.00
89 CHIEF VAN	\$14,875.00	3/92	6,860.00	MAX	\$2,550.00	\$212.50	\$5,465.00
TOTAL FY 92 TRANSPORTATION	\$26,875.00		\$13,100.00		\$4,854.00	\$404.50	\$8,921.00

5 YR TRANSPORTATION EQUIPMENT ACQUIRED IN FY 1993 (HALF YEAR CONV) REMAINING BAL

92 TAURUS (ALA) H Tomlin	14,082.61	10/30/92	2,660.00	MAX	4,200.00	350.00	7,222.61
TRADED 4/94	(14,082.61)		(2,660.00)		(4,200.00)	(350.00)	(7,222.61)
92 TAURUS (NEB) S King	15,984.57	11/23/92	2,660.00	MAX	4,200.00	350.00	9,124.57
92 TAURUS (OKLA) M Fryar	16,684.49	12/2/92	2,660.00	MAX	4,200.00	350.00	9,824.49
93 FORD AEROSTAR VAN (CALIF) F Loetscher	19,901.40	8/31/93	2,660.00	MAX	4,200.00	350.00	13,041.40
TOTAL FY 93 TRANSPORTATION	\$52,570.46		\$7,980.00		\$12,600.00	\$1,050.00	\$31,990.46

5 YR TRANSPORTATION EQUIPMENT ACQUIRED IN FY 1994 (HALF YEAR CONV) REMAINING BAL

94 TAURUS - GREEN (GA) P Athans	16,043.08	10/93	0.00	MAX	2,660.00	221.67	13,383.08
93 GMC VAN (TX) MTB (InsProceeds \$12,963.72-T/ln)	21,022.80	10/93	0.00	MAX	2,660.00	221.67	18,362.80
94 TAURUS - PA (KY) Ron Litke	16,772.80	10/93	0.00	MAX	2,660.00	221.67	14,112.80
94 PETERBILT (3YR)	42,176.00	10/93	0.00	33.33%	14,057.26	1,171.44	28,118.74
PAINT 94 PETERBILT (3YR)	1,850.00	10/93	0.00	33.33%	616.61	51.38	1,233.40
93 TAURUS - GREEN (OK) Gene Schafer	13,767.64	2/94	0.00	MAX	2,660.00	332.50	11,107.64
94 TAURUS - (AL) Harry Tomlin	20,705.17	4/94	0.00	MAX	2,660.00	443.33	18,045.17
TOTAL FY 94 TRANSPORTATION	\$132,337.49		\$0.00		\$27,973.87	\$2,663.66	\$104,363.62

TOTAL TRANSPORTATION	533,285.07		278,201.34		67,285.25	5,939.60	187,798.48
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BERRYMAN PRODUCTS, INC.
DEPRECIATION SCHEDULE

FY94

***** MACHINERY & EQUIPMENT *****		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.	5 YR PROPERTY ACQUIRED IN YEAR 1972-1980	BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
027	Berryman Con Belt--Tube Filler 10FT No Serial No	706.00	2/15/74	706.00				
025	Simplex Head Down Filling Machine No Serial Number	12,250.00	9/23/76	12,250.00				
	11 1/4 Closing Tool	125.00	6/15/78	125.00				
106	Bluff Welding--Ecoa Dock Board	261.00	7/10/78	261.00				
	3GA Gauges--Aero Mach	63.00	08/1/78	63.00				
734	Curtis Marble Pallet Wrapping Machine (CALIF)	4,148.00	9/10/78	4,148.00				
	36 Exhaust Fan Bldg Attachment	1,570.00	12/1/78	1,570.00				
002	Katridge Pak--Rotary Prod Filler Aerosol SN#125/M#124216	25,830.00	2/8/79	25,830.00				
006	Katridge Pak Dial--A--Matic Filler Aeros Gasser 6--Head SN305	53,380.00	2/1/79	53,380.00				
739	Concrete Benches	210.00	3/1/79	210.00				
003	Katridge Pak Valve Sorter SN#159	38,371.00	4/15/79	38,371.00				
001-005	Can Depallitizer--SARDEE SN#C782085DE1	26,330.00	4/15/79	26,330.00				
084	Le Roi Dresser 15 HP Compressor M#SBDP	7,266.00	5/10/79	7,266.00				
042	Roper Circulator & Pump No serial number	1,102.00	5/10/79	1,102.00				
068	Chem dip Pum & Circ (Roper Pump)	1,127.00	5/10/79	1,127.00				
026	Warren Sandpiper Pump 1 1/2 SN#128491	1,354.00	8/21/79	1,354.00				
	Aersol Exhaust Fan Roof	1,250.00	9/10/79	1,250.00				
016,019,028	TableTop Conveyor No Serial Number	22,029.00	9/10/79	22,029.00				
011	Water Bath Tercos Aerosol No Serial Number	24,335.00	10/10/79	24,335.00				
740	Sears 1250 Tool Chest & Tools	1,250.00	10/1/79	1,250.00				
	Control Panel Aero L(Elect)	7,700.00	10/31/79	7,700.00				
	CO2 Conversion Kit	257.00	12/13/79	257.00				
	AD Digital Refractometer	2,305.00	1/18/80	2,305.00				
043	Cleveland Chemical Mixers Mixer for Bio--Grade No Serial No.	1,368.00	2/1/80	1,368.00				
074	Sears Craftsman Welder M#113-201372	187.00	3/1/80	187.00				
034	2--CRANDALL PAIL FILLERS SN#3B6043	2,645.00	5/1/80	2,645.00				
	Laboratory Furniture	2,755.00	5/1/80	2,755.00				
	CL Coder--Herbert Webb (partial)	362.00	8/1/80	362.00				
033	Atlanta Grotnes Pneumatic Crimper SN#965778	985.00	8/1/80	985.00				
752	Stratton Eye Bath	661.00	9/1/80	661.00				
90	Clarklift Forklift #4 SN#235-165-4305	19,194.00	9/30/80	19,194.00				
331	Precision Convection Oven Evironmental Chamber M#18EM	1,075.00	12/15/80	1,075.00				
		262,451.00		262,451.00		0.00	0.00	0.00

***** 5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1981 *****		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.		BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
	4 Ea Seal--R Fiberfill tanks	500.00	2/10/81	500.00				
	Circle Saw (Shop Tool)	283.00	2/5/81	283.00				
	Fabricating Tanks	472.00	3/30/81	472.00				
030	Warren pump 1 1/2 HP SN#128491	1,673.00	3/30/81	1,673.00				
062	Fairbanks Accu--weigh Scale portable 500 lb SN#G856185PL	455.00	9/15/81	455.00				
012	Chromalox Aerosol Hot Water Heater SN#NWH64015	1,823.00	4/30/81	1,823.00				
047,059	2 Warren Pumps No Serial Numbers	4,238.00	6/30/81	4,238.00				
	Chemical Dip Pump w/ MOT (Modification)	350.00	6/30/81	350.00				
	Frames Rack	1,600.00	6/30/81	1,600.00				
	4--Mixer (Seager Cleveland)	4,100.00	7/1/81	4,100.00				

BERRYMAN PRODUCTS, INC.
DEPRECIATION SCHEDULE

FY94

ITEM NO.	MACHINERY & EQUIPMENT 5 YR PROPERTY ACQUIRED IN YEAR 1972-1980	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
	Clarkift ForkLift (Alabama) C-500-30 SN#235-676-4515	20,024.00	7/1/81	20,024.00				
	Two Holding Tanks	1,320.00	2/4/81	1,320.00				
	Pallet Jack	477.00	9/81	477.00				
	Fire Extinguisher	268.00	9/81	268.00				
	TOTAL 1981 EQUIPMENT	37,583.00		37,583.00		0.00	0.00	0.00
=====								
ITEM NO.	3-YR MACHINERY & EQUIPMENT ACQUIRED IN 1981	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
	Design Equipment	8,512.00	7/15/81	8,512.00		0.00	0.00	0.00
=====								
ITEM NO.	5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1982	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
031	Crendall Pail Filler SN#SR5694	3,110.00	6/82	3,110.00				
084	Le Roi-Dresser Filler Chem-Dip 15 HP M#SBDP	1,166.00	6/82	1,166.00				
032	Atlanta Grotnes Pneumatic Crimper SN#766365	576.00	11/81	576.00				
	Warehouse Shelves	348.00	11/81	348.00				
041	Chromalox/Roper Hot Water Heater (Chem-Dip)	1,791.00	1/82	1,791.00				
750	Tank Propulene Glycol 2,000 Gal Tank	2,888.00	9/82	2,888.00				
051,052	Lord Label Body Labeler/Neck Labeler	31,944.00	10/82	31,944.00				
	TOTAL 5-YR PROPERTY IN 1982	41,823.00		41,823.00		0.00	0.00	0.00
=====								
ITEM NO.	3-YR MACHINERY & EQUIPMENT ACQUIRED IN 1982	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
	Bottle Mold (GRAFCO 12 OZ PLASTIC BOTTLE)	8,512.00	1/30/82	8,512.00		0.00	0.00	0.00
=====								
ITEM NO.	5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1983 RATE 21%	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
751	Tank SS Portable 750 Gal Horiz	893.00	10/82	893.00				
324	Lab Equipment Vent Hood	2,862.00	10/82	2,862.00				
318	American Optical Refractometer SN#09822901	2,903.00	11/82	2,903.00				
311	American Optical Microscope SN#235816	991.00	11/82	991.00				
332	Blue M Bacteriological Incubator Oven SN#10360	488.00	11/82	488.00				
	Testing Equipment	1,008.00	11/82	1,008.00				
320	HAAKE D 1 Circulator Lab S#8222107	415.00	2/83	415.00				
108	Dockplate Aluminum Welded Sides	540.00	4/83	540.00				
754	Bottle Mold (Square 12 OZ. @ GRAFCO)	27,391.00	6/83	27,391.00				
073	Marvel Lab Refrigerator	398.00	7/83	398.00				
085	Compressor Ingersoll-Rand 60 HP SN#001325	10,500.00	8/83	10,500.00				
753	Hose Reel (LAB)	262.00	9/83	262.00				

BERRYMAN PRODUCTS, INC.
DEPRECIATION SCHEDULE

FY94

***** MACHINERY & EQUIPMENT *****		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.	5 YR PROPERTY ACQUIRED IN YEAR 1972-1980	BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
TOTAL 1983 EQUIPMENT		48,651.00		48,651.00		0.00	0.00	0.00
===== 5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1984 =====		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.	5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1984	BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
070	Muller Stretch Wrapper	12,810.00	11/83	12,810.00				
743	6 ea Tripod Conveyor Stands (various Heights)	446.00	11/83	446.00				
021	Sabel Case packer SN#674	105,000.00	11/83	105,000.00				
107	Dockplate-Steel Bolted Sides	566.00	6/84	566.00				
331-335	2-Lab Furniture Kidytoyr Fire Cabinet 2-Door	9,774.00	6/84	9,774.00				
TOTAL 1984 5 YR EQUIPMENT		128,596.00		128,596.00		0.00	0.00	0.00
===== 5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1985 =====		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.	5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1985	BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
110	Bluff Welding Dock Plate Aerosol	1,366.00	10/84	1,366.00				
312	Mettler Old Scale, Delta Range M#PC4400	932.00	10/84	932.00				
096	Delco Pressure Washer S#584-28214	3,004.00	11/84	3,004.00				
325	GCA Corp. Controlled Heating/Open Cup (LAB)	759.00	11/84	759.00				
749	Wire Containers (3-ea) for scrap cans	604.00	12/84	604.00				
742	Milwaukee Tools-Sawzall Kit	164.00	1/85	164.00				
328	Talboys Engineering-Electric Mixer SN#C-1698	197.00	1/85	197.00				
755	750 Gal Vertical tank	1,114.00	2/85	1,114.00				
	Worm screws-change parts	1,289.00	6/85	1,289.00				
	Lawn Mower-CALIF	1,800.00	6/85	1,800.00				
036	Philadelphia Mixer, Sizer PA-14/PPM 1750 S#185AAAU535	970.00	6/85	970.00				
038	Philadelphia Mixer, Sizer PA-14/PPM 1750 S#A85AAAU535							
	Burroughs B900 hardware							
	6 terminals @ \$1968, 3 printers @ \$2395, 2 modems @ \$1063	21,119.00		21,119.00				
TOTAL 1985 5-YR EQUIPMENT		33,318.00		33,318.00		0.00	0.00	0.00
===== 5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1986 =====		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.	5-YR MACHINERY & EQUIPMENT ACQUIRED IN 1986	BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
020	Beacon Straw Taper S#041-986-RH	25,500.00	7/86	25,500.00				
	Used Clark Forklift	6,258.00	8/86	6,258.00				
053	Weldotron L-Sealer S#B12852	7,884.00	9/86	7,884.00				
054	Weldotron Heat Tunnel	*		*				
TOTAL 1986 5-YR EQUIPMENT		39,642.00		39,642.00		0.00	0.00	0.00

BERRYMAN PRODUCTS, INC.
DEPRECIATION SCHEDULE

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***** MACHINERY & EQUIPMENT *****								
ITEM NO.	5 YR PROPERTY ACQUIRED IN YEAR 1972-1980	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
=====								
ITEM NO.	7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1987 MACRS HALF YEAR	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
741	Vertical Staging Conveyor (Obsolete)	7,320.00	1/19/87	5,000.00 2,217.00	SEC 179 0.0874	103.00	8.58	0.00
=====								
ITEM NO.	7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1987 MACRS HALF YEAR	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
111	WELZ-LOD Poly propylene strapping mech M#5P505	1,350.00	10/87	1,254.00	0.0874	96.00	8.00	0.00
		1,350.00		1,254.00		96.00	8.00	0.00
TOTAL ALL (1972-1987)		617,758.00		617,559.00		199.00	16.58	0.00

MACHINERY & EQUIPMENT
7 YR PROPERTY ACQUIRED IN YEAR ENDED 9/30/89

ITEM NO.	DESCRIPTION OF PROPERTY	COST OR BASIS	DATE ACQD.	DEP ALLOW PRIOR YRS	MACRS Mid Qtr	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
018	Ink Jet System-J1000 Serial 88776	12,850.70	11/07/88	10,463.05	8.74%	1,123.15	93.60	1,264.50
010	Berryman 36" Turntable less motor	885.00	11/3/88	720.57	8.74%	77.35	6.45	87.08
737	2 Pans/SS Rack/Screen	864.00	11/3/88	703.48	8.74%	75.51	6.29	85.01
07,08,09	Auto.Check Weigher Metramatic LW Sigma	23,328.10	4/1/89	18,023.06	8.85%	2,064.54	172.04	3,240.50
322	Clamp Air Mixer 3/4 HP - (1)4"rop (INDCO)	408.54	4/18/89	313.59	8.85%	36.16	3.01	58.79
	Conveyor conversion-wt.cker (Assembly Parts)	379.51	5/8/89	291.31	8.85%	33.59	2.80	54.61
045	12ft. Slider Bed Conveyor 1/2 HP Motor	1,273.30	8/8/89	953.71	8.73%	111.16	9.26	208.43
732	Air Conditioner-Bon Air (Maint Dept)	834.60	9/20/89	625.11	8.73%	72.86	6.07	136.63
086	Nissan Electric Forklift Model E-3000	21,768.74	9/9/89	16,304.78	8.73%	1,900.41	158.37	3,563.55
TOTAL 1989 EQUIPMENT		62,592.49		48,398.66		5,494.72	457.89	8,699.11

ITEM NO. 7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1990

018	ENM 1251 Ink Jet Relay Board SN#88776	1,240.00	10/01/89	616.93	8.75%	108.50	9.04	514.57
	Std CRT Assembler (Replacement part)	1,091.90	10/17/89	543.25	8.75%	95.54	7.96	453.11
319	*8610-10 GC w/ FID #263 \$3995.00(*LAB EQUIP)	7,795.00	11/30/89	3,893.03	8.75%	682.06	56.84	3,219.91
	*8690-70 Air Compressor \$495.00	*						
	*8690-50 Purge & Trap	*						
	*DB1-5-12 Megabore Column	*						
086	Nissan Forklift Upgrade/Frt Charges	1,051.81	12/29/89	527.69	8.75%	92.03	7.67	432.09
044	New Way A2P Twin Piston Filler	7,455.00	12/21/89	6,523.50	8.75%	652.31	54.36	279.19
071	Used Crown 20MT	3,210.00	4/3/90	3,210.00		SEC 179	0.00	0.00

BERRYMAN PRODUCTS, INC.
DEPRECIATION SCHEDULE

FY94

***** MACHINERY & EQUIPMENT *****		COST OR	DATE	DEPR.ALLOW	DEPRE	DEPREC	DEPREC	REMAINING
ITEM NO.	5 YR PROPERTY ACQUIRED IN YEAR 1972-1980	BASIS	ACQD.	PRIOR YEARS	METHOD	THIS YR	PER MTH	BALANCE
738	*2-Polycarbonate Test Cylinders (*LAB EQUIP)	1,562.38	8/15/90	1,562.38		SEC 179	0.00	0.00
	TOTAL 1990 EQUIPMENT	23,406.09		16,876.78		1,630.45	135.87	4,898.86
=====								
7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1991 (HALF YEAR CONV)								
	Manifold Assembly (Replacement Parts)	5,745.88	10/90	3,233.20	12.49%	717.66	59.81	1,795.02
672,672-1	Pacosetter Plastic Bottle Feeder SN#841, 35-M40	23,705.00	11/90	13,338.80	12.49%	2,960.75	246.73	7,405.45
702	Auto Sleeve Labeling Mach	35,867.02	11/90	20,182.37	12.49%	4,479.79	373.32	11,204.86
	SEC 179-AUTO SLEEVE	10,775.00		10,775.00				
669	Model A Capper w/ FSRF-24" Rotary Feeder	41,127.30	11/90	23,142.33	12.49%	5,136.80	428.07	12,848.17
675,676	Renzmann Solvent Distillation Unit Type DW-50	23,166.25	12/90	13,035.65	12.49%	2,893.46	241.12	7,237.14
	w/ Vacuum Attachment	*						
	Gaumer Co.- 240 V 45KW 3 PH Heater for line	1,608.14	12/90	904.89	12.49%	200.86	16.74	502.39
671	NISSAN-Elect Forklift SN#001950 Model CUM91L15S	20,747.51	1/31/91	11,674.63	12.49%	2,591.36	215.95	6,481.52
670	SULLAIR SRD-300 DRYER SN#003-D5038	5,073.58	1/91	2,854.90	12.49%	633.69	52.81	1,584.99
	2-Skids Plastic Bottle Feeder 35-M40; SN#841	1,593.00	2/91	896.39	12.49%	198.97	16.58	497.64
	INFRAPAK HUGGER (Stretchwrap)	3,212.14	3/91	1,807.46	12.49%	401.20	33.43	1,003.48
	2450 Mechanical Charging Valve w/Adapter(Turco)	1,190.10	3/91	669.67	12.49%	148.64	12.39	371.79
	Dyer Co. Aerosol Gauges (Q.C.)	1,503.11	3/91	845.81	12.49%	187.74	15.64	469.56
704	XJ-350 Mixer SN#191A55481	4,443.37	4/27/91	2,500.29	12.49%	554.98	46.25	1,388.10
705	Laughlin Model PCC-325 Platform Chain Conveyor	9,620.33	4/18/91	5,413.37	12.49%	1,201.58	100.13	3,005.38
	12'-0" Long (SN#3300-229/SN#3300-230)	*						
706	Laughlin Model LZSN-48 Rotary Accumulation	7,447.44	5/14/91	4,190.68	12.49%	930.19	77.52	2,326.57
	Tables 48" diameter (SN#2000-125&126)	*						
707	Sunbelt Systems(2600H Tank)	4,713.64	6/28/91	2,652.37	12.49%	588.73	49.06	1,472.54
708	CM500 UNIMOVE COMPLETE 5560 \$6687	8,580.00	6/15/91	4,827.96	12.49%	1,071.64	89.30	2,680.40
	GORBEL 16 x 12' BRIDGE CRANE 250LBS Cap \$1893	*						
709-1,2,3	3-HEAT BOXES-Custom Made by Ewing Metal	1,551.60	7/10/91	873.08	12.49%	193.79	16.15	484.73
710	Used Control Print Coder Base	2,170.00	7/8/91	1,221.05	12.49%	271.03	22.59	677.92
711	55 Gal Drum Pump w/Air Motor	941.99	7/10/91	530.05	12.49%	117.65	9.80	294.29
712	Pioneer Model RC180A Water Chiller	4,244.46	7/10/91	2,388.36	12.49%	530.13	44.18	1,325.97
	Sabel Vacuum Pump (PIABL125)	613.10	7/2/91	344.99	12.49%	76.58	6.38	191.53
713	NISSAN Elect Forklift Model CUM01L15S SN#2204	21,820.10	7/1/91	12,278.17	12.49%	2,725.33	227.11	6,816.60
714	HOBART Industrial Dishwasher (LAB EQUIP)	538.75	7/17/91	303.16	12.49%	67.29	5.61	168.30
715	Domino Amjet Demo Codebox 2+ InkJet Coding System	8,620.00	8/21/91	4,850.48	12.49%	1,076.64	89.72	2,692.88
716	Aerosol Can Evacuator/ARVOE#1100	10,263.19	8/7/91	5,775.09	12.49%	1,281.87	106.82	3,206.23
717	EmptyBottleTransformerConveyor SN#3300-248	6,313.08	9/4/91	3,552.37	12.49%	788.50	65.71	1,972.21
	Sunbeam Plastics	725.01	9/25/91	407.95	12.49%	90.55	7.55	226.51
	Placer Head Chain-KatridgePak (Replacement)	2,708.24	9/13/91	1,523.93	12.49%	338.26	28.19	846.05
	12 oz.Thoroughbred Mold (At Mfg's Plant)	67,800.00	2/91	34,921.56	12.49%	8,468.22	705.69	24,410.22
	TOTAL 1991 EQUIPMENT	338,428.33		191,916.01		40,923.90	3,410.33	105,588.42
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ITEM NO. 7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1992 (HALF YEAR CONV)

BERRYMAN PRODUCTS, INC.
DEPRECIATION SCHEDULE

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ITEM NO.	MACHINERY & EQUIPMENT 5 YR PROPERTY ACQUIRED IN YEAR 1972-1980	COST OR BASIS	DATE ACQD.	DEPR.ALLOW PRIOR YEARS	DEPRE METHOD	DEPREC THIS YR	DEPREC PER MTH	REMAINING BALANCE
718	XJ-350 Mixer SN#91A7015601 (Seal-R)	4,051.40	10/91	1,571.14	17.49%	708.59	59.05	1,771.67
720	Versamatic Diaphragm Pump	725.01	11/91	281.15	17.49%	126.80	10.57	317.06
736	Conveyor Modification for PCC-325 SN#3300-229 Unscrambler modification New Model PCC-325 Filled Product Conveyor 25'-7"	5,926.25	2/92	2,298.20	17.49%	1,036.50	86.38	2,591.55
697	R-50 HUSKY LIQUID FILLER SEC 179-50 HUSKY LIQUID FILLER	15,085.00	2/92	5,849.97	17.49%	2,638.37	219.86	6,596.66
722	Bar80 4Gas Module B7G-A6016 (LAB EQUIP)	10,775.00		10,775.00	0.00%	0.00		
	Liquid Filler Parts(Motion Ind.) Change parts	3,340.25	2/92	1,295.35	17.49%	584.21	48.68	1,460.69
	Plasmadize Filler Rod & Plasmadize Filler Tube	1,369.58	3/92	531.12	17.49%	239.54	19.96	598.92
	MRM ELGIN(Change Parts+FRT)	694.99	3/92	269.51	17.49%	121.55	10.13	303.93
723	Transvector Vacuum Pump Kit-Vortec Corp	4,522.20	4/92	1,753.71	17.49%	790.93	65.91	1,977.56
724	Tank & Galv. Pan 68" x 96" by Ewing Metal	455.63	4/92	176.69	17.49%	79.69	6.64	199.25
725	Clark CPT-E45 Pallet Jack (CALIF)	1,066.73	5/92	413.68	17.49%	186.57	15.55	466.48
	Lord Label Modification Equipment-Change parts	425.61	6/92	165.05	17.49%	74.44	6.20	186.12
726	Fill Head(B&S\pneumatic) 1-1/4" No.2	1,142.15	6/92	442.92	17.49%	199.76	16.65	499.47
727	16 Cubic Freezer (LAB EQUIP)	1,468.28	7/92	569.40	17.49%	256.80	21.40	642.08
	Used Westinghouse Contactor Size 4, 200A 3PH	187.69	7/92	72.79	17.49%	32.83	2.74	82.07
		690.53	9/92	267.79	17.49%	120.77	10.06	301.97
	TOTAL 1992 EQUIPMENT	51,926.30		26,733.47		7,197.36	599.78	17,995.47

ITEM NO.	7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1993 (HALF YEAR CONV)							
728	Clark CPT-E45 Pallet Jack SN#9850-7530	425.61	10/92	60.82	24.49%	104.23	8.69	260.56
729	Label Applicator Used TR-1000 w/ Cable w/ water recirculator/sealing head/remote control Kit,Comp,Gas,Equal(Katridge Mfg) - replacement	11,500.00	11/92	1,643.35	24.49%	2,816.35	234.70	7,040.30
	Ort Tool/Die Corp(Die Modification 12 oz Bottle)	10,435.55	1/93	1,491.24	24.49%	2,555.67	212.97	6,388.64
730	Barcode Verifier 6mil Visible SN#40.3770	3,146.30	2/93	449.61	24.49%	770.53	64.21	1,926.16
731	ST33 SN#7199 Recond. Torque Tester \$2693. -Change Parts for 16oz Cone Top Can \$1509.	916.69	2/93	131.00	24.49%	224.50	18.71	561.19
		4,202.25	7/93	600.50	24.49%	1,029.13	85.76	2,572.62
	TOTAL 1993 EQUIPMENT	\$30,626.40		\$4,376.52		\$7,500.41	\$625.03	18,749.47

7-YR MACHINERY & EQUIPMENT ACQUIRED IN 1994 (HALF YEAR CONV)

Lepol	10,634.93	10/93	0.00	14.29%	1,519.73	126.64	9,115.20
Technical Chemical - Freon Recovery System	735.53	11/93	0.00	14.29%	105.11	9.56	630.42
I R Air Centers	6,495.00	12/93	0.00	14.29%	928.14	92.81	5,566.86
Laughlin	10,800.08	1/94	0.00	14.29%	1,543.33	171.48	9,256.75
Laughlin	3,410.55	1/94	0.00	14.29%	487.37	54.15	2,923.18
Blackburn Electric - install electric on liquid line	1,297.93	1/94	0.00	14.29%	185.47	20.61	1,112.46
Laughlin Corporation - liquid line	655.58	2/94	0.00	14.29%	93.68	11.71	561.90
Tersco - 9RS3-0760-TFC Compressor	1,697.60	2/94	0.00	14.29%	242.59	30.32	1,455.01
Imaje Ink Jet - Printer - S721 kit w/ all parts	13,053.56	4/94	0.00	14.29%	1,865.35	310.89	11,188.21
Abatix - 15-gal Storage Cabinet (maint)	521.77	4/94	0.00	14.29%	74.56	12.43	447.21

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	Crandall Filling Mach - Filling Head	1688.07	4/94	0.00	14.29%	241.23	40.20	1,446.84
	TOTAL 1994 EQUIPMENT	<u>\$50,990.60</u>		<u>\$0.00</u>		<u>\$7,286.56</u>	<u>\$880.81</u>	<u>43,704.04</u>
	TOTAL MACHINERY & EQUIP	<u>\$1,175,728.21</u>		<u>\$905,860.44</u>		<u>\$70,232.40</u>	<u>\$6,126.30</u>	<u>\$199,635.37</u>