

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF MISSOURI**

<b>In Re:</b>	)	<b>In Proceedings Under Chapter 11</b>
	)	
<b>FARMLAND INDUSTRIES, INC., et al.</b>	)	<b>Case No. 02-50557</b>
	)	<b>Jointly Administered</b>
<b>Debtors.</b>	)	
	)	

**NOTICE OF SALE OF MISCELLANEOUS ASSETS**

**Surplus Computer Process Control Equipment located at the Coffeyville, KS Refinery**

**PLEASE TAKE NOTICE** that, pursuant to an ORDER APPROVING PROCEDURES FOR SALES OF MISCELLANEOUS ASSETS OF DEBTORS PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE, entered September 27, 2002 (the "Order"), Farmland Industries, Inc., hereby intends to sell Surplus Computer Process Control Equipment located at the Coffeyville, KS Refinery (the "Assets"). In support thereof, the affidavit (the "Affidavit") of Timothy R. Daugherty, Vice President of Administration of Farmland Industries, Inc., is hereby submitted.

Once the approval of the Required Groups (as defined in the Order) is obtained, Debtors will be authorized to sell the Assets at the proposed price as set forth in the Affidavit free and clear of all liens and claims (with any such liens and claims attaching to the proceeds of the sale).

FARMLAND INDUSTRIES, INC., et al.

By:       /s/ Laurence M. Frazen        
Laurence M. Frazen  
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Attorneys for Debtors and Debtors in Possession

The foregoing described sale is approved:

       Bank  
       Unsecured Creditors' Committee  
       Bondholders' Committee

# AFFIDAVIT OF TIMOTHY R. DAUGHERTY

STATE of MISSOURI)

) SS.

COUNTY of PLATTE)

The undersigned, Timothy R. Daugherty, being duly sworn upon oath, does hereby state that, to the best of his knowledge Farmland Industries, Inc., (“Seller”) does intend to sell assets (the “Assets”) as follows:

1. Description of assets sold, including the present location and ownership of the assets:

Surplus TDC-2000 Basic Hiway Process Control Equipment (refinery process control equipment) located at the Coffeyville, KS refinery. The equipment is obsolete and has no further application in Farmland’s refinery. The equipment consists of:

- Approximately 22 equipment cabinets
- 50 basic controllers
- 10 reserve director controllers
- 4 Hi Level PIU’s
- 4 Low Level PIU’s
- 30 MUX boxes

2. Asset History

Original Purchase Price:	\$637,577
Date of Original Purchase:	November, 1980
Depreciation Life:	7 Years
Depreciated Value:	\$0
Net Book Value:	\$0
Age of Assets:	22 Years

3. Purchase Price

Amount of Purchase Price:	\$20,000
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Methodology to determine purchase price:

The equipment is old and outdated – little of its type still in use. Staff has attempted to sell the equipment for over a year and received no bids from interested parties. Two used equipment firms (refurbishers) have been contacted and one bid has been received.

4. Purchaser

Name of Purchaser:

Western Process Computers, Inc.  
2033 W. North Lane, Suite 14  
Phoenix, AZ 85021-1900

Any prior miscellaneous sales to Purchaser: None

The Purchaser has no connection with the Debtors, which would otherwise prohibit it from making an arms-length offer to purchase the Assets.

5. Once the approval of the Required Groups is obtained, Debtors will be authorized to sell the Assets at the proposed price pursuant to the Order (as defined in the Notice to which this Affidavit is attached).

6. A copy of the proposed Bill of Sale is attached hereto as Exhibit A.

/s/ Timothy R. Daugherty  
Timothy R. Daugherty

SUBSCRIBED AND SWORN to before me this 1<sup>st</sup> day of November  
2002.

/s/ Edith L. Hensley  
Notary Public

[NOTARIAL STAMP]

EXHIBIT A  
Bill of Sale

**BILL OF SALE**

**KNOW ALL MEN BY THESE PRESENTS**, that Farmland Industries, Inc., a Kansas Corporation ("Seller"), for good and valuable consideration to it in hand paid (receipt of which is hereby acknowledged), does hereby by these presents, irrevocably sell, assign, transfer, and deliver unto Western Process Computers, Inc., an Arizona corporation ("Buyer"), its successors and assigns, all of Seller's right, title and interest in and to all of the assets listed on Exhibit A attached hereto (the "Transferred Assets") and by this reference made a part hereof, wherever such assets may be located and whether or not reflected on the balance sheet of Seller.

**TO HAVE AND TO HOLD**, unto Buyer, its successors and assigns, FOREVER.

**THE TRANSFERRED ASSETS ARE SOLD "AS IS" AND "WHERE IS" WITH ALL FAULTS. SELLER HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

This Bill of Sale is delivered in accordance with the Order Approving Procedures for Sales of Miscellaneous Assets of Debtors Pursuant to Section 363 of the Bankruptcy Code, entered by the US Bankruptcy Court for the Western District of Missouri on September 27, 2002 (the "Order", capitalized terms used herein without definition shall have the meanings ascribed thereto in the Order). The delivery of this Bill of Sale to Buyer constitutes a certification by Seller that Seller has delivered a Notice of Sale in compliance with the Order, that the approval of the Required Groups has been obtained and title to the Transferred Assets is being transferred hereby free and clear of liens pursuant to the Order.

This instrument shall be binding upon, inure to the benefit of and be enforceable by Seller and Buyer and their respective successors and assigns.

**IN WITNESS WHEREOF**, the duly authorized officer of Seller has hereunder set his hand on the \_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
  
By \_\_\_\_\_  
Title: \_\_\_\_\_

## **DESCRIPTION OF TRANSFERRED ASSETS**

TDC-2000 Basic Hiway Process Control Equipment (refinery process control equipment) located at the Coffeyville, KS refinery. The equipment consists of:

- Approximately 22 equipment cabinets
- 50 basic controllers
- 10 reserve director controllers
- 4 Hi Level PIU's
- 4 Low Level PIU's
- 30 MUX boxes