

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF MISSOURI

IN RE:

FARMLAND INDUSTRIES, INC, et al.,

Debtor.

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Case No. 02-50557-11-jwv  
Joint Administration

**LIMITED OBJECTION OF UTILITY CONTRACTORS, INC. TO  
DEBTOR'S MOTION FOR ORDER AUTHORIZING PROCEDURE  
FOR DETERMINING EXTENT, VALIDITY AND PRIORITY  
OF MECHANICS' AND ARTISON'S LIENS**

COMES NOW Utility Contractors, Inc. ("Utility Contractors"), by and through counsel, John J. Cruciani of Lentz & Clark, P.A., and for its Limited Objection to Debtor's Motion for Order Authorizing Procedure for Determining Extent, Validity and Priority of Mechanics' and Artisan's Liens (the "Motion"), states and alleges as follows:

1. Utility Contractors is a creditor of the Farmland Industries, Inc. ("Farmland") bankruptcy case by virtue of a subcontract agreement Utility Contractors entered into with IT Corporation as general contractor on a project for Farmland at its new Wichita, Kansas facility located at 1400 East 25<sup>th</sup> Street North, Wichita, Kansas, and legally described to-wit:

A tract in the Northwest Quarter of Section 4, Township 27 South, Range 1 East of the 6<sup>th</sup> P.M., Sedgwick County, Kansas, described as follows: Beginning as a point in the South line of said Northeast Quarter, 50 feet Northwesterly from the center line of Main Track of the Missouri Pacific Railroad Company, thence Northeasterly 50 feet from and parallel with said center line 1308 feet; thence Northwest at right angles 150 feet, thence Southwesterly parallel with first described course, 1387 feet to said South line of said Northeast Quarter; thence East 173.2 feet to the point of beginning.

2. IT Corporation commenced a Chapter 11 bankruptcy in Delaware (Case Number 02-10118). With Delaware Bankruptcy Court approval, Utility Contractors received approximately \$60,000.00 from IT Corporation to reduce Utility Contractors' balance to its current amount owed of approximately \$88,000.00.

3. On January 18, 2002, Utility Contractors filed its Statement of Subcontractor for Mechanic's Lien. Based upon a preliminary title report obtained by Utility at the time the mechanic's lien was filed, and upon an owners and encumbrances report update with an effective

date of October 15, 2002, Utility Contractors appears to be the only stake holder with a claim against the real estate<sup>1</sup>. There are no unreleased mortgages of record, nor are there any other mechanics' and artisans' liens of record. Upon information and belief, Utility Contractors asserts the subject real estate has a fair market value in excess of Utility Contractors' approximate \$88,000 claim. Accordingly, Utility Contractors asserts it is an oversecured creditor of Farmland.

4. Debtors filed the instant Motion seeking approval of a procedure to determine the rights of various lien creditors. Based upon a review of the Motion, it appears several of Debtors' properties have numerous and complicated lien issues with multiple potential lien creditors. Although Utility Contractors does not oppose the Motion generally, it does appear that the issues with respect to Utility Contractors are substantially less complicated than the other properties owned by the Debtors. In the Motion, the Debtors have estimated it may take one year before the adversary proceedings are ready for trial. Utility Contractors asserts that the issues with respect to its claim are such that the extended periods for title work, discovery and review are unnecessarily long.

5. Accordingly, Utility Contractors respectfully requests this Court shorten the relevant deadlines in the Motion and streamline the process with respect to Utility Contractors to allow its matter to move as expeditiously as possible.

Dated this 28th day of October, 2002.

/s/ John J. Cruciani  
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2sna/utility.Farmland objection

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<sup>1</sup> Based upon statements of counsel at previous hearings and pleadings filed in the case, it appears the DIP Lenders may assert a blanket post-petition lien on the subject property pursuant to the Debtor's Final Order (I) Authorizing Post-Petition Financing and (II) Granting Superadministrative Priority Expense Claim Status (the "Order"). Utility Contractors was not listed in Schedule 2.16 or Schedule 7.2 of the DIP Creditor Agreement to the Order as a lien excepted from priming by the DIP Lenders. However, Utility Contractors did not receive any notice of the DIP financing pleadings, and, therefore, asserts the Order is not binding upon it for lack of due process.