

**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**

**Transfer of Debtor's Interest in a Lucent Technologies Phone System, located at the SFA  
Farm Supply Store in Minden, LA**

**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"), SFA, Inc., hereby intends to sell all of its interest in a Lucent Technologies Phone System, located at the SFA Farm Supply Store in Minden, LA (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  
Cynthia D. Parres  
Robert M. Thompson  
BRYAN CAVE LLP  
3500 One Kansas City Place  
1200 Main Street  
Kansas City, Missouri 64105  
Telephone: (816) 374-3200  
Telecopy: (816) 374-3300

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 SFA, 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:

Debtor's interests in a Lucent Technologies phone system currently under lease (the "Lease") from AVAYA Financial Services (P.O. Box 463, Livingston, NJ 07039-0463). The system is located in the SFA Farm Supply Store in Minden, LA.

2. Asset History

Original Purchase Price: \$610.07 when renewed

Date of Original Purchase: Renewed April 5, 2000 (3 year renewal)

Depreciation Life: N/A

Depreciated Value: N/A

Net Book Value: N/A

Age of Assets: 8 Years (estimate)

3. Purchase Price

Amount of Purchase Price: \$1, plus assumption of all pre- and post-petition obligations under the Lease (i.e., \$18.70 per share).

4. Purchaser

Name of Purchaser:

Minden Farm and Garden, LLC – purchased the SFA Store in Minden  
1307 Sibley Road  
Minden, LA 71055

Any prior miscellaneous sales to Purchaser: NO

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 1st 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 SFA, Inc., an Arkansas 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 Minden Farm and Garden, LLC a Louisiana limited liability 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. Buyer hereby agrees to assume all obligations under the Lease.

**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.

SFA, INC.

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

MINDEN FARM AND GARDEN, LLC

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

**DESCRIPTION OF TRANSFERRED ASSETS**

All of Debtor's right, title and interest in and to the Lucent Technologies Telephone System located at the Minden, LA SFA Store and the lease (the "Lease") in connection therewith with AVAYA Financial Services.