UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI

In Re:	)	**In Proceedings Under Chapter 11**
	)	
FARMLAND INDUSTRIES, INC., et al.,	)	**Case No. 02-50557**
	)	**Joint Administration**
Debtors.	)	

MOTION FOR ORDER APPROVING REJECTION OF THAT CERTAIN UNEXPIRED LEASE WITH 1350 I STREET ASSOCIATES LIMITED PARTNERSHIP, PURSUANT TO 11 U.S.C. § 365(a)

COME NOW Farmland Industries, Inc. et al., Debtors and Debtors in Possession ("Debtors"), and submit their Motion for Order Approving Rejection of That Certain Unexpired Lease With 1350 I Street Associates Limited Partnership, Pursuant to 11 U.S.C. § 365(a) (the "Motion"). In support of this Motion, the Debtors respectfully represent as follows:

A. Background Facts

1. On May 31, 2002, the Debtors filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code. The Debtors continue in possession of their properties and are operating and managing their business as debtors in possession pursuant to 11 U.S.C. §§ 1107 and 1108.

2. No trustee or examiner has been appointed. Two committees have been appointed in these proceedings.

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. Debtors have taken numerous steps to cut overhead and unnecessary expenses and streamline their business operations.

B. Relief Requested

5. Pursuant to 11 U.S.C. § 365(a), and subject to this Court's approval, the Debtors hereby reject that certain unexpired lease (the "Lease") identified as follows:

(1) Office Building Lease, between 1350 I Street Associates Limited Partnership ("1350 I Street") and Farmland Industries, Inc. ("Farmland"), dated January 29, 2001.

6. The Lease is for office space located in Washington, DC. Closing the office and contracting with third parties for representation in the area will reduce expenses by $100,000 to $150,000 per year.

7. A copy of the Lease is available upon request. The Lease is for a location that is no longer necessary for Debtors' operations. Accordingly, the Debtors no longer need, have any use for, or derive any benefit from the Lease. Consequently, rejection of the Lease is in the best interest of the estates.

8. The Lease represents absolutely no value to the estates. Nevertheless, pursuant to 11 U.S.C. §§ 365(d)(3) and 503(a) and numerous interpretive decisions, Debtors might incur administrative expense liability until this Court's Order approving the rejection of the Lease is entered. See e.g., In Re Worths Stores Corp., 130 B.R. 531 (Bankr. E.D. Mo. 1991); In Re Bon Ton Restaurant and Pastry Shop, Inc., 52 B.R. 850 (Bankr. N.D. Ill. 1985).

9. The Debtors believe that the better-reasoned opinions interpreting 11 U.S.C. §§ 365 and 503 find that rejection is effective on the date the Debtors file their Motion to reject the Lease. See e.g., In Re 1 Potato 2, Inc., 58 B.R. 752 (Bankr. D. Minn. 1986).

10. The Debtors believe it to be imperative and in the best interest of the estates for the order approving rejection of the Lease to be entered at this Court's earliest convenience so as to avoid unnecessary and burdensome administrative claims by the other party to the Lease being rejected.

WHEREFORE, the Debtors respectfully request that this Court enter its order approving the Debtors' rejection of the Lease, and such other and further relief as may be just and proper.

Respectfully submitted,

FARMLAND INDUSTRIES, INC. et al.

By: /s/ Laurence M. Frazen

Laurence M. Frazen MO #31309
Cynthia Dillard Parres MO #37826
Robert M. Thompson MO #38156
BRYAN CAVE LLP
1200 Main Street, Suite 3500
Kansas City, Missouri 64105
Telephone: (816) 374-3200
Facsimile: (816) 374-3300

Attorneys for Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above-referenced Motion For Order Approving Rejection of That Certain Unexpired Lease With 1350 I Street Associates Limited Partnership, Pursuant to 11 U.S.C. § 365(a) was served on those parties listed below and those parties which do not receive electronic notice in these proceedings, via U.S. Mail, postage prepaid, on December 23, 2002.

Manulife Property Management of Washington, DC, Inc.
c/o The Manufacturer's Life Insurance Company (USA)
Washington Real Estate Office
Suite 1250, 555 12th Street, NW
Washington, DC 20005-3305
Attn: Regional Director, Washing Real Estate

Shulman, Rogers, Gardal, Pordy & Ecker, P.A.
Third Floor, 11921 Rockville Pike
Rockville, MD 20852-2743
Attn: David A. Pordy

/s/ Laurence M. Frazen

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SUMMARY OF EXHIBIT

The following exhibit in reference to the Motion For Order Approving Rejection of That Certain Unexpired Lease With 1350 I Street Associates Limited Partnership, Pursuant to 11 U.S.C. § 365(a) is available upon request:

Exhibit A: Office Building Lease

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

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Laurence M. Frazen MO #31309
Cynthia Dillard Parres MO #37826
Robert M Thompson MO #38156
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