

**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 AUTHORIZING ASSUMPTION AND ASSIGNMENT
OF CERTAIN UNEXPIRED LEASE TO CENEX HARVEST STATES**

COME NOW Farmland Industries, Inc. et al., Debtors and Debtors in Possession (“Debtors”), and submit their Motion for Order Authorizing Assumption and Assignment of Certain Unexpired Lease to Cenex Harvest States (the “Motion”). In support of this Motion, the Debtors respectfully represent as follows:

Jurisdiction and Venue

1. On May 31, 2002, the Debtors filed voluntary petitions under Chapter 11 for reorganization relief under the United States Bankruptcy Code, 11 U.S.C. §§ 101 – 1330, as amended (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.
2. No trustee or examiner has been appointed. Two committees have been established.
3. This Court has jurisdiction pursuant to 28 U.S.C. § 1334 and 157 and the Amended General Order of the United States District Court for the Western District of Missouri, as amended. Venue of this Chapter 11 bankruptcy case and Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. Debtor Farmland Industries, Inc. (“Farmland”), a Kansas corporation headquartered in Kansas City, Missouri, is organized and operated as a cooperative system of agricultural and food related businesses. Farmland, in conjunction with other Debtor facilities and other non-debtor consolidated subsidiaries (a) manufactures and markets fertilizer, (b) operates a petroleum refinery, (c) operates an integrated food and food processing business, (d) engages in the wholesale and retail farm supply business, and (e) engages in the transportation brokerage business.

5. Debtors currently lease a 1999 Chevrolet Truck Chassis with a 406MS 2,450 gallon bulk fuel body (the “Truck”). The Truck is used at Farmland’s Amarillo, Texas facility supporting Cenex Harvest States (“CHS”), the purchaser of Country Energy, LLC (“CE”). The lease for the Truck should have been previously assigned to CE and because of improper documentation CHS has been unable to utilize the Truck. CHS would like to be able to use the Truck and is willing to accept an assignment of the Truck’s lease.

Assumption and Assignment of Unexpired Lease

6. Pursuant to 11 U.S.C. § 363, and subject to this Court’s approval, the Debtors hereby request authority to assume and assign the following unexpired lease (the “Lease”), only to the extent that it applies to the Truck identified on the particular Schedule described below, to CHS:

- (1) Schedule A, No. 001-6063820 (the “Schedule”), as attached to the Lease Agreement, between Farmland and Farm Credit Leasing.

A copy of the Schedule and the Lease is available upon request.

7. Section 365(a) authorizes the Debtors, subject to the Court’s approval, to assume the Lease, limited to the identified Schedule. To the extent any default exists under the

Lease, Section 365 authorizes the Debtors to assume the Lease if it, *inter alia*, (i) cures such defaults, (ii) compensates the other party for any actual pecuniary loss to such party resulting from such defaults, and (iii) provides adequate assurance of future performance under the Lease. Section 365(b)(1)(A). In addition, Section 365(f)(2)(B) requires that a purchaser provide adequate assurance of future performance of the Lease whether or not there has been a prior default.

8. The Lease requires cure to be paid pursuant to Section 365(b)(1) in the amount of \$6,234.35, which is equal to five months of unpaid post petition rent.

9. The Debtors propose and request that with respect to adequate assurance of future performance under the assumed Lease, the only such assurance required under Section 365(f)(2) is the CHS's promise to perform its respective obligations under the Lease to be assumed.

10. The Debtors propose and request that, upon payment of the above cure amount due under the Lease, CHS be deemed the assignee of the assumed Lease, only to the extent it applies to the identified Schedule, and that the Debtors be relieved from all liability under the Lease, only to the extent it applies to the identified Schedule, after the assignment thereof, in accordance with Section 365(k).

WHEREFORE, the Debtors request an Order authorizing the Debtors to assume and assign the above referenced Lease, only to the extent it applies to the identified Schedule, consistent with its terms and conditions and for such other and further relief as the Court deems just and proper.

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

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Attorneys for Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above referenced Motion For Order Authorizing Assumption and Assignment of Unexpired Lease to Cenex Harvest States 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 October 16, 2002.

Farm Credit Leasing
1600 Colonnade
5500 Wayzata Boulevard
Minneapolis, Minnesota 55416-1252

Cenex Harvest States
6300 FM 1541
Amarillo, Texas 79118

/s/ Cynthia Dillard Parres

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SUMMARY OF EXHIBITS

The following exhibit in reference to the Motion For Order Authorizing Assumption and Assignment of Unexpired Lease to Cenex Harvest States is available upon request:

Exhibit A	Schedule A, No. 001-6063820 (the “Schedule”), as attached to the Lease Agreement, between Farmland and Farm Credit Leasing.
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Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

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