

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

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| In Re: |) | In Proceedings Under Chapter 11 |
| |) | |
| FARMLAND INDUSTRIES, INC. |) | Case No. 02-50557-JWV |
| |) | |
| Debtor. |) | |

**STIPULATION BETWEEN DEBTORS AND PAPER, ALLIED-INDUSTRIAL,
CHEMICAL & ENERGY WORKERS INTERNATIONAL UNION REGARDING
MOTION FOR LIMITED RELIEF FROM AUTOMATIC STAY**

COME NOW, Farmland Industries, Inc., debtors and debtors in possession (“Debtors”), and Paper, Allied-Industrial, Chemical & Energy Workers International Union Local 5-613 (the “Union” or “Local 5-613”), and hereby stipulate and agree that:

1. Debtors filed its voluntary petition under Chapter 11 of the United States Bankruptcy Code on May 31, 2002 (the “Petition Date”).
2. On or about June 6, 2002 the Official Committee of Unsecured Creditors and the Official Bondholders Committees were appointed by the United States Trustee.
3. Local 5-613 is the exclusive representative, as defined in 29 U.S.C. § 2101(a)(4), for the bargaining unit at the Farmland Industries Nitrogen Plant in Lawrence, Kansas (“Lawrence Nitrogen Plant”).
4. Prior to the Petition Date, the Union commenced a civil action (the “WARN Act Action”) against Farmland Industries, Inc., in the United States District Court for the District of Kansas, alleging violation of the Workers Adjustment and Retraining Notification Act (“WARN Act”), 29 U.S.C. § 2101 *et seq.*
5. On September 18, 2002, the Union filed its Motion for Relief from Automatic Stay or for Adequate Protection (the “Motion”), requesting an order lifting the Automatic Stay

for the limited purpose of liquidating and fixing the amounts of contingent claims for WARN Act damages against the Debtors. In its Motion, the Union represented that, if its Motion is granted, it intends to request transfer of the WARN Act Action to the Western District of Missouri for reference to this bankruptcy court.

6. Debtors and the Union have agreed that the automatic stay in these bankruptcy proceedings shall be modified for the limited purpose of liquidating the Union's contingent claims against the Debtors and fixing the amounts thereof in the WARN Act Action, in the context of an adversary proceeding before the Bankruptcy Court for the Western District of Missouri.

7. Debtors and the Union further agree to cooperate in obtaining a transfer or removal of the WARN Act Action to the Western District of Missouri to the Bankruptcy Court for the Western District of Missouri.

WHEREFORE, Debtors and the Union respectfully request the Court enter an Order approving this Stipulation, and for such further relief as may be just and proper.

Dated: October 21, 2002

Respectfully submitted,

FARMLAND INDUSTRIES, INC., ET AL.

By: /s/ Robert M. Thompson

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5-613.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the above-referenced Stipulation was served on those parties which do not receive electronic notice in these proceedings, via U.S. Mail, postage prepaid, on October 21, 2002.

/s/ Robert M. Thompson