

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

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

**ORDER AUTHORIZING ASSUMPTION OF FACILITY LEASE
AGREEMENT AND TO PROVIDE NOTICE OF INTENT TO EXERCISE
OPTION UNDER THE LEASE TO PURCHASE THE FACILITY**

Upon consideration of the Motion To (A) Assume Facility Lease Agreement And (B) Authorizing Debtors To Provide Notice of Intent to Exercise Option Under The Lease To Purchase The Facility and Request for Expedited Hearing (the "Motion"), the Joint Objection of Genesis Capital Corporation and the CIT Group/Equipment Financing, Inc. (the "Objection") as well as having heard all of the evidence and testimony presented at the hearing on the matter, and after finding that good and sufficient notice has been given, and that no other or further notice is necessary; and the Court having determined that the relief sought in the Motion is in the best interest of Debtors, their estates, their creditors and all parties-in-interest; having determined that the assumption is within the Debtors' exercise of sound business judgment, that the option is a valuable asset and finding that the Debtors have provided the Lessor with adequate assurance of future performance; having noted the support of the Official Committees, and the Bank Group; having reviewed the Objection and hearing the arguments and evidence of counsel for Genesis Capital Corporation, the Lessor of the Facility, and the CIT Group/Equipment Financing, Inc. opposing the Motion; having given all interested parties a full and fair opportunity to present any and all objections, present evidence on the matter, and inquire of witnesses; and after due deliberation and sufficient cause appearing therefore, the Court therefore GRANTS the Motion in its entirety and OVERRULES the Objection for the reasons set forth therein; it is THEREFORE FOUND AND DETERMINED THAT:

1. The Court has heard considerable evidence, testimony, and argument on the Motion;
2. All parties have been given a full and fair opportunity to appear and to state any and all objections as well as present evidence and inquire of witnesses;
3. Good and sufficient notice has been given, and no other or further notice is necessary;
4. The Court has reviewed the Objection and has considered all of the arguments and evidence presented by counsel for Genesis Capital Corporation, the Lessor of the Facility, and CIT Group/Equipment Financing, Inc. in opposition to the Motion;
5. Debtors have articulated good and sufficient reasons for approving the Motion To (A) Assume Facility Lease Agreement And (B) Authorizing Debtors To Provide Notice of Intent to Exercise Option Under The Lease To Purchase The Facility;
6. The Official Committees and the Bank Group support the assumption and providing of notice of intent to exercise the purchase option;
7. The testimony, affidavits and evidence submitted in support of the Motion demonstrate that the option is a valuable asset and the decision to assume, provide notice, and exercise the option is in the best interest of the Debtors, their estates, their creditors and all parties-in-interest;
8. The testimony, affidavits and evidence submitted in support of the Motion demonstrate that the decision to assume, provide notice, and exercise the option is consistent with the Debtors' exercise of sound business judgment;
9. The testimony, affidavits and evidence submitted in support of the Motion further demonstrate that the Debtors have provided the Lessor adequate assurance of future performance under 11 U.S.C. § 365.

NOW, THEREFORE, IT IS HEREBY:

1. ORDERED, that this Order constitutes the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052;

2. ORDERED, that the Debtor is authorized to assume the Facility Lease Agreement, and pay the prepetition amounts due;
3. ORDERED, that the Debtor is authorized and entitled to provide Notice of Intent to Exercise Purchase Option and to Exercise the Purchase Option;
4. ORDERED, that this Order shall become effective immediately upon its entry;
5. ORDERED, that the Court shall retain jurisdiction over any matter or dispute arising from or relating to the implementation of this Order; and it is FURTHER
6. ORDERED, that the Objection is overruled.

DATED: October 30, 2002

/s/ Jerry W. Venters
UNITED STATES BANKRUPTCY JUDGE

ORDER SUBMITTED BY:

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