

MEMORANDUM

March 27, 2008

To: Official Committee of Unsecured Creditors (the "Committee") of Propex Inc., *et al.* ("Propex" or the "Debtors")

From: Akin Gump Strauss Hauer & Feld LLP ("Akin Gump")

Re: Propex Inc., *et al.* – Recently Filed Pleading

Debtors' Motion for Approval of Rejection of Executory Vehicle Lease Agreement with Kelly Cadillac Inc. (the "Motion")

By the Motion, the Debtors seek entry of an order (the "Order") approving the rejection of a lease agreement with Kelly Cadillac Inc. for a vehicle (the "Vehicle") used by Mr. Joseph F. Dana, the Debtors' former President and Chief Executive Officer. Mr. Dana resigned effective March 17, 2008. Based on a separation agreement executed with Mr. Dana, the Vehicle was returned to the Debtors. As such, the Debtors have no further need for the Vehicle and returned it to the lessor on March 18, 2008. The Debtors request that the rejection be effective as of that date.

The hearing date on the Motion is scheduled for April 9, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is April 4, 2008 at 4:00 p.m (ET).