

MEMORANDUM

April 14, 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

Motion to Compel the Debtors to Assume or Reject Leases; to Compel the Debtors' Performance under 11 U.S.C. § 365(d)(10)¹ or, Alternatively, for Relief from the Automatic Stay, Filed by NACCO Materials Handling Group Inc. ("NACCO"), Successor in Interest to Barloworld Handling L.P., through its Agent General Electric Capital Corporation (the "Motion")

By the Motion, NACCO seeks entry of an order (the "Order") (a) compelling the Debtors to timely perform their obligations under the Master Lease (as defined below) and to assume or reject the Master Lease on or before May 1, 2008, or (b) in the alternative, granting NACCO relief from the automatic stay to enable NACCO to exercise its rights with respect to the Leased Equipment (defined below).

NACCO and the Debtors are parties to a master lease agreement (the "Master Lease") under which the Debtors lease certain equipment (the "Leased Equipment") pursuant to forty-one (41) sublease agreements. NACCO asserts that it has a pre-petition claim against the Debtors in the amount of \$1,805.95. Additionally, NACCO asserts that it is owed in excess of \$33,000 in post-petition payments.

The hearing date on the Motion is scheduled for April 23, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is April 18, 2008 at 5:00 p.m. (ET).

¹ The Bankruptcy Code, as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 ("BAPCPA"), no longer includes a section 365(d)(10). BAPCPA replaced section 365(d)(10) with an amended version of section 365(d)(5), which is identical to the old section 365(d)(10).