

MEMORANDUM

November 11, 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 Certain Tractor and Trailer Leases with Lease Plan U.S.A., Inc. (the "Motion")

By the Motion, the Debtors request the entry of an order (the "Order") authorizing the rejection of five tractor lease agreements (the "Tractor Leases") and thirty trailer lease agreements (the "Trailer Leases" and together with the Tractor Leases, the "Lease Agreements") with Lease Plan U.S.A., Inc. ("Lease Plan"). The Debtors assert that they have no further need for these tractors and trailers and rejection of these Lease Agreements will save the Debtors \$263,295.50, in aggregate, over the terms of the Lease Agreements.

According to the Motion, the Debtors are lessees under a master lease agreement with Lease Plan, dated as of November 1, 1994, that encompasses the Lease Agreements. Under the Trailer Leases, the Debtors are required to pay \$265.99 per month for each trailer (totaling \$7,979.70 per month) until June 24, 2010 – thus, rejection of the Trailer Leases will save the Debtors \$159,594.00 over the terms of the Trailer Leases. Under the Tractor Leases, the Debtors are required to pay \$1,481.45 per month for each tractor (totaling \$7,407.25 per month) until December 25, 2009 – thus, rejection of the Tractor Leases will save the Debtors \$103,701.50 over the terms of the Tractor Leases.

The hearing date on the Motion is scheduled for November 26, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is November 21, 2008 at 5:00 p.m. (ET).