



**SO ORDERED.**

**SIGNED this 26 day of March, 2008.**

**THIS ORDER HAS BEEN ENTERED ON THE DOCKET.  
PLEASE SEE DOCKET FOR ENTRY DATE.**

**John C. Cook  
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TENNESSEE  
SOUTHERN DIVISION**

<b>In re</b>	§	
	§	
<b>PROPEX INC.,</b>	§	<b>Case No. 08-10249</b>
<b>PROPEX HOLDINGS INC.,</b>	§	<b>Case No. 08-10250</b>
<b>PROPEX CONCRETE SYSTEMS</b>	§	
<b>CORPORATION,</b>	§	<b>Case No. 08-10252</b>
<b>PROPEX FABRICS INTERNATIONAL</b>	§	
<b>HOLDINGS I INC.,</b>	§	<b>Case No. 08-10253</b>
<b>PROPEX FABRICS INTERNATIONAL</b>	§	
<b>HOLDINGS II INC.,</b>	§	<b>Case No. 08-10254</b>
	§	
<b>Debtors.</b>	§	
	§	<b>Chapter 11</b>
	§	
	§	<b>JOINTLY ADMINISTERED</b>
	§	<b>UNDER CASE NO. 08-10249</b>

**STIPULATION AND AGREED ORDER BETWEEN THE DEBTORS  
AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
OF PROPEX INC., ET AL. REGARDING CREDITOR ACCESS  
TO INFORMATION PURSUANT TO 11 U.S.C. §§ 105(A), 1102(B) AND 1103(C)**

Propex Inc. (“Propex”) and its affiliated debtors and debtors in possession (collectively with Propex, the “Debtors”)<sup>1</sup> and the Official Committee of Unsecured Creditors of Propex (the “Committee”),

<sup>1</sup> The Debtors are the following entities: Propex Holdings, Inc.; Propex Concrete Systems Corporation; Propex Fabrics International Holdings I Inc.; and Propex Fabrics International Holdings II Inc.

by and through their respective counsel, hereby enter into this stipulation and agreed order (the “Stipulation and Order”) and stipulate and agree as follows:

**RECITALS**

WHEREAS, on or about January 18, 2008 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Tennessee, Southern Division (the “Court”). Since the Petition Date, the Debtors have continued in possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On January 22, 2008, the Court entered an order jointly administering these chapter 11 cases pursuant to Bankruptcy Rule 1015 for procedural purposes only;

WHEREAS, on January 25, 2008, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed the Committee. The Committee currently consists of five members;<sup>2</sup>

WHEREAS, in order to ensure that the Committee is able to comply with its obligations under section 1102(b)(3)(A) of the Bankruptcy Code and protect the Debtors’ confidential, privileged or proprietary information, the Debtors and the Committee have agreed to the Creditor Information Protocol (defined below); and

WHEREAS, in advance of filing the Stipulation and Order, the Committee provided the United States Trustee with a draft of this Stipulation and Order, and the United States Trustee has no objection to the Stipulation and Order.

**AGREED ORDER**

IT IS THEREFORE AGREED AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:<sup>3</sup>

---

<sup>2</sup> The Committee is comprised of the following entities: Wilmington Trust Company; Pension Benefit Guaranty Corporation; Total Petrochemicals USA, Inc.; BP Corporation North America Inc.; and SMH Capital Advisors, Inc.

1. Access To Creditor Information. In satisfaction of the Committee’s obligations to provide access to information for creditors (the “Creditor Information Protocol”) in accordance with section 1102(b)(3)(A) and (B) of the Bankruptcy Code, the Committee shall, until the earliest to occur of dissolution of the Committee, dismissal, or conversion of these chapter 11 cases, and a further order of the Court:

(a) Establish and maintain an Internet-accessed website (the “Committee Website”) that provides, without limitation:

- (1) general information concerning the Debtors, including, case dockets, access to docket filings, and general information concerning significant parties in the cases;
- (2) monthly Committee written reports summarizing recent proceedings, events and public financial information;
- (3) highlights of significant events in the cases;
- (4) a calendar with upcoming significant events in the cases;
- (5) access to the claims docket as and when established by the Debtors or any claim agent retained in the cases;
- (6) a general overview of the chapter 11 process;
- (7) press releases (if any) issued by each of the Committee and the Debtors;
- (8) a non-public registration form for creditors to request “real-time” case updates via electronic mail;
- (9) a non-public form to submit creditor questions, comments and requests for access to information;
- (10) responses to creditor questions, comments and requests for access to information; provided, that the Committee may privately provide such responses in the exercise of its reasonable discretion, including in the light of the nature of the information request and the creditor’s agreements to appropriate confidentiality and trading constraints;

---

<sup>3</sup> Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact, as appropriate.

- (11) answers to frequently asked questions; and
- (12) links to other relevant websites.

(b) Distribute case updates via electronic mail for creditors that have registered for this service on the Committee website.

(c) Establish and maintain a telephone number and electronic mail address for creditors to submit questions and comments.

2. Privileged and Confidential Information. The Committee shall not be required to disseminate to any entity (all references to “entity” herein shall be as defined in section 101(15) of the Bankruptcy Code, “Entity”): (i) without further order of the Court, confidential, proprietary, or other non-public information concerning the Debtors or the Committee, including (without limitation) with respect to the acts, conduct, assets, liabilities and financial condition of the Debtors, the operation of the Debtors’ business and the desirability of the continuance of such business, or any other matter relevant to these cases or to the formulation of one or more chapter 11 plans (including any and all confidential, proprietary, or other non-public materials of the Committee) whether provided (voluntarily or involuntarily) by or on behalf of the Debtors or by any third party or prepared by or for the Committee (collectively, the “Confidential Information”) or (ii) any other information if the effect of such disclosure would constitute a general waiver of the attorney-client, work-product, or other applicable privilege possessed by the Committee.

3. Any information received (formally or informally) by the Committee from any Entity in connection with an examination pursuant to Rule 2004 of the Federal Rules of Bankruptcy Procedure or in connection with any formal or informal discovery in any contested matter, adversary proceeding or other litigation shall not be governed by the terms of this Order but, rather, by any order governing such discovery.

4. The Debtors shall assist the Committee in identifying any Confidential Information concerning the Debtors that is provided by the Debtors or their agents or professionals, or by any third party, to the Committee, its agents and professionals.

5. Creditor Information Requests. If a creditor (the “Requesting Creditor”) submits a written request (including on the Committee Website or by electronic mail) (the “Information Request”) for the Committee to disclose information, the Committee shall (a) as soon as practicable, but no more than twenty (20) days after receipt of the Information Request, provide a response to the Information Request (including on the Committee Website) (the “Response”), including providing access to the information requested or the reasons the Information Request cannot be complied with and (b) provide the Debtors with (i) notice of the Information Request within five (5) business days of the Information Request and (ii) a copy of the Response. If the Response is to deny the Request because the Committee believes the Information Request implicates Confidential Information that need not be disclosed pursuant to the terms of this Order or otherwise under 11 U.S.C. § 1102(b)(3)(A), or that the Information Request is unduly burdensome, the Requesting Creditor may, after a good faith effort to meet and confer with an authorized representative of the Committee regarding the Information Request and the Response, seek to compel such disclosure for cause pursuant to a motion. Such motion shall be served and the hearing on such motion shall be noticed and scheduled pursuant to the Order Authorizing and Approving the Retention of and Appointing Epiq Bankruptcy Solutions, LLC as Claims, Noticing, and Balloting Agent and Establishing Notice and Administrative Procedures, entered by this Court on January 23, 2008 (the “Case Management Order”). The Committee shall not object to any Requesting Creditor’s request to participate in any such hearing by telephone conference. Nothing herein shall be deemed to preclude the Requesting Creditor from requesting (or the Committee objecting to such request) that the Committee provide the Requesting Creditor a log or other index of any information specifically responsive to the Requesting Creditor’s request that the Committee deems to be Confidential Information or protected by the attorney/client, work product, or any other privilege. Furthermore, nothing herein shall be deemed to preclude the Requesting Creditor from requesting that the Court conduct an in camera review of any information specifically responsive to the Requesting Creditor’s request that the Committee claims is Confidential Information or subject to the attorney/client, work product, or other privilege.

6. In its Response to an Information Request for access to Confidential Information, the Committee shall consider whether (a) the Requesting Creditor is willing to agree to reasonable confidentiality and trading restrictions with respect to such Confidential Information and represents that such trading restrictions and any information-screening process complies with applicable securities laws; and (b) under the particular facts, such agreement and any information-screening process that it implements will reasonably protect the confidentiality of such information; provided, however, that if the Committee elects to provide access to Confidential Information on the basis of such confidentiality and trading restrictions, the Committee shall have no responsibility for the Requesting Creditor's compliance with, or liability for violation of, applicable securities or other laws. Any disputes with respect to this paragraph shall be resolved as provided in the preceding paragraph, and, to the extent applicable, the next paragraph.

7. Release of Confidential Information of Third Parties. In addition, if the Information Request implicates Confidential Information of the Debtors (or any other Entity) and the Committee agrees that such request should be satisfied, or if the Committee on its own wishes to disclose such Confidential Information to creditors, the Committee may demand (the "Demand") for the benefit of the Debtors' creditors: (a) if the Confidential Information is information of the Debtors, by submitting a written request, each captioned as a "Committee Information Demand," to King & Spalding, LLP, counsel for the Debtors, 1100 Louisiana, Suite 4000, Houston, Texas 77002, Attention: Edward L. Ripley. <ERipley@kslaw.com> ("Debtors' Counsel"), stating that such information will be disclosed in the manner described in the Demand unless the Debtors object to such Demand on or before fifteen (15) days after the service of such Demand; and, after the lodging of such an objection, the Committee, the Requesting Creditor and the Debtors may schedule a hearing with the Court pursuant to the Case Management Order seeking a ruling with respect to the Demand under 11 U.S.C. § 704(a)(7); and (b) if the Confidential Information is information of another Entity, by submitting a written request to such Entity and its counsel of record, with a copy to Debtors' Counsel, stating that such information will be disclosed in the manner described in the Demand unless such Entity objects to such Demand on or before

fifteen (15) days after the service of such Demand; and, after the lodging of such an objection, the Committee, the Requesting Creditor, such Entity and the Debtors may schedule a hearing with the Court pursuant to the Case Management Order seeking a ruling with respect to the Demand. In the event that an objection by the Debtors or another Entity is made with respect to Confidential Information, the Committee shall not provide any such Confidential Information to the Requesting Creditor without a hearing and any applicable Court order.

8. Nothing in this Order requires the Committee to provide access to information or solicit comments from any Entity that has not demonstrated to the satisfaction of the Committee, in its sole discretion, or to the Court, that it holds claims of the kind described in section 1102(b)(3) of the Bankruptcy Code.

9. Exculpation. None of the Debtors, the Committee or any of their respective directors, officers, employees, members, attorneys, consultants, advisors and agents (acting in such capacity) (collectively, the “Exculpated Parties”), shall have or incur any liability to any Entity (including the Debtors and their affiliates) for any act taken or omitted to be taken in connection with the preparation, dissemination, or implementation of the Creditor Information Protocol, the Committee Website and other information to be provided pursuant to section 1102(b)(3) of the Bankruptcy Code; provided, however, that the foregoing shall not affect the liability of any Exculpated Party protected pursuant to this paragraph 11 that otherwise would result from any such act or omission to the extent that such act or omission is determined in a final non-appealable order to have constituted a breach of fiduciary duty, gross negligence, or willful misconduct, including, without limitation, fraud and criminal misconduct, or the breach of any confidentiality agreement or Order. Without limiting the foregoing, the exculpation provided in this paragraph shall be coextensive with any Exculpated Party’s qualified immunity under applicable law.

10. This Order shall be effective as of January 25, 2008, however, the terms of this Order shall apply to all information governed by this Order, including information in the Committee’s possession prior to January 25, 2008.

11. This Order shall be binding in all respects upon the Debtors and any successors

thereto.

###

Date: March 5, 2008

Date: March 5, 2008

/s/ Ira S. Dizengoff

Ira S. Dizengoff (ID-9980) (admitted *pro hac vice*)  
James R. Savin (JS-9220) (admitted *pro hac vice*)  
Shaya Rochester (SR-5559) (admitted *pro hac vice*)

/s/ Edward L. Ripley

Henry J. Kaim (Texas Bar No. 11075400)  
Mark W. Wege (Texas Bar No. 21074225)  
Edward L. Ripley (Texas Bar No. 16935950)

**AKIN GUMP STRAUSS HAUER & FELD LLP**

590 Madison Avenue  
New York, New York 10022-2524  
(212) 872-1000 (Telephone)  
(212) 872-1002 (Facsimile)

**KING & SPALDING LLP**

1100 Louisiana, Suite 4000  
Houston, Texas 77002  
(713) 751-3200 (Telephone)  
(713) 751-3290 (Facsimile)

/s/ Richard B. Gossett

Richard B. Gossett (TN #001686)

/s/ Shelley D. Rucker

Shelley D. Rucker (TN # 010098)

**BAKER, DONELSON, BEARMAN,  
CALDWELL & BERKOWITZ, PC**

1800 Republic Centre  
633 Chestnut Street  
Chattanooga, Tennessee 37450

**MILLER & MARTIN PLLC**

832 Georgia Avenue, Suite 1000  
Chattanooga, TN 37402-2289

Attorneys for the Official Committee of Unsecured  
Creditors of Propex Inc., et al.

Attorneys for the Debtors and the Debtors in  
Possession

No Objection.

/s/ Kim Swafford

Kim Swafford

**OFFICE OF THE UNITED STATES TRUSTEE**

31 East 11th St., 4th Floor  
Chattanooga, Tennessee 37402  
(423) 752-5153 (Telephone)  
(423) 752-5161 (Facsimile)