

I. DESIGNATION OF DOCUMENTS TO BE INCLUDED IN RECORD ON APPEAL

The Committee submits the items listed in the charts attached hereto as Exhibits A-B for inclusion in the record on appeal.

II. STATEMENT OF ISSUES ON APPEAL¹

1. Did the Bankruptcy Court err as a matter of law by holding that it was not required to harmonize conflicting provisions in the DIP Credit Agreement and DIP Security Agreement?

2. Did the Bankruptcy Court err as a matter of law by failing to apply the terms of the DIP Security Agreement?

3. Did the Bankruptcy Court err as a matter of law by failing to consider or weigh evidence that was admitted into the record and relevant to the meaning of the DIP Documents?

4. Did the Bankruptcy Court err as a matter of law by concluding that the definition of “Pledged Equity” pertained only to the Debtors’ representations as to the equity interests owned by the Debtors?

5. Did the Bankruptcy Court err as a matter of law by relying on the term sheet attached to the DIP Motion?

6. Did the Bankruptcy Court err as a matter of law by construing ambiguities in the DIP Security Agreement in favor of the DIP Parties who drafted the DIP Security Agreement rather than in favor of third-party creditors?

¹ Capitalized terms used herein shall have the same meaning ascribed to such terms in the Committee’s objection to the Motion filed with the Bankruptcy Court under seal on August 15, 2008 [see Tab B.1].

EXHIBIT A: NON-CONFIDENTIAL DOCUMENTS

	Date	Docket No.	Description
1	1/18/08	12	Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Adequate Protection to the Pre-Petition Lender, (IV) Modifying the Automatic Stay and (V) Scheduling a Final Hearing
2	1/18/08	41	Supplement to Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Adequate Protection to the Pre-Petition Lender, (IV) Modifying the Automatic Stay, and (V) Scheduling a Final Hearing
3	1/18/08	43	Preliminary Objection of Certain Note Holders to Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Adequate Protection to the Pre-Petition Lender, (IV) Modifying the Automatic Stay, and (V) Scheduling a Final Hearing
4	1/23/08	56	Interim Order (I) Authorizing Debtors to (A) Obtain Postpetition Financing (B) to Utilize Cash Collateral (II) Granting Liens, Security Interest and Superpriority Claims, (III) Granting Adequate Protection to Prepetition Secured Parties and (IV) Scheduling a Final Hearing
5	1/29/08	80	Transcript for Hearing Held January 22, 2008, regarding First Day Motions and Objection
6	1/29/08	88	Amendment Adding Final Version of Credit Agreement to Debtors' Emergency Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Granting Adequate Protection to the Pre-Petition Lender, (IV) Modifying the Automatic Stay and (V) Scheduling a Final Hearing
7	2/13/08	139	Tendered Proposed Order Redlined on Motion (I) Authorizing Debtors (A) to Obtain Post-Petition Financing (B) to Utilize Cash Collateral (II) Granting Liens, Security Interests and Superpriority Claims (III) Granting Adequate Protection to Pre-petition Secured Parties
8	2/13/08	160	Final Order Granting Motion (I) Authorizing Debtors (A) to Obtain Post-petition Financing and (B) to Utilize Cash Collateral; (II) Granting Liens, Security Interests and Superpriority Claims; and (III) Granting Adequate Protection to Pre-petition Secured Parties

	Date	Docket No.	Description
9	2/27/08	215	Transcript for Hearing Held February 13, 2008
10	4/23/08	391	Debtors' Motion for an Order Extending the Exclusive Periods During Which Only the Debtors May File a Plan of Reorganization and Solicit Acceptances Thereof
11	5/14/08	409	Order Granting Debtors' Motion for an Order Extending the Exclusive Periods During Which Only the Debtors May File a Plan of Reorganization and Solicit Acceptances Thereof
12	7/21/08	494	Motion of the Official Committee of Unsecured Creditors for an Order Directing the Production of Documents and Authorizing the Taking of Deposition Testimony
13	7/29/08	502	Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries
14	7/29/08	503	Debtors' Second Motion for an Order Extending the Exclusive Periods During Which Only the Debtors May File a Plan of Reorganization and Solicit Acceptances Thereof
15	8/13/08	531	Motion of the Official Committee of Unsecured Creditors for an Order Continuing the August 20, 2008 Hearing on the Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries
16	8/13/08	534	Motion to Approve and Enter Stipulation Between and Among the Debtors, the Official Committee of Unsecured Creditors and BNP Paribas, as Administrative Agent, Under the DIP Facility and Agreed Order Regarding Filing Pleadings and Documents Under Seal
17	8/13/08	535	Debtors' Objection to Motion of the Official Committee of Unsecured Creditors for an Order Continuing the August 20, 2008 Hearing on the Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries
18	8/14/08	537	Stipulation Between and Among the Debtors, the Official Committee of Unsecured Creditors and BNP Paribas, as Administrative Agent, Under the DIP Facility and Agreed Order Regarding Filing Pleadings and Documents Under Seal

	Date	Docket No.	Description
19	8/15/08	539	Order Denying Motion of the Official Committee of Unsecured Creditors for an Order Continuing the August 20, 2008, Hearing on the Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries.
20	8/15/08	540	BNP Paribas' (I) Response In Support of Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries and (II) Objection to the Official Committee of Unsecured Creditors' Motion for an Order Directing the Production of Documents and Authorizing the Taking of Deposition Testimony
21	8/15/08	542	Objection of the Official Committee of Unsecured Creditors to the Debtors' Second Motion for an Order Extending the Exclusive Periods During Which Only the Debtors May File a Plan of Reorganization and Solicit Acceptances Thereof
22	8/15/08	545	Debtors' Objection to the Motion of the Official Committee of Unsecured Creditors for an Order Directing the Production of Documents and Authorizing the Taking of Deposition Testimony and Memorandum of Law In Support of Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries
23	8/19/08	554	Response of the Official Committee of Unsecured Creditors to Objections of (I) the Debtors and (II) BNP Paribas to the Motion of the Official Committee of Unsecured Creditors for an Order Directing the Production of Documents and Authorizing the Taking of Deposition Testimony
24	8/21/08	561	Order Denying as Moot Motion for 2004 Examination
25	8/21/08	564	Order Re: Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries
26	8/21/08	565	Order Granting Debtors' Second Motion for an Order Extending the Exclusive Periods During Which Only the Debtors May File a Plan of Reorganization and Solicit Acceptances Thereof
27	8/21/08	566	Exhibits 1-17 Filed by the Debtor, Propex, Inc., and Exhibits A-Q filed by the Official Committee of Unsecured Creditors at the Hearing held on August 20, 2008
28	8/25/08	575	Transcript for Hearing Held August 15, 2008

	Date	Docket No.	Description
29	8/25/08	576	Transcript for Hearing Held August 20, 2008
30	9/02/08	580	Notice of Appeal of the Official Committee of Unsecured Creditors

EXHIBIT B: CONFIDENTIAL DOCUMENTS

	Document
1	Objection to Debtors' Motion for an Order Authorizing and Approving the Debtors' Amendment to Security Agreement and Extension and Confirming Grant of Lien on the Stock of the Debtors' Foreign Subsidiaries (filed by the Committee with the Bankruptcy Court under seal on August 15, 2008)
2	Exhibit Summary
3	Exhibit A: January 22 Skadden Email
4	Exhibit B: January 22 King & Spalding Email
5	Exhibit C: January 23 King & Spalding Email
6	Exhibit D: January 23 Skadden Retraction
7	Exhibit E: DIP Security Agreement (form of Exhibit to DIP Credit Agreement)
8	Exhibit F: February 11 Memorandum
9	Exhibit G: DIP Order
10	Exhibit H: Due Diligence Request List
11	Exhibit I: March 27 Email
12	Exhibit J: March 31 Email
13	Exhibit J-1: April 9 Email
14	Exhibit K: Amendment
15	Exhibit L: June 17 Letter
16	Exhibit M: June 24 King & Spalding Letter
17	Exhibit N: June 24 Skadden Letter
18	Exhibit O: June 30 Letter
19	Exhibit P: Draft June 24 Skadden Letter
20	Exhibit Q: Redlined Amendment
21	PROD0004197 – PROD0004298
22	PROD0004130 – PROD0004149

	Document
23	PROD0006136 – PROD0006185
24	PPX00590 – PPX00723
25	PPX00724 – PPX00873
26	PROD0006557 – PROD0006609
27	PROD0000142 – PROD0000151
28	PROD0007516 – PROD0007517

Respectfully submitted this 12th day of September 2008.

/s/ Ira S. Dizengoff

Ira S. Dizengoff (ID-9980) (admitted *pro hac vice*)
James R. Savin (JS-9220) (admitted *pro hac vice*)
Abid Qureshi (AQ-4882) (admitted *pro hac vice*)
AKIN GUMP STRAUSS HAUER & FELD LLP
590 Madison Avenue
New York, New York 10022-2524
(212) 872-1000 (Telephone)
(212) 872-1002 (Facsimile)

By: /s/ Richard B. Gossett

Richard B. Gossett (TN #001686)
**BAKER, DONELSON, BEARMAN, CALDWELL
& BERKOWITZ, PC**
1800 Republic Centre, 633 Chestnut Street
Chattanooga, Tennessee 37450

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