

MEMORANDUM

July 21, 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 Assumption of Service Agreement with the Board of Governors of the Colorado State University System By and Through Colorado State University (the “Motion”)

By the Motion, the Debtors request the entry of an order (the “Order”) authorizing the assumption of an executory contract (the “Contract”) with the Board of Governors of the Colorado State University System by and through Colorado State University (“CSU”). The Motion states that, pursuant to the terms of the Contract, CSU is conducting laboratory tests to determine the erosion control benefit of turf reinforcement mats, the results of which, according to the Debtors, are important to the Debtors’ business operations. According to the Motion, if the Contract is not assumed and CSU does not complete its testing by the end of 2008, the Debtors will lose two years of product performance data already compiled by CSU. The Motion states that the total amount remaining to be paid to CSU under the Contract is approximately \$16,280.00

The hearing date on the Motion is scheduled for August 6, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is August 1, 2008 at 5:00 p.m. (ET).