

## MEMORANDUM

August 6, 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 Twelve Lease Schedules for Leases of Lift Trucks Associated with that Certain Master Lease Agreement, Dated as of January 23, 2004 (the “Motion”)**

By the Motion, the Debtors request the entry of an order (the “Order”) authorizing the rejection of twelve lease schedules (the “Twelve Lease Schedules”) concerning the lease of lift trucks used at the Debtors’ Hazlehurst facility. According to the Motion, Amoco Fabrics and Fibers, now known as Propex Inc., entered into a master lease agreement (the “Master Lease”) with Barloworld Fleet Leasing LLC, dated as of January 23, 2004, to lease equipment pursuant to separately transacted master lease schedules (individually a “Lease Schedule” and collectively the “Lease Schedules”). According to the Motion, the Master Lease provides that each Lease Schedule is its own separate agreement. By the Motion, the Debtors do not seek to reject the Master Lease or any of the other Lease Schedules, but only the Twelve Lease Schedules identified in the Motion. The Debtors contend that the Twelve Lease Schedules are no longer needed by the estates and rejection will save the Debtors approximately \$77,156 annually.

**The hearing date on the Motion is scheduled for August 20, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is August 15, 2008 at 5:00 p.m. (ET).**