

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 the Lease Agreement with Corporate Drive II, L.L.C. a/k/a E&T Converters, Inc. Dated as of July 1, 2008 (the “Motion”)

By the Motion, the Debtors request approval of a lease agreement (the “Lease”) under which the Debtors lease warehouse storage space from Corporate Drive II, L.L.C. a/k/a E&T Converters, Inc. (“E&T”). According to the Motion, the amount of base rent payable under the Lease is \$18,644 per month for a total of \$223,728 per year. The aggregate term of the Lease may extend up to 36 months. The Debtors submit that the premises governed by the Lease are necessary for the day-to-day storage of various products comprising the Debtors’ business operations.

In addition, the Debtors assert that entry into the Lease falls within the ordinary course of their business and, therefore, does not require Court approval. The Debtors state that they are nonetheless seeking Court approval in response to the Committee’s prior concerns relating to the Debtors’ entry into the Lease without seeking Court authorization or even providing notice to parties in interest, including the Committee.

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).