

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 20, 2014

TREX COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-14649
(Commission
File Number)

54-1910453
(I.R.S. Employer
Identification Number)

**160 Exeter Drive
Winchester, Virginia**
(Address of principal executive offices)

22603-8605
(Zip Code)

(540) 542-6300
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On November 20, 2014, Trex Company, Inc. (the “Company”), as borrower; Branch Banking and Trust Company (“BB&T”), as a Lender, Administrative Agent, Swing Line Lender and Letter of Credit Issuer ; Citibank, N.A. (“Citi”) and Bank of America, N.A. (“BOA”), each as a Lender; and BB&T Capital Markets (“BB&T Capital”), as Lead Arranger, entered into a Second Amended and Restated Credit Agreement (the “Second Amended Credit Agreement”) to amend and restate the Amended and Restated Credit Agreement dated as of January 6, 2012 by and among the Company, as borrower; BB&T as a Lender, Administrative Agent, Swing Line Lender, Letter of Credit Issuer and a Collateral Agent; Wells Fargo Capital Finance, LLC, as a Lender and a Collateral Agent; and BB&T Capital as Lead Arranger, and as further amended (the “Prior Credit Agreement”). Under the Prior Credit Agreement, BB&T and Wells Fargo provided the Company with one or more revolving loans in a collective maximum principal amount of \$100,000,000 (the “Prior Revolver Loans”). The press release describing the transaction is attached as Exhibit 99.1 and is incorporated herein by reference.

The Second Amended Credit Agreement

Under the Second Amended Credit Agreement, BB&T, Citi and BOA (collectively, the “Lenders”) agreed to provide the Company with one or more revolving loans in a collective maximum principal amount of \$150,000,000 from January 1 through June 30 of each year, reducing to a maximum principal amount of \$100,000,000 from July 1 through December 31 of each year throughout the term, which ends November 20, 2019.

Included within the revolver loan limit were sublimits for a letter of credit facility in an amount not to exceed \$15,000,000; and swing advances in an aggregate principal amount at any time outstanding not to exceed \$5,000,000. The revolver loans, the letter of credit facility and the swing advance loans are for the purpose of raising working capital and supporting general business operations.

The Revolver Loans, Swing Advances, and Letter of Credit Facility

The Revolver Loans, the Swing Advances and the Letter of Credit Facility provide the Company, in the aggregate, the ability to borrow a principal amount not to exceed \$150,000,000 from January 1 through June 30 of each year, reducing to a maximum principal amount of \$100,000,000 from July 1 through December 31 of each year (the “Revolving Loan Limit”). The Company is not obligated to borrow any amount under the Revolving Loan Limit, and as of the date of this Current Report on Form 8-K has no outstanding balance. Within the Revolving Loan Limit, the Company may borrow, repay, and reborrow, at any time or from time to time while the Revolving Loans are in effect.

Base Rate Advances (as defined in the Second Amended Credit Agreement) under the Revolver Loans and the Swing Advances accrue interest at the Base Rate plus the Applicable Margin (as defined in the Second Amended Credit Agreement) and Euro-Dollar Advances for the Revolver Loans and Swing Advances accrue interest at the Adjusted London InterBank Offered Rate plus the Applicable Margin (as defined in the Second Amended Credit Agreement). Repayment of all then outstanding principal, interest, fees and costs is due on November 20, 2019.

Letter of Credit

The Letter of Credit Facility provides that upon application by the Company, BB&T shall issue to the Company’s credit one or more letters of credit in the aggregate amount of up to \$15,000,000, or such lesser amount as may be required by law. The Company shall reimburse BB&T for all amounts payable, including interest, under a Letter of Credit at the earlier of (i) the date set forth in the application or (ii) one business day after the payment under such Letter of Credit by BB&T.

Second Modification to Amended and Restated Credit Line Deed of Trust

The Second Modification to Amended and Restated Credit Line Deed of Trust (the “Modification to Virginia Deed of Trust”) grants the Lenders additional security interest in the real property owned by the Company located in the County of Frederick, Virginia and the City of Winchester, Virginia (the “Winchester Property”). Under the Virginia

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Deed of Trust as modified by the Modification to Virginia Deed of Trust, the Company grants to the trustee named in the Virginia Deed of Trust certain collateral, all as more specifically described in the Virginia Deed of Trust, together with all reasonable costs and expenses incurred by BB&T Administrative Agent for the Lenders in connection with the collection of such awards, payments and proceeds, including, without limitation, reasonable attorneys' fees.

The Virginia Deed of Trust, as modified, secures the Company's obligations under the Second Amended Credit Agreement and other Loan Documents (as defined in the Second Amended Credit Agreement).

Modification to Deed of Trust

The Modification to Deed of Trust (the "Modification to Nevada Deed of Trust") modifies certain terms of the Nevada Deed of Trust which grants to the Lenders a security interest in the real property owned by the Company located in the City of Fernley, County of Lyon, State of Nevada (the "Nevada Property"). Under the Nevada Deed of Trust, as modified by the Modification to Nevada Deed of Trust, the Company grants to the trustee named in the Nevada Deed of Trust certain collateral, all as more specifically described in the Nevada Deed of Trust, together with all reasonable costs and expenses incurred by BB&T as Administrative Agent for the Lenders in connection with the collection of such awards, payments and proceeds, including, without limitation, reasonable attorneys' fees.

The Nevada Deed of Trust, as modified, secures the Company's obligations under the Second Amended Credit Agreement and other Loan Documents (as defined in the Second Amended Credit Agreement).

Second Amended and Restated Security Agreement and Intellectual Property Security Agreement

Under the terms of the Second Amended and Restated Security Agreement, the Company, subject to certain permitted encumbrances, as collateral security for the above-stated loans and all other present and future indebtedness of the Company owing to the Lenders grants to BB&T, as Administrative Agent for the Lenders, a continuing security interest in certain collateral, all as more specifically described in the Second Amended and Restated Security Agreement.

The security interests granted to the BB&T, as Administrative Agent in the Second Amended and Restated Security Agreement for the ratable benefit of the Lenders secures: (a) the payment and performance of the Secured Obligations (as defined in the Second Amended Credit Agreement); and (b) certain reasonable costs and expenses as more specifically described therein. In addition, the Company has granted as collateral security for the above-stated loans and all other present and future indebtedness of the Company owing to the Lenders grants to BB&T, as Administrative Agent under the Credit Agreement for the Lenders a continuing security interest in certain patents and trademarks.

All capitalized terms used in this section but not otherwise defined herein or in the Second Amended Credit Agreement shall have the meanings provided for by the Uniform Commercial Code.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth under Item 1.01 of this report is incorporated by reference in this Item 1.02.

Effective as of November 20, 2014, the following were terminated:

1. Swing Advance Note dated January 6, 2012 payable by the Company to Branch Banking and Trust Company in the amount of the lesser of \$5,000,000 or the outstanding swing advances made by Branch Banking and Trust Company.
2. Revolver Note dated February 26, 2013 payable by Trex Company, Inc. to Branch Banking and Trust Company in the amount of the lesser of \$67,500,000 or the outstanding revolver advances made by Branch Banking and Trust Company.
3. Revolver Note dated February 26, 2013 payable by Trex Company, Inc. to Wells Fargo Capital Finance, LLC in the amount of the lesser of \$57,500,000 or the outstanding revolver advances made by Wells Fargo Capital Finance, LLC.

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No additional fees were due or owing as a result of the termination of the aforementioned agreements.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
4.1	Second Amended and Restated Credit Agreement dated as of November 20, 2014 between the Company and Branch Banking and Trust Company, as a Lender, Administrative Agent, Swing Line Lender and Letter of Credit Issuer ; Citibank, N.A. as a Lender; Bank of America, N.A. as a Lender; and BB&T Capital Markets, as Lead Arranger. FILED HEREWITH
4.2	Revolver Note dated November 20, 2014 payable by the Company to Branch Banking and Trust Company in the amount of the lesser of \$80,000,000 or the outstanding revolver advances made by Branch Banking and Trust Company. FILED HEREWITH
4.3	Revolver Note dated November 20, 2014 payable by the Company to Citibank, N.A. in the amount of the lesser of \$45,000,000 or the outstanding revolver advances made by Citibank, N.A. FILED HEREWITH
4.4	Revolver Note dated November 20, 2014 payable by the Company to Bank of America, N.A. in the amount of the lesser of \$25,000,000 or the outstanding revolver advances made by Bank of America, N.A. FILED HEREWITH
4.5	Swing Advance Note dated November 20, 2014 payable by the Company to Branch Banking and Trust Company in the amount of the lesser of \$5,000,000 or the outstanding swing advances made by Branch Banking and Trust Company. FILED HEREWITH
4.6	Second Amended and Restated Security Agreement dated as of November 20, 2014 between the Company, as debtor, and Branch Banking and Trust Company as Administrative Agent for Branch Banking and Trust Company, Citibank, N.A. and Bank of America, N.A. FILED HEREWITH.
4.7	Second Modification to Amended and Restated Credit Line Deed of Trust, dated as of November 20, 2014, by and among the Company as grantor, BB&T-VA Collateral Service Corporation, as trustee, and Branch Banking and Trust Company, as Administrative Agent for Branch Banking and Trust Company, Citibank, N.A. and Bank of America, N.A., as Beneficiaries relating to real property partially located in the County of Frederick, Virginia and partially located in the City of Winchester, Virginia. FILED HEREWITH
4.8	Modification to Deed of Trust, dated as of November 20, 2014, by and among the Company as grantor, First American Title Insurance Company, as trustee, and Branch Banking and Trust Company, as Administrative Agent for Branch Banking and Trust Company, Citibank, N.A. and Bank of America, N.A., as Beneficiaries relating to real property located in the County of Fernley, Nevada. FILED HEREWITH
4.9	Intellectual Property Security Agreement, dated November 20, 2014, by and between Trex Company, Inc., as debtor; and Branch Banking and Trust Company, in its capacity as Administrative Agent under the Second Amended Credit Agreement and acting as agent for itself and the other secured parties. FILED HEREWITH
4.10	Press release dated November 25, 2014 regarding credit facility of \$150,000,000 pursuant to the Second Amended and Restated Credit Agreement and other ancillary documents. FILED HEREWITH

EXHIBIT INDEX

TREX COMPANY, INC.

Current report on Form 8-K

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4.8	Modification to Deed of Trust, dated as of November 20, 2014, by and among the Company as grantor, First American Title Insurance Company, as trustee, and Branch Banking and Trust Company, as Administrative Agent for Branch Banking and Trust Company, Citibank, N.A. and Bank of America, N.A., as Beneficiaries relating to real property located in the County of Fernley, Nevada. FILED HEREWITH
4.9	Intellectual Property Security Agreement, dated November 20, 2014, by and between Trex Company, Inc., as debtor; and Branch Banking And Trust Company, in its capacity as Administrative Agent under the Second Amended and Restated Credit Agreement and acting as agent for itself and the other secured parties. FILED HEREWITH
4.10	Press release dated November 25, 2014 regarding credit facility of \$150,000,000 pursuant to the Second Amended and Restated Credit Agreement and other ancillary documents. FILED HEREWITH

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of

November 20, 2014

among

TREX COMPANY, INC.,
as Borrower,

The Lenders Listed Herein

and

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent, Swing Line Lender and Letter of Credit Issuer

and

BB&T CAPITAL MARKETS,
as Lead Arranger

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT is dated as of November 20, 2014, among TREX COMPANY, INC., a Delaware corporation (the "Borrower"); the LENDERS listed on the signature pages hereof (collectively, the "Lenders"); BRANCH BANKING AND TRUST COMPANY ("BB&T"), as Administrative Agent, Swing Line Lender and Letter of Credit Issuer; and BB&T CAPITAL MARKETS ("BB&T-CM"), as Lead Arranger.

The Borrower, BB&T, as Administrative Agent, BB&T and Wells Fargo Capital Finance, LLC ("Wells Fargo"), as collateral agents, and BB&T-CM, as Lead Arranger are parties to an Amended and Restated Credit Agreement dated as of January 6, 2012, as amended (the "Prior Credit Agreement"), pursuant to which certain lenders have made certain credit facilities available to the Borrower. Contemporaneously with, but immediately prior to, the effectiveness of this Agreement, Wells Fargo has resigned as a collateral agent under the Prior Credit Agreement, has assigned all of its right, title and interest as a collateral agent thereunder to BB&T and is no longer a Lender.

The parties now desire to make certain modifications to such credit facilities as more particularly described herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein, the receipt and sufficiency of which consideration are hereby acknowledged, the parties hereto hereby amend and restate the Prior Credit Agreement in its entirety, and agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions.

In addition to other terms defined elsewhere in this Agreement (including in the preamble and the recitals hereto), the terms as defined in this Section 1.01 shall, for all purposes of this Agreement and any amendment hereto (except as otherwise expressly provided or unless the context otherwise requires), have the meanings set forth herein:

"Accounts" has the meaning set forth in the Security Agreement.

"Acquisition" means any transaction or series of related transactions for the purpose of, or resulting in, directly or indirectly, (a) the acquisition by the Borrower or any Subsidiary of all or substantially all of the assets of a Person (other than a Subsidiary) or of any business or division of a Person (other than a Subsidiary), (b) the acquisition by the Borrower or any Subsidiary of more than 50% of any class of Voting Stock (or similar ownership interests) of any Person (provided that formation or organization of any Wholly-Owned Subsidiary shall not constitute an "Acquisition" to the extent that the amount of the Investment in such entity is permitted under Sections 5.06 and 5.09), or (c) a merger, consolidation, amalgamation or other combination by the Borrower or any Subsidiary with another Person (other than a Subsidiary) if the Borrower or such Subsidiary is the surviving entity; provided, that in any merger involving the Borrower, the Borrower must be the surviving entity.

“Additional Secured Obligations” means (a) the due and punctual payment (whether at the stated maturity, by acceleration or otherwise) of all obligations (including any and all Hedging Obligations arising under Hedging Agreements and obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due), indebtedness and liabilities of the Borrower, now existing or hereafter incurred under, arising out of or in connection with any and all Hedging Agreements and any renewals, modifications or extensions thereof, and the due and punctual performance and compliance by the Borrower with all of the terms, conditions and agreements contained in any Hedging Agreement and any renewals, modifications or extensions thereof; (b) the due and punctual payment and performance of all indebtedness, liabilities and obligations of any one or more of the Loan Parties arising out of or relating to any Bank Products; and (c) the due and punctual payment and performance of all indebtedness, liabilities and obligations of any one or more of the Loan Parties arising out of or relating to any Cash Management Services.

“Adjusted London InterBank Offered Rate” applicable to any Interest Period means a rate per annum equal to the quotient obtained (rounded upwards, if necessary, to the next higher 1/100th of 1%) by dividing (i) the applicable London InterBank Offered Rate for such Interest Period by (ii) 1.00 minus the Euro-Dollar Reserve Percentage.

“Administrative Agent” means BB&T, in its capacity as administrative agent for the Lenders, and its successors and permitted assigns in such capacity. All references herein and in the other Loan Documents to the “Administrative Agent” shall include the Administrative Agent in its capacity as a “collateral agent” or “Collateral Agent” under the Collateral Documents.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Advances” means the Revolver Advances or the Swing Advances, as the context may require. “Advance” means any one of such Advances, as the context may require.

“Affiliate” of any Person means (i) any other Person which directly, or indirectly through one or more intermediaries, controls such Person, (ii) any other Person which directly, or indirectly through one or more intermediaries, is controlled by or is under common control with such Person, or (iii) any other Person of which such Person owns, directly or indirectly, 10% or more of the common stock or equivalent equity interests. As used herein, the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means this Second Amended and Restated Credit Agreement, together with all amendments and supplements hereto.

“Applicable Fee Rate” has the meaning given such term in Section 2.07(b).

“Applicable Laws” means all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes, executive orders, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

“Applicable Margin” has the meaning set forth in Section 2.06(a).

“Applicable Percentage” means with respect to any Lender, the percentage of the total Revolver Commitments represented by such Lender’s Revolver Commitment. If the Revolver Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolver Commitments most recently in effect, giving effect to any assignments.

“Applicable Subsidiary” means any Subsidiary that is a Domestic Subsidiary or a Direct Foreign Subsidiary.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.07), and accepted by the Administrative Agent, in substantially the form of Exhibit K or any other form approved by the Administrative Agent.

“Bank Products” means any services or facilities provided to any Loan Party by any Lender or any Affiliate thereof (but excluding Cash Management Services) with respect to (a) credit cards, (b) purchase cards, (c) merchant services constituting a line of credit, and/or (d) lockbox services.

“Bankruptcy Code” means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. §§101, et seq.), as amended from time to time.

“Base Rate” means for any Base Rate Advance for any day, the rate per annum equal to the Prime Rate as of such day. For purposes of determining the Base Rate for any day, changes in the Prime Rate shall be effective on the date of each such change.

“Base Rate Advance” means, with respect to any Advance, such Advance when such Advance bears or is to bear interest at a rate based upon the Base Rate.

“BB&T” means Branch Banking and Trust Company, and its successors.

“Borrower” means Trex Company, Inc., a Delaware corporation, and its successors and permitted assigns.

“Borrowing” means a borrowing hereunder consisting of Advances made to the Borrower: (i) at the same time by all of the Lenders, in the case of Revolver Advances, or (ii) by Swing Line Lender, in the case of Swing Advances. A Borrowing is a “Revolver Borrowing” if made pursuant to Section 2.01(a), or a “Swing Line Borrowing” if made pursuant to Section 2.01(b).

“Capital Expenditures” means for any period the sum of all capital expenditures incurred during such period by the Borrower and its Consolidated Subsidiaries, as determined in accordance with GAAP.

“Capital Securities” means, with respect to any Person, any and all shares, interests (including membership interests and partnership interests), participations or other equivalents (however designated, whether voting or non-voting) of such Person’s capital (including any instruments convertible into equity), whether now outstanding or issued after the Closing Date.

“Cash Collateralize” means (a) to deposit cash with the Administrative Agent, or (b) to provide other credit support reasonably satisfactory to the Administrative Agent, in each case as collateral for the Letter of Credit Obligations relating to such Letter of Credit (and the obligations of the Lenders to fund participations in respect of such Letter of Credit Obligations), and in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include such cash collateral or other credit support. If at any time the Administrative Agent reasonably determines that any Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent, or that the total amount of such Cash Collateral is less than the amount required by this Agreement, the Borrower will, within three (3) Domestic Business Days following the written request of the Administrative Agent, provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

“Cash Equivalents” means (a) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States of any agency thereof, (b) prime commercial paper (rated A1 or better by Standard & Poor’s Rating Group or P1 or better by Moody’s Investors Service, Inc.) with maturities of ninety (90) days or less, or (c) time deposits with, including certificates of deposit issued by, any office located in the United States of any bank or trust company which is organized under the laws of the United States or any state thereof and has capital, surplus and undivided profits aggregating at least \$250,000,000, provided in each case that such investment matures within one year from the date of acquisition thereof by the Borrower.

“Cash Management Services” means any one or more of the following types of services or facilities provided to any Loan Party by any Lender or any Affiliate thereof: (a) automated clearing house (ACH) transactions, (b) cash management services, including, without limitation, controlled disbursement services, treasury, depository, overdraft, and electronic funds transfer services, (c) foreign exchange facilities, (d) credit or debit cards, and (e) merchant services not constituting a Bank Product.

“CERCLA” means the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601 et seq. and its implementing regulations and amendments.

“CERCLIS” means the Comprehensive Environmental Response Compensation and Liability Information System established pursuant to CERCLA.

“Change in Control” means the occurrence after the Closing Date of any of the following: (i) any Person or two or more Persons acting in concert (excluding the Persons that are officers and directors of the Borrower on the Closing Date) shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 30% or more of the outstanding shares of the Voting Stock of the Borrower; or (ii) as of any date a majority of the board of directors of the Borrower consists of individuals who were not either (A) directors of the Borrower as of the corresponding date of the previous year, (B) selected or nominated to become directors by the board of directors of the Borrower of which a majority consisted of individuals described in clause (A), or (C) selected or nominated to become directors by the board of directors of the Borrower of which a majority consisted of individuals described in clause (A) and individuals described in clause (B).

“Change of Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any rule, guideline or directive by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules, guidelines or directives thereunder or issued in connection therewith and (y) all rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change of Law”, regardless of the date enacted, adopted or issued.

“Closing Certificate” has the meaning set forth in Section 3.01(d).

“Closing Date” means November 20, 2014.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor Federal tax code. Any reference to any provision of the Code shall also be deemed to be a reference to any successor provision or provisions thereof.

“Collateral” means, collectively, (a) (i) all of the present and future property and assets of the Borrower and each Guarantor including, but not limited to, machinery and equipment, inventory and other goods, accounts, accounts receivable, bank accounts, brokerage and other securities accounts, deposit accounts, general intangibles, financial assets, investment property, license rights, patents, trademarks, copyrights, chattel paper, insurance proceeds, contract rights, hedge agreements, documents, instruments, indemnification rights, tax refunds, and cash, (ii) 100% of the Capital Securities or equivalent equity interests of the current and future direct and indirect Domestic Subsidiaries; and (iii) 65% of the Capital Securities or

equivalent equity interests of any current or future Foreign Subsidiaries; (b) any other property which secures all or any portion of the Secured Obligations pursuant to the Collateral Documents; and (c) all proceeds of the foregoing. Notwithstanding the foregoing, the "Collateral" shall not include (1) any Capital Securities or equivalent equity interests in the Excluded Subsidiary, or (2) the Olive Branch Property.

"Collateral Documents" means, collectively, the Security Agreement, the Nevada Deed of Trust, the Winchester Deed of Trust, the Existing IP Security Agreements, any other IP Security Agreements, any Pledge Agreement and all other agreements (including control agreements), instruments and other documents, whether now existing or hereafter in effect, pursuant to which any Loan Party shall grant or convey (or shall have granted or conveyed) to the Administrative Agent (on behalf of the Secured Parties) a Lien in, or any other Person shall acknowledge any such Lien in, property as security for all or any portion of the Secured Obligations, as any of them may be amended, modified, restated or supplemented from time to time.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compliance Certificate" has the meaning set forth in Section 5.01(d).

"Consolidated Debt" means, as of any date of determination, the total of all Debt of the Borrower and its Consolidated Subsidiaries outstanding on such date, (i) eliminating all offsetting debits and credits between the Borrower and its Consolidated Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Borrower and its Consolidated Subsidiaries in accordance with GAAP, (ii) subtracting an amount equal to the cash and Cash Equivalents in excess of \$10,000,000 held by the Borrower on such date of determination, and (iii) with respect to Debt incurred by the Borrower and/or any Consolidated Subsidiary (without duplication) in connection with any NMTC Transaction, (a) including the portion thereof constituting NMTC Put Option Debt, (b) excluding the entire portion thereof constituting NMTC Excluded Debt if such NMTC Excluded Debt is unsecured, non-amortizing and subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent, and (c) if such NMTC Excluded Debt is secured, amortizing or not subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent, or if any NMTC Recapture Event has occurred, only excluding the amount of any loans made by the Borrower and/or such Consolidated Subsidiary in connection with such NMTC Transaction. Notwithstanding the foregoing, (A) all convertible debt shall be stated at its face amount and not the amount otherwise adjusted pursuant to the effect of FASB APB 14-1, (B) in the event the Borrower shall Guarantee any Debt of a Consolidated Subsidiary incurred in connection with any NMTC Transaction, such Guarantee and such Debt shall not be double-counted.

"Consolidated EBITDA" means, for any period of determination, the net income (excluding extraordinary non-cash gains and extraordinary non-cash losses as determined in accordance with GAAP and excluding the Net Income Exclusions) plus interest, taxes, depreciation and amortization of the Borrower and its Consolidated Subsidiaries determined on a consolidated basis for such period.

“Consolidated Net Income” means, for any period, the net income (or loss) of the Borrower and its Consolidated Subsidiaries (excluding extraordinary non-cash gains and extraordinary non-cash losses as determined in accordance with GAAP and excluding the Net Income Exclusions) for such period, as set forth in the financial statements required to be delivered pursuant to Sections 5.01(a) or (b) for such period.

“Consolidated Debt to Consolidated EBITDA Ratio” means the ratio of Consolidated Debt to Consolidated EBITDA.

“Consolidated Subsidiary” means at any date any Subsidiary or other entity the accounts of which, in accordance with GAAP, would be consolidated with those of the Borrower in its consolidated financial statements as of such date.

“Controlled Group” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any Loan Party, are treated as a single employer under Section 414 of the Code.

“Credit Party Expenses” means, without limitation:

(a) all out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (but excluding any such expenses incurred by any other Lender) in connection with (i) the syndication of the credit facilities provided for herein, (ii) the preparation, negotiation, execution, delivery, administration and management of this Agreement and the other Loan Documents, (iii) the preparation, negotiation, execution, delivery, administration and management of any amendments, modifications or waivers of the provisions of this Agreement and the other Loan Documents (whether or not the transactions contemplated thereby shall be consummated), (iv) the enforcement or protection of the Administrative Agent’s and its Affiliates’ rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral, (v) any workout, restructuring or negotiations in respect of the Obligations, and (vi) any bankruptcy or other insolvency proceeding concerning any Loan Party, in each case including without limitation (1) the reasonable fees, charges and disbursements of separate counsel for the Administrative Agent, and of outside accountants, consultants, other advisors and appraisers for the Administrative Agent, (2) costs or expenses (including taxes, and insurance premiums) required to be paid by the Administrative Agent under any of the Loan Documents, (3) fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and UCC searches and including searches with the patent and trademark office, the copyright office, or the department of motor vehicles), filing, recording, publication, real estate surveys, real estate title policies and endorsements and environmental audits, and (4) the costs of all related travel, meals and lodging;

(b) all fees and expenses incurred by the Administrative Agent and its Affiliates in connection with audits and appraisals (including real estate and machinery and equipment appraisals) relating to any Loan Party or the Collateral; provided however that so long as no Default has occurred and is continuing, “Credit Party Expenses” shall only include the fees and expenses incurred by the Administrative Agent and its Affiliates in connection with one such audit or appraisal during each calendar year;

(c) all other fees and expenses described in the Fee Letter;

(d) with respect to the Letter of Credit Issuer and its Affiliates, all reasonable out-of-pocket expenses incurred in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder; and

(e) all reasonable out-of-pocket expenses incurred by the Secured Parties who are not the Administrative Agent, the Letter of Credit Issuer or any Affiliate of any of them, after the occurrence and during the continuance of an Event of Default.

“Debt” of any Person means at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under capital leases, (v) all obligations of such Person to reimburse any bank or other Person in respect of amounts payable under a banker’s acceptance, (vi) all Redeemable Preferred Securities of such Person, (vii) all obligations (absolute or contingent) of such Person to reimburse any bank or other Person in respect of amounts which are available to be drawn or have been drawn under a letter of credit or similar instrument, (viii) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (ix) all Debt of others Guaranteed by such Person, (x) all obligations of such Person with respect to interest rate protection agreements, foreign currency exchange agreements or other hedging agreements (valued as the termination value thereof computed in accordance with a method approved by the International Swap Dealers Association and agreed to by such Person in the applicable hedging agreement, if any), (xi) all obligations of such Person under any synthetic lease, tax retention operating lease, sale and leaseback transaction, asset securitization, off-balance sheet loan or other off-balance sheet financing product, (xii) all obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property, and (xiii) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person. The Debt of any Person shall include the Debt of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Debt provide that such Person is not liable therefor.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any condition or event which constitutes an Event of Default or which with the giving of notice or lapse of time or both would, unless cured or waived in writing, become an Event of Default.

“Default Rate” means, on any day, the sum of 2% plus the Base Rate plus the Applicable Margin.

“Defaulting Lender” means, subject to Section 2.15(f), any Lender that (a) has failed to (i) fund any portion of the Advances, participations in Letter of Credit Obligations or participations in Swing Advances required to be funded by it hereunder within one Domestic Business Day of the date required to be funded by it hereunder, unless such failure is the result of one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in writing by such Lender to the Administrative Agent and the Borrower) having not been satisfied, or (ii) pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Domestic Business Day of the date when due, unless the subject of a good faith dispute, (b) has notified the Borrower, the Administrative Agent, the Letter of Credit Issuer or any Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund an Advance hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower made in good faith belief that such Lender will not comply with its prospective funding obligations hereunder, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by any Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(f)) upon delivery of written notice of such determination to the Borrower, the Letter of Credit Issuer and each Lender.

“Direct Foreign Subsidiary” means any Foreign Subsidiary of a Loan Party or a Domestic Subsidiary not held through one or more intermediate Subsidiaries.

“Disposition” or “Dispose” means the sale, transfer, license (other than any license of intellectual property), lease or other disposition (including any Sale/Leaseback Transaction) of any property by any Loan Party or any Subsidiary thereof (or the granting of any

option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, but excluding the sale of Inventory as permitted by Section 5.13(d)(i).

“Dollars” or “\$” means dollars in lawful currency of the United States of America.

“Domestic Business Day” means any day except a Saturday, Sunday or other day on which commercial banks in North Carolina are authorized or required by law to close.

“Domestic Subsidiary” means any Subsidiary which is organized under the laws of any state or territory of the United States of America.

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent, and (ii) unless a Default or Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); provided, that notwithstanding the foregoing, “Eligible Assignee” shall not include the Borrower, any of the Borrower’s Affiliates or Subsidiaries, any Defaulting Lender or any Affiliate of a Defaulting Lender.

“Environmental Authority” means any foreign, federal, state, local or regional government that exercises any form of jurisdiction or authority under any Environmental Requirement.

“Environmental Authorizations” means all licenses, permits, orders, approvals, notices, registrations or other legal prerequisites for conducting the business of a Loan Party or any Subsidiary of a Loan Party required by any Environmental Requirement.

“Environmental Judgments and Orders” means all judgments, decrees or orders arising from or in any way associated with any Environmental Requirements, whether or not entered upon consent or written agreements with an Environmental Authority or other entity arising from or in any way associated with any Environmental Requirement, whether or not incorporated in a judgment, decree or order.

“Environmental Laws” means any and all federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, surface water, groundwater or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, chemicals or industrial, toxic or hazardous substances or wastes or the clean-up or other remediation thereof.

“Environmental Liabilities” means any liabilities, whether accrued, contingent or otherwise, arising from and in any way associated with any Environmental Requirements.

“Environmental Notices” means notice from any Environmental Authority or by any other person or entity, of possible or alleged noncompliance with or liability under any Environmental Requirement, including without limitation any complaints, citations, demands or requests from any Environmental Authority or from any other person or entity for correction of any violation of any Environmental Requirement or any investigations concerning any violation of any Environmental Requirement.

“Environmental Proceedings” means any judicial or administrative proceedings arising from or in any way associated with any Environmental Requirement.

“Environmental Releases” means releases as defined in CERCLA or under any applicable federal, state or local environmental law or regulation and shall include, in any event and without limitation, any release of petroleum or petroleum related products.

“Environmental Requirements” means any legal requirement relating to health, safety or the environment and applicable to a Loan Party, any Subsidiary of a Loan Party or the Properties, including but not limited to any such requirement under CERCLA or similar state legislation and all federal, state and local laws, ordinances, regulations, orders, writs, decrees and common law.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor law and all rules and regulations from time to time promulgated thereunder. Any reference to any provision of ERISA shall also be deemed to be a reference to any successor provision or provisions thereof.

“Euro-Dollar Advance” means, with respect to any Advance, such Advance during Interest Periods when such Advance bears or is to bear interest at a rate based upon the London InterBank Offered Rate.

“Euro-Dollar Business Day” means any Domestic Business Day on which dealings in Dollar deposits are carried out in the London interbank market.

“Euro-Dollar Reserve Percentage” means, for any day, that percentage (expressed as a decimal) which is in effect on such day, as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement for a member bank of the Federal Reserve System in respect of “Eurocurrency liabilities” (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on any Euro-Dollar Advance is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any Lender to United States residents). The Adjusted London InterBank Offered Rate shall be adjusted automatically on and as of the effective date of any change in the Euro-Dollar Reserve Percentage.

“Event of Default” has the meaning set forth in Section 6.01.

“Excess Liquidity” means, as of any date of determination thereof by the Administrative Agent, the sum of (a) the Borrower’s unrestricted cash and Cash Equivalents which are subject to a first priority (and exclusive) Lien in favor of the Administrative Agent, plus (b) an amount equal to the remainder of (i) the aggregate Revolver Commitments minus

(ii) the sum of (A) the aggregate outstanding principal amount of all Revolver Advances, Swing Advances and Letter of Credit Obligations, plus (B) the aggregate amount, if any, of all trade payables of the Borrower aged in excess of historical levels with respect thereto and all book overdrafts of the Borrower in excess of historical practices with respect thereto, in each case as determined by the Administrative Agent in its Permitted Discretion.

“Excess Liquidity Requirement” means \$40,000,000.

“Excluded Subsidiary” means Trex Wood-Polymer Espana, S.L.

“Excluded Swap Obligation” means, with respect to any Person, any Regulated Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Person of, or the grant by such Person of a security interest to secure, such Regulated Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Person’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Person or the grant of such security interest becomes effective with respect to such Regulated Swap Obligation. If a Regulated Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Regulated Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender’s failure or inability (other than as a result of a Change of Law) to comply with Section 2.12(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.12(e).

“Existing IP Security Agreements” means, collectively, (i) the IP Security Agreement (Patents) dated as of November 4, 2009, filed with the USPTO on November 6, 2009, (ii) the IP Security Agreement (Patents) dated as of January 6, 2012, filed with the USPTO on January 12, 2012, (iii) the IP Security Agreement (Trademarks) dated as of November 4, 2009, filed with the USPTO on November 6, 2009, (ii) the IP Security Agreement (Trademarks) dated as of January 6, 2012, filed with the USPTO on January 12, 2012

“Existing Letter of Credit” means the following existing letter of credit issued by the Letter of Credit Issuer for the account of the Borrower: account number 9531192556-00168 (in the stated amount of \$108,756).

“Extraordinary Receipt” means any cash received by or paid to or for the account of any Loan Party or any Subsidiary thereof not in the ordinary course of business, including tax refunds not in the ordinary course of business, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings), condemnation awards (and payments in lieu thereof), indemnity payments and any purchase price adjustments related to Acquisitions. Notwithstanding the foregoing, “Extraordinary Receipt” (i) shall not include the first \$250,000 in such cash received during any Fiscal Year, (ii) provided the aggregate amount of such cash received during any Fiscal Year does not exceed \$800,000, shall not include such cash received during such Fiscal Year in the amount of \$50,000 or less with respect to any individual occurrence, and (iii) if the aggregate amount of such cash received during any Fiscal Year exceeds \$800,000, shall include all such cash received in excess of \$800,000 during such Fiscal Year, regardless of the amount per occurrence.

“Facing Fee” has the meaning given such term in Section 2.07(d).

“FASB” means the Financial Accounting Standards Board.

“Fee Determination Date” has the meaning given such term in Section 2.07(b).

“Fee Letter” means that certain letter agreement dated September 2, 2014, among the Administrative Agent, the Lead Arranger and the Borrower, relating to the terms of this Agreement, and certain fees from time to time payable by the Borrower to the Lead Arranger, the Lenders and the Administrative Agent, together with all amendments and modifications thereto.

“Financing” means (i) any transaction or series of transactions for the incurrence by a Loan Party of any Debt or for the establishment of a commitment to make advances which would constitute Debt of a Loan Party and not by its terms subordinate and junior to other Debt of a Loan Party, (ii) an obligation incurred in a transaction or series of transactions in which assets of a Loan Party are sold and leased back, or (iii) a sale of accounts or other receivables or any interest therein.

“Fiscal Quarter” means any fiscal quarter of the Borrower.

“Fiscal Year” means any fiscal year of the Borrower.

“Fixed Charge Coverage Ratio” means, as of any date of measurement, the ratio of (i) the sum of Consolidated EBITDA for the four-quarter period ending on such date minus cash taxes for such four-quarter period minus Capital Expenditures for such four-quarter period minus Restricted Payments (other than those described in clause (ii) of the definition thereof) made in cash for such four-quarter period, to (ii) the sum of current maturities of long-term debt of the Borrower and its Consolidated Subsidiaries for such four-quarter period and consolidated interest expense for such four-quarter period, in each case as measured for Borrower and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP. Notwithstanding

the foregoing, (1) with respect to debt incurred by the Borrower and/or any Consolidated Subsidiary (without duplication) in connection with any NMTC Transaction, (a) clause (ii) above shall include the portion thereof constituting NMTC Put Option Debt, (b) clause (ii) above shall exclude the entire portion thereof constituting NMTC Excluded Debt if such NMTC Excluded Debt is unsecured, non-amortizing and subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent, and (c) if such NMTC Excluded Debt is secured, amortizing or not subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent, or if any NMTC Recapture Event has occurred, clause (ii) above shall only exclude the amount of any loans made by the Borrower and/or such Consolidated Subsidiary in connection with such NMTC Transaction, and (2) in the event the Borrower shall guarantee any debt of a Consolidated Subsidiary incurred in connection with any NMTC Transaction, such guarantee and such debt shall not be double-counted.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“Frederick County Clerk’s Office” means the Clerk’s Office of the Circuit Court for Frederick County, Virginia.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to the Letter of Credit Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding Letter of Credit Obligations with respect to Letters of Credit issued hereunder (other than Letter of Credit Obligations as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof), and (b) with respect to the Swing Line Lender, such Defaulting Lender’s Applicable Percentage of outstanding Swing Advances made hereunder (other than Swing Advances as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders in accordance with the terms hereof).

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America, applied on a basis consistent with those which, in accordance with Section 1.02, are to be used in making the calculations for purposes of determining compliance with the terms of this Agreement.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” by any Person means any obligation, contingent or otherwise, of such Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to secure, purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep-well, to purchase assets, goods, securities or services, to provide collateral security, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for the purpose of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“Guaranteed Obligations” means the Secured Obligations, including without limitation, any and all liabilities, indebtedness and obligations of any and every kind and nature, heretofore, now or hereafter owing, arising, due or payable from the Borrower to one or more of the Lenders, the Letter of Credit Issuer, the Hedge Counterparties, any Secured Party, the Administrative Agent, or any of them, arising under or evidenced by this Agreement, the Notes, the Collateral Documents or any other Loan Document. Notwithstanding the foregoing, with respect to any Guarantor, “Guaranteed Obligations” shall not include any Excluded Swap Obligations of such Guarantor.

“Guarantors” means, collectively, each direct and indirect Subsidiary acquired, formed or otherwise in existence after the Closing Date and required to become a party to this Agreement as a Guarantor pursuant to Section 5.24.

“Hazardous Materials” means (a) solid or hazardous waste, as defined in the Resource Conservation and Recovery Act of 1980, 42 U.S.C. §6901 et seq. and its implementing regulations and amendments, or in any applicable state or local law or regulation, (b) any “hazardous substance,” “pollutant” or “contaminant,” as defined in CERCLA, or in any applicable state or local law or regulation, (c) gasoline, or any other petroleum product or by-product, including crude oil or any fraction thereof, (d) toxic substances, as defined in the Toxic Substances Control Act of 1976, or in any applicable state or local law or regulation and (e) insecticides, fungicides, or rodenticides, as defined in the Federal Insecticide, Fungicide, and Rodenticide Act of 1975, or in any applicable state or local law or regulation, as each such Act, statute or regulation may be amended from time to time.

“Hedge Counterparty” means any Lender or any of Affiliate thereof, as applicable.

“Hedge Transaction” of any Person means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by such Person that is a rate swap, basis swap, forward rate transaction, commodity swap, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collateral transaction, forward

transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

“Hedging Agreement” means each agreement between the Borrower and a Hedge Counterparty that governs one or more Hedge Transactions entered into pursuant to Section 5.30, which agreement shall consist of a “Master Agreement” in a form published by the International Swaps and Derivatives Association, Inc., together with a “Schedule” thereto in the form the Administrative Agent shall approve in writing, and each “Confirmation” thereunder confirming the specific terms of each such Hedge Transaction.

“Hedging Obligations” of any Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired under (i) any and all Hedge Transactions, (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedge Transactions and (iii) any and all renewals, extensions and modifications of any Hedge Transactions and any and all substitutions for any Hedge Transactions; provided, however, that with respect to any Guarantor, Hedging Obligations Guaranteed by such Guarantor shall exclude all Excluded Swap Obligations.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Interest Payment Date” means the first day of each month.

“Interest Period” means with respect to all Borrowings, a calendar month (commencing on the first day of each calendar month and ending on the last day of each calendar month regardless of whether any Borrowing is outstanding on either date); provided, that:

- (a) the initial Interest Period shall mean the period commencing on the Closing Date and ending November 30, 2014; and
- (b) the last Interest Period under this Agreement shall end on the Termination Date.

“Inventory” has the meaning set forth in the Security Agreement.

“Investment” means any investment in any Person, whether by means of (i) purchase or acquisition of all or substantially all of the assets of such Person (or of a division or line of business of such Person), (ii) purchase or acquisition of obligations or securities of such Person, (iii) capital contribution to such Person, (iv) loan or advance to such Person, (v) making of a time deposit with such Person, (vi) Guarantee or assumption of any obligation of such Person or (vii) by any other means.

“IP Security Agreement” has the meaning set forth in the Security Agreement.

“Joinder Agreement” means a Joinder and Reaffirmation Agreement substantially in the form of Exhibit J.

“Lead Arranger” means BB&T Capital Markets, and its successors.

“Lender” means each lender listed on the signature pages hereof as having a Revolver Commitment, and its successors and assigns. Unless the context otherwise requires, each reference to a Lender shall include the Swing Line Lender.

“Lending Office” means, as to each Lender, its office located at its address set forth on the signature pages hereof (or identified on the signature pages hereof as its Lending Office) or such other office as such Lender may hereafter designate as its Lending Office by notice to the Borrower and the Administrative Agent.

“Letter of Credit” means a letter of credit issued by the Letter of Credit Issuer for the account of the Borrower pursuant to Article XI, and shall include the Existing Letter of Credit.

“Letter of Credit Application Agreement” means, with respect to a Letter of Credit, such form of application therefor (whether in a single or several documents) as the Letter of Credit Issuer may employ in the ordinary course of business for its own account, whether or not providing for collateral security, with such modifications thereto as may be agreed upon by the Letter of Credit Issuer and the Borrower and are not materially adverse to the interests of the Lenders; provided, however, that in the event of any conflict between the terms of any Letter of Credit Application Agreement and this Agreement with respect to (i) any fees payable in connection with any Letter of Credit, (ii) the interest rate applicable to unreimbursed drawings under any Letter of Credit, or (iii) the collateral securing any Letter of Credit, the terms of this Agreement shall control.

“Letter of Credit Fee” has the meaning set forth in Section 2.07(c).

“Letter of Credit Issuer” means BB&T, in its capacity as issuer of each Letter of Credit pursuant to Article XI, and its successors and permitted assigns in such capacity.

“Letter of Credit Obligations” means, at any particular time, the sum of (a) the Reimbursement Obligations at such time, (b) the aggregate maximum amount available for drawing under the Letters of Credit at such time and (c) the aggregate maximum amount available for drawing under Letters of Credit the issuance of which has been authorized by the Letter of Credit Issuer but which have not yet been issued.

“Lien” means, with respect to any asset, any mortgage, deed to secure debt, deed of trust, lien, pledge, charge, security interest, security title, or preferential arrangement which has the practical effect of constituting a security interest or encumbrance, servitude or encumbrance of any kind in respect of such asset to secure or assure payment of a Debt or a Guarantee, whether by consensual agreement or by operation of statute or other law, or by any agreement, contingent or otherwise, to provide any of the foregoing. For the purposes of this Agreement, the Borrower, any Guarantor or any Subsidiary shall be deemed to own subject to a Lien any asset which it has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such asset.

“Loan Documents” means this Agreement, the Notes, the Letter of Credit Application Agreements, the Collateral Documents, the Fee Letter, any other document evidencing or securing the Advances or the Letters of Credit, and any other document or instrument delivered by any Loan Party from time to time in connection with this Agreement, the Notes, the Letter of Credit Application Agreements, the Collateral Documents, the Fee Letter, the Advances or the Letters of Credit, as such documents and instruments may be amended, modified, restated or supplemented from time to time.

“Loan Parties” means, collectively, the Borrower and the Guarantors.

“London InterBank Offered Rate” means, for each Interest Period, the rate per annum determined on the basis of the rate for deposits in Dollars offered for a term of one month, which rate appears on the display designated as Reuters Screen LIBOR01 Page (or such other successor page as may replace Reuters Screen LIBOR01 Page or such other service or services as may be nominated by the British Banker’s Association for the purpose of displaying London InterBank Offered Rates for U.S. dollar deposits) determined as of 11:00 A.M. London, England time, on the first day of such Interest Period (or on the immediately preceding Euro-Dollar Business Day if the first day of such Interest Period is not a Euro-Dollar Business Day), provided, that if no such offered rates appear on such page, the “London InterBank Offered Rate” for such Interest Period will be the arithmetic average (rounded upward, if necessary, to the next higher 1/100th of 1%) of rates quoted by not less than two (2) major lenders in New York City, selected by the Administrative Agent, at approximately 10:00 A.M., New York City time, on the first day of such Interest Period (or on the immediately preceding Euro-Dollar Business Day if the first day of such Interest Period is not a Euro-Dollar Business Day), for deposits in Dollars offered by leading European banks for a period comparable to such Interest Period in an amount comparable to the principal amount of such Euro-Dollar Advance.

“Lowe’s” means Lowe’s Companies, Inc., a North Carolina corporation.

“Lowe’s Consignment Agreements” means, collectively, (i) the Master Standard Buying Agreement dated January 5, 2007, between Lowe’s and the Borrower, and (ii) the Consignee Agreement dated March 2008, among Lowe’s, BB&T and the Borrower.

“Margin and Fee Rate Report” has the meaning given such term in Section 5.01(j).

“Margin Stock” means “margin stock” as defined in Regulations T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time, together with all official rulings and interpretations issued thereunder.

“Material Adverse Effect” means, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences, whether or not related, a material adverse change in, or a material adverse effect upon, any of (a) the financial condition, operations, business or properties of the Borrower and its consolidated Subsidiaries taken as a whole, (b) the rights and remedies of the Administrative Agent or the Lenders under

the Loan Documents, or the ability of the Borrower or any other Loan Party to perform its obligations under the Loan Documents to which it is a party, as applicable, or (c) the legality, validity or enforceability of any Loan Document.

“Material Contract” has the meaning given such term in Section 4.33.

“Multiemployer Plan” shall have the meaning set forth in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds” means:

(a) with respect to any Disposition by any Loan Party or any Applicable Subsidiary thereof, or any Extraordinary Receipt received or paid to the account of any Loan Party or any Applicable Subsidiary thereof, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any Debt that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Debt hereunder or under the Loan Documents), (B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Applicable Subsidiary in connection with such transaction, and (C) income taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant to clause (C) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds; and

(b) with respect to the sale or issuance of any Capital Securities by any Loan Party or any Applicable Subsidiary thereof, or the incurrence or issuance of any Debt by any Loan Party or any Applicable Subsidiary thereof, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such transaction over (ii) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by such Loan Party or such Subsidiary in connection therewith.

“Net Income Exclusions” means the items listed on Schedule 1.01.

“Nevada Deed of Trust” means the Deed of Trust dated as of January 6, 2012, from the Borrower to the trustee named therein for the benefit of the Administrative Agent on behalf of the Secured Parties, covering the Nevada Property, recorded in the Official Records of Lyon County, Nevada, on January 9, 2012, as Document No. 486083, as it may be amended, restated, supplemented or otherwise modified from time to time (including by the Nevada Deed of Trust Amendment).

“Nevada Deed of Trust Amendment” means the Modification to Deed of Trust by and among the Borrower, the trustee named therein and the Administrative Agent, in form and substance satisfactory to the Administrative Agent, to be recorded in the Official Records of Lyon County, Nevada.

“Nevada Property” means the real estate and personal property relating to the facility owned by the Borrower and located in Lyon County, Nevada.

“Nevada Title Policy” means ALTA Loan Policy Number NCS-494665-HHLV dated January 9, 2012, issued by First American Title Insurance Company, and any amendments or endorsements thereto.

“NMTC Excluded Debt” means, with respect to any NMTC Transaction, (i) the amount of any Debt incurred by the Borrower and/or any Subsidiary (without duplication) in connection with such NMTC Transaction, minus (ii) any NMTC Put Option Debt relating thereto.

“NMTC Program” means the New Market Tax Credit Program enacted by the United States Congress as part of the Community Renewal Tax Relief Act of 2000 (and codified as Section 45D of the Code), or any similar program adopted by any state or local government or Governmental Authority, which permits certain individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in qualified community development entities.

“NMTC Put Option Debt” means, with respect to any NMTC Transaction, the obligations of the Borrower and/or any Subsidiary (without duplication) under any put/call option agreement entered into in connection with such NMTC Transaction, assuming the put is exercised.

“NMTC Recapture Event” means any recapture event (within the meaning of the NMTC Program) resulting in all or any portion of any NMTC Excluded Debt becoming due and payable by the Borrower and/or any applicable Subsidiary.

“NMTC Transaction” means a transaction in which the Borrower and/or any Subsidiary (as a qualified low-income community business) obtains a qualified low-income community investment from a qualified community development entity, in each case under, and within the meanings set forth in, the NMTC Program.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Notes” means, collectively, the Revolver Notes and the Swing Advance Note, and any and all amendments, consolidations, modifications, renewals, substitutions, restatements and supplements thereto or replacements thereof. “Note” means any one of such Notes.

“Notice of Borrowing” has the meaning set forth in Section 2.02.

“Notice of Conversion” has the meaning set forth in Section 2.03.

“Obligations” means the collective reference to all of the following indebtedness obligations and liabilities: (a) the due and punctual payment by the Borrower of: (i) the principal of and interest on the Notes (including without limitation, any and all Revolver Advances and Swing Advances), when and as due, whether at maturity, by acceleration, upon

one or more dates set for prepayment or otherwise, and any renewals, modifications, restatements, or extensions thereof, in whole or in part; (ii) each payment required to be made by the Borrower under this Agreement and the Letter of Credit Application Agreements, when and as due, including payments in respect of reimbursement of disbursements, interest thereon, and obligations, if any, to provide Cash Collateral and any renewals, modifications or extensions thereof, in whole or in part; and (iii) all other monetary obligations of the Borrower to the Secured Parties under this Agreement and the other Loan Documents to which the Borrower is or is to be a party and any renewals, modifications or extensions thereof, in whole or in part; (b) the due and punctual performance of all other obligations of the Borrower under this Agreement and the other Loan Documents to which the Borrower is or is to be a party, and any renewals, modifications or extensions thereof, in whole or in part; and (c) the due and punctual payment and performance of all obligations of each of the Guarantors under this Agreement and the other Loan Documents to which they are or are to be a party and any and all renewals, modifications, restatements or extensions thereof, in whole or in part.

“OFAC” means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

“Officer’s Certificate” has the meaning set forth in Section 3.01(e).

“Olive Branch Property” means all real and personal property of the Borrower located in Olive Branch, Mississippi.

“Operating Account” means the Borrower’s demand deposit account at any time with the Administrative Agent. The term “Operating Account” shall be deemed to include any substitute or replacement account at the Administrative Agent.

“Operating Documents” means with respect to any corporation, limited liability company, partnership, limited partnership, limited liability partnership or other legally authorized incorporated or unincorporated entity, the bylaws, operating agreement, partnership agreement, limited partnership agreement, shareholder agreement or other applicable documents relating to the operation, governance or management of such entity.

“Organizational Action” means with respect to any corporation, limited liability company, partnership, limited partnership, limited liability partnership or other legally authorized incorporated or unincorporated entity, any corporate, organizational or partnership action (including any required shareholder, member or partner action), or other similar official action, as applicable, taken by such entity.

“Organizational Documents” means with respect to any corporation, limited liability company, partnership, limited partnership, limited liability partnership or other legally authorized incorporated or unincorporated entity, the articles of incorporation, certificate of incorporation, articles of organization, certificate of limited partnership or other applicable organizational or charter documents relating to the creation of such entity.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Participant” has the meaning set forth in Section 9.07(d).

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001, as amended from time to time, and any successor statute, including the rules or regulations promulgated thereunder, in each case as in effect from time to time.

“PBGC” means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Permitted Discretion” means a determination made in the exercise of reasonable (from the perspective of a secured lender) business judgment.

“Person” means a natural person, a corporation, a limited liability company, a partnership (including without limitation, a joint venture), an unincorporated association, a trust or any other entity or organization, including, but not limited to, a government or political subdivision or an agency or instrumentality thereof.

“Plan” means at any time an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and is either (i) maintained by a member of the Controlled Group for employees of any member of the Controlled Group or (ii) maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding 5 plan years made contributions.

“Pledge Agreement” means any Pledge Agreement pursuant to which the Borrower and, if applicable, any Pledgor Subsidiary pledges to the Administrative Agent for the benefit of the Secured Parties, among other things, (i) all of the capital stock and equity interests of the Guarantors and of each other current or future Domestic Subsidiary; and (ii) sixty-five percent (65%) of the capital stock and equity interests of each current or future Direct Foreign Subsidiary.

“Pledgor Subsidiary” has the meaning set forth in Section 5.24.

“Poly Business” means the Borrower’s lines of business related to polyethylene film conversion operations.

“Prime Rate” refers to that interest rate so denominated and set by BB&T from time to time as an interest rate basis for borrowings. The Prime Rate is but one of several interest rate bases used by BB&T. BB&T lends at interest rates above and below the Prime Rate.

“Proceeds” shall have the meaning given to it under the UCC and shall include without limitation the collections and distributions of Collateral, cash or non-cash.

“Properties” means all real property owned, leased or otherwise used or occupied by a Loan Party or any Subsidiary of a Loan Party. “Property” means any one of such Properties. Notwithstanding the foregoing, “Properties” shall not include the Olive Branch Property.

“Qualified ECP Guarantor” means, in respect of any Regulated Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Regulated Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Quarterly Payment Date” means each March 31, June 30, September 30 and December 31, or, if any such day is not a Domestic Business Day, the next succeeding Domestic Business Day.

“Redeemable Preferred Securities” of any Person means any preferred stock or similar Capital Securities (including, without limitation, limited liability company membership interests and limited partnership interests) issued by such Person which is at any time prior to the Termination Date either (i) mandatorily redeemable (by sinking fund or similar payments or otherwise) or (ii) redeemable at the option of the holder thereof.

“Register” has the meaning set forth in Section 9.07(c).

“Regulated Swap Obligation” means any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“Reimbursement Obligations” means the reimbursement or repayment obligations of the Borrower to the Letter of Credit Issuer pursuant to Section 11.05 with respect to amounts drawn on Letters of Credit.

“Related Fund” means, with respect to any Lender that is a Fund that invests in lender loans, any other fund that invests in lender loans and is advised or managed by the same investment advisor as such Lender.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Required Lenders” means (i) for any period during which there are two or fewer non-affiliated Lenders, all Lenders, and (ii) during any other period, Lenders having at least 66-2/3% of the aggregate amount of the Revolver Commitments of all of the Lenders or, if the Revolver Commitments are no longer in effect, Lenders holding at least 66-2/3% of the

aggregate outstanding principal amount of the Revolver Notes and the Letter of Credit Obligations. The unfunded Revolver Commitments of, and the outstanding Advances held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Restricted Payment” means (i) any dividend or other distribution on any shares of the Borrower’s Capital Securities (except dividends payable solely in shares of its Capital Securities); or (ii) any payment on account of the purchase, redemption, retirement or acquisition of (a) any shares of the Borrower’s Capital Securities (except shares acquired upon the conversion thereof into other shares of its Capital Securities) or (b) any option, warrant or other right to acquire shares of the Borrower’s Capital Securities.

“Revolver Advance” means an advance made to the Borrower under this Agreement pursuant to Section 2.01(a) or, if the context so requires, a Swing Advance made to the Borrower under this Agreement pursuant to Section 2.01(b).

“Revolver Commitment” means, with respect to each Lender, (i) the applicable amount set forth opposite the name of such Lender on the signature pages hereof, or (ii) as to any Lender which enters into an Assignment and Assumption (whether as transferor Lender or as assignee thereunder), the amount of such Lender’s Revolver Commitment after giving effect to such Assignment and Assumption, in each case as such amount may be reduced from time to time pursuant to Sections 2.08 and 2.09, and as such amount may be increased pursuant to Section 2.14.

“Revolver Notes” means the promissory notes of the Borrower, substantially in the form of Exhibit C hereto, evidencing the obligation of the Borrower to repay the Revolver Advances, together with all amendments, consolidations, modifications, renewals, substitutions and supplements thereto or replacements thereof and “Revolver Note” means any one of such Revolver Notes.

“Sale/Leaseback Transaction” means any arrangement with any Person providing, directly or indirectly, for the leasing by any Loan Party or any of its Subsidiaries of real or personal property which has been or is to be sold or transferred by any Loan Party or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of any Loan Party or such Subsidiary.

“Sanctioned Entity” means (i) a country or a government of a country, (ii) an agency of the government of a country, (iii) an organization directly or indirectly controlled by a country or its government, (iv) a person or entity resident in or determined to be resident in a country, that is subject to a country sanctions program administered and enforced by OFAC described or referenced at <http://www.ustreas.gov/offices/enforcement/ofac/> or as otherwise published from time to time.

“SEC” means the United States Securities and Exchange Commission, and any successor thereto.

“Secured Obligations” means all Obligations and all Additional Secured Obligations. Notwithstanding the foregoing, with respect to any Guarantor, “Secured Obligations” shall not include any Excluded Swap Obligations of such Guarantor.

“Secured Parties” means, collectively: (1) the Administrative Agent (including in its capacity as Collateral Agent), (2) each Lender (including in such Lender’s capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable), (3) each Affiliate of a Lender in such Affiliate’s capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable, (4) the Swing Line Lender, (5) the Letter of Credit Issuer, and (6) the respective successors and assigns of each of the foregoing.

“Security Agreement” means the Second Amended and Restated Security Agreement dated as of even date herewith, by and among the Borrower, the Guarantors and the Administrative Agent for the benefit of the Secured Parties, to be executed and delivered in connection herewith.

“Stated Termination Date” means November 20, 2019.

“Subordinated Debt” means Debt subordinated to the Obligations by subordination agreements reasonably satisfactory to the Required Lenders in their sole discretion.

“Subsidiary” of any Person means a corporation, partnership or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interest having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“Swing Advance” means an Advance made by the Swing Line Lender pursuant to Section 2.01(b), which must be a Base Rate Advance.

“Swing Advance Note” means the promissory note of the Borrower, substantially in the form of Exhibit D, evidencing the obligation of the Borrower to repay the Swing Advances, together with all amendments, consolidations, modifications, renewals, and supplements thereto.

“Swing Line Lender” means BB&T, in its capacity as the maker of each Swing Advance pursuant to Section 2.01(b), and its successors and permitted assigns in such capacity.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Termination Date” means the earliest to occur of (i) the Stated Termination Date, (ii) the date the Revolver Commitments of all of the Lenders are terminated pursuant to Section 6.01 following the occurrence of an Event of Default, and (iii) the date the Borrower terminates the Revolver Commitments of all of the Lenders entirely pursuant to Section 2.08.

“The Home Depot” means Home Depot U.S.A., Inc., a Delaware corporation.

“The Home Depot Consignment Agreements” means, collectively, (i) the Product Handling Agreement dated March 13, 2006, between The Home Depot and the Borrower, and (ii) the letter agreement dated March 16, 2007, among The Home Depot, BB&T and the Borrower.

“Third Parties” means all lessees, sublessees, licensees and other users of the Properties, excluding those users of the Properties in the ordinary course of the Borrower’s business and on a temporary basis.

“Total Unused Revolver Commitments” means, at any date, an amount equal to: (A) the aggregate amount of the Revolver Commitments of all of the Lenders at such time, less (B) the sum of the aggregate outstanding principal amount of the Revolver Advances of all of the Lenders at such time and the Letter of Credit Obligations.

“UCC” has the meaning set forth in the Security Agreement.

“Undrawn Amounts” means, as of any date, the aggregate undrawn amount of all Letters of Credit then issued and outstanding.

“Unused Commitment” means, at any date, with respect to any Lender, an amount equal to its Revolver Commitment less the sum of (a) the aggregate outstanding principal amount of its Revolver Advances (excluding for purposes of Section 2.07 from such Revolver Advances, its Applicable Percentage of Swing Advances (and in the case of BB&T, excluding from BB&T’s Revolver Advances all Swing Advances)), and (b) its Applicable Percentage of Letter of Credit Obligations.

“USPTO” has the meaning set forth in the Security Agreement.

“Voting Stock” means securities (as such term is defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to cast votes in any election of any corporate directors (or Persons performing similar functions).

“Wholly-Owned Subsidiary” means any Subsidiary all of the Capital Securities of which are at the time directly or indirectly owned by the Borrower or any Loan Party.

“Winchester Clerk’s Office” means the Clerk’s Office of the Circuit Court for the City of Winchester, Virginia.

“Winchester Deed of Trust” means the Amended and Restated Credit Line Deed of Trust dated as of November 4, 2009, from the Borrower to the trustee named therein for the

benefit of the Administrative Agent on behalf of the Secured Parties, covering the Winchester Property, recorded in the Frederick County Clerk's Office on November 4, 2009, as Instrument No. 090012178, and recorded in the Winchester Clerk's Office on November 4, 2009, as Instrument No. 090002943, as amended by the Modification to Amended and Restated Credit Line Deed of Trust dated as of January 6, 2012, by and among the Borrower, the trustee named therein and the Administrative Agent, recorded in the Frederick County Clerk's Office on January 6, 2012, as Instrument No. 120000146, and recorded in the Winchester Clerk's Office on January 6, 2012, as Instrument No. 120000040, and as it further may be amended, restated, supplemented or otherwise modified from time to time (including by the Winchester Deed of Trust Amendment).

"Winchester Deed of Trust Amendment" means the Second Modification to Amended and Restated Credit Line Deed of Trust by and among the Borrower, the trustee named therein and the Administrative Agent, increasing the principal amount secured by the Winchester Deed of Trust to \$16,500,000 and otherwise in form and substance satisfactory to the Administrative Agent, to be recorded in the Frederick County Clerk's Office and the Winchester Clerk's Office.

"Winchester Property" means the real estate owned by the Borrower and personal property relating to the Borrower's facility located in Winchester, Virginia.

"Winchester Title Policy" means ALTA Loan Policy Number VMDL.E811553646 dated November 4, 2009, issued by First American Title Insurance Company, and any amendments or endorsements thereto.

SECTION 1.02. Accounting Terms and Determinations.

(a) Unless otherwise specified herein, all terms of an accounting character used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants or otherwise required by a change in GAAP) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Administrative Agent for distribution to the Lenders, unless with respect to any such change concurred in by the Borrower's independent public accountants or required by GAAP, in determining compliance with any of the provisions of this Agreement or any of the other Loan Documents: (i) the Borrower shall have objected to determining such compliance on such basis at or prior to the time of delivery of such financial statements, or (ii) the Required Lenders shall so object in writing within thirty (30) calendar days after the delivery of such financial statements, in either of which events such calculations shall be made on a basis consistent with those used in the preparation of the most recent financial statements provided by the Borrower prior to such change (which, if objection is made in respect of the first financial statements delivered under Section 5.01 hereof, shall mean the financial statements referred to in Section 4.04).

(b) If at any time any change in GAAP after the Closing Date would affect the computation of any financial ratio, term or requirement set forth in any Loan Document then

either the Borrower or the Required Lenders may by notice to the Lenders and the Borrower, respectively, require that the Lenders and the Borrower negotiate in good faith to amend such financial ratio, term or requirement so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Borrower and its Subsidiaries shall be the same as if such change had not been made. No delay by the Borrower or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such financial ratio, term or requirement is amended in accordance with this Section, such financial ratio, term or requirement shall continue to be computed in accordance with GAAP prior to such change. Without limiting the generality of the foregoing, the Borrower shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof.

(c) Notwithstanding any other provisions contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159, The Fair Value Option for Financial Assets and Financial Liabilities, or any successor thereto (including pursuant to the Accounting Standards Codification), or under any similar accounting standard, to value any Debt of the Borrower or any Subsidiary at "fair value" or any similar valuation standard, as defined therein.

SECTION 1.03. Use of Defined Terms.

All terms defined in this Agreement shall have the same meanings when used in any of the other Loan Documents, unless otherwise defined therein or unless the context shall otherwise require.

SECTION 1.04. Terms Generally.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time; (f) the words "asset" and "property" shall be

construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights; and (g) titles of Articles and Sections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

ARTICLE II
THE CREDIT

SECTION 2.01. Commitments to Make Advances.

(a) Revolver Advances. Each Lender severally agrees, on the terms and conditions set forth herein, to make Revolver Advances to the Borrower from time to time before the Termination Date; provided, that, immediately after each such Revolver Advance is made, the aggregate outstanding principal amount of Revolver Advances by such Lender together with such Lender's Applicable Percentage of the aggregate outstanding principal amount of all Swing Advances and Letter of Credit Obligations shall not exceed the amount of the Revolver Commitment of such Lender at such time; provided further that the aggregate principal amount of all Revolver Advances, together with the aggregate principal amount of all Letter of Credit Obligations and Swing Advances shall not exceed the aggregate amount of the Revolver Commitments of all of the Lenders at such time. Each Revolver Borrowing under this Section 2.01(a) shall be in an aggregate principal amount of \$500,000 or any larger multiple of \$100,000 (except that any such Revolver Borrowing may be in the aggregate amount of the Total Unused Revolver Commitments) and shall be made from the several Lenders ratably in proportion to their respective Revolver Commitments. Within the foregoing limits, the Borrower may borrow under this Section 2.01(a), repay or, to the extent permitted by Section 2.10, prepay Revolver Advances and reborrow under this Section 2.01(a) at any time before the Termination Date.

(b) Swing Advances. In addition to the foregoing, the Swing Line Lender shall from time to time, upon the request of the Borrower, if the applicable conditions precedent in Article III have been satisfied, make Swing Advances to the Borrower in an aggregate principal amount at any time outstanding not exceeding \$5,000,000; provided, that, immediately after such Swing Advance is made, the conditions set forth in Section 2.01(a) shall have been satisfied. Each Swing Line Borrowing under this Section 2.01(b) shall be in an aggregate principal amount of \$100,000 or any larger multiple of \$50,000. Within the foregoing limits, the Borrower may borrow under this Section 2.01(b), prepay and reborrow under this Section 2.01(b) at any time before the Termination Date. Solely for purposes of calculating fees under Section 2.07(a), Swing Advances shall not be considered a utilization of the Revolver Commitment of BB&T or any other Lender hereunder. All Swing Advances shall be made as Base Rate Advances. On the fifth Domestic Business Day following the making of any Swing Borrowing under this Section 2.01(b), such Swing Borrowing shall automatically be refinanced by a Revolver Borrowing under Section 2.02. If for any reason a Swing Borrowing cannot be refinanced by such a Revolver Borrowing on such fifth Domestic Business Day, then each Lender other than Swing Line Lender shall purchase a participating interest in such Swing Advances in an amount equal to its ratable share (based upon its respective Revolver Commitment) of such Swing Advances. On such fifth Domestic Business Day, each Lender will immediately transfer to the Swing Line Lender, in immediately available funds, the amount of its participation. Whenever,

at any time after the Swing Line Lender has received from any such Lender its participating interest in a Swing Advance, the Administrative Agent receives any payment on account thereof, the Administrative Agent will distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that in the event that such payment received by the Administrative Agent is required to be returned, such Lender will return to the Administrative Agent any portion thereof previously distributed by the Administrative Agent to it. Each Lender's obligation to purchase such participating interests shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation: (i) any set-off, counterclaim, recoupment, defense or other right which such Lender or any other Person may have against the Swing Line Lender requesting such purchase or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or Event of Default or the termination of the Revolver Commitments; (iii) any adverse change in the condition (financial, business or otherwise) of any Loan Party or any other Person; (iv) any breach of this Agreement by the Borrower, any other Loan Party or any other Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

SECTION 2.02. Method of Borrowing Advances.

(a) The Borrower shall give the Administrative Agent notice in the form attached hereto as Exhibit A (a "Notice of Borrowing") prior to 11:00 A.M. (Eastern time) (i) at least two (2) Domestic Business Days before any requested Revolver Borrowing, or (ii) on the Domestic Business Day of any requested Swing Line Borrowing, specifying:

(i) the date of such Borrowing, which shall be a Domestic Business Day,

(ii) the aggregate amount of such Borrowing,

(iii) whether such Borrowing is to be a Revolver Borrowing or a Swing Line Borrowing; and

(iv) in the case of a Revolver Borrowing, whether the Advances comprising such Borrowing are to be Base Rate Advances or Euro-Dollar Advances.

(b) Upon receipt of a Notice of Borrowing, the Administrative Agent shall promptly notify each Lender of the contents thereof and (unless such Borrowing is a Swing Line Borrowing) of such Lender's ratable share of such Borrowing and such Notice of Borrowing, once received by the Administrative Agent, shall not thereafter be revocable by the Borrower.

(c) Not later than 11:00 A.M. (Eastern time) on the date of each Revolver Borrowing, each Lender shall make available its ratable share of such Borrowing, in Federal or other funds immediately available in Winston-Salem, North Carolina, to the Administrative Agent at its address referred to in or specified pursuant to Section 9.01. Unless the Administrative Agent determines that any applicable condition specified in Article III has not been satisfied, the Administrative Agent will disburse such funds so received from the Lenders to the Borrower. In the case of a Swing Line Borrowing, not later than 2:00 P.M. (Eastern time) on the date thereof, the Swing Line Lender will make available to the Borrower the amount of such Swing Line Borrowing.

(d) In the event that a Notice of Borrowing fails to specify whether the Advances comprising a Revolver Borrowing are to be Base Rate Advances or Euro-Dollar Advances, such Advances shall be made as Euro-Dollar Advances. If the Borrower is otherwise entitled under this Agreement to repay any Advances maturing at the end of an Interest Period with the proceeds of a new Borrowing, and the Borrower fails to repay such Advances using its own moneys and fails to give a Notice of Borrowing in connection with such new Borrowing, a new Borrowing shall be deemed to be made on the date such Advances mature in an amount equal to the principal amount of the Advances so maturing, and the Advances comprising such new Borrowing shall be Euro-Dollar Advances.

SECTION 2.03. Conversion Elections.

By delivering a notice (a "Notice of Conversion"), which shall be substantially in the form of Exhibit E, to the Administrative Agent on or before 12:00 P.M., Eastern time, on a Domestic Business Day, the Borrower may from time to time irrevocably elect, by notice one Domestic Business Day prior, that all, or any portion in an aggregate principal amount of \$500,000 or any larger integral multiple of \$100,000 be, (i) in the case of Base Rate Advances, converted into Euro-Dollar Advances, so long as no Event of Default shall have occurred and is then continuing, or (ii) in the case of Euro-Dollar Advances, converted into Base Rate Advances; provided, however, that each such conversion shall be pro rated among the applicable outstanding Advances of all Lenders that have made such Advances.

SECTION 2.04. Notes.

The Revolver Advances of each Lender shall be evidenced by a single Revolver Note payable to the order of such Lender for the account of its Lending Office in an amount equal to the original principal amount of such Lender's Revolver Commitment. Upon the request of the Swing Line Lender, the Swing Advances may be evidenced by a single Swing Advance Note payable to the order of the Swing Line Lender in the original principal amount of \$5,000,000. Upon receipt of each Lender's Notes pursuant to Section 3.01, the Administrative Agent shall deliver such Notes to such Lender. Each Lender shall record, and prior to any transfer of its Notes shall endorse on the schedules forming a part thereof appropriate notations to evidence, the date, amount and maturity of, and effective interest rate for, each Advance made by it thereunder, the date and amount of each payment of principal made by the Borrower with respect thereto and such schedule shall be conclusive evidence, in the absence of manifest error, of the principal amount owing and unpaid on such Lender's Notes; provided, that the failure of any Lender to make, or any error in making, any such recordation or endorsement shall not affect the obligation of the Borrower hereunder or under the Notes or the ability of any Lender to assign its Notes. Each Lender is hereby irrevocably authorized by the Borrower so to endorse its Notes and to attach to and make a part of any Note a continuation of any such schedule as and when required.

SECTION 2.05. Maturity of Advances.

Each Advance included in any Borrowing shall mature, and the principal amount thereof, together with all accrued unpaid interest thereon, shall be due and payable on the Termination Date.

SECTION 2.06. Interest Rates.

(a) "Applicable Margin" shall be determined quarterly based upon the Consolidated Debt to Consolidated EBITDA Ratio, determined as of the last day of each Fiscal Quarter for the Fiscal Quarter then ending as follows:

<u>Consolidated Debt to Consolidated EBITDA Ratio</u>	<u>Euro-Dollar Advances</u>	<u>Base Rate Advances</u>	<u>Letters of Credit</u>
Greater than or equal to 2.50 to 1.0	1.90%	0.90%	1.90%
Greater than or equal to 2.00 to 1.0 but less than 2.50 to 1.0	1.65%	0.65%	1.65%
Greater than or equal to 1.50 to 1.0 but less than 2.00 to 1.0	1.40%	0.40%	1.40%
Less than 1.50 to 1.0	1.15%	0.15%	1.15%

The Applicable Margin shall be determined effective as of the date (herein, the "Rate Determination Date") which is the first calendar day of the first calendar month after the day the Administrative Agent receives the Margin and Fee Rate Report for the Fiscal Quarter for which the Consolidated Debt to Consolidated EBITDA Ratio is being determined, and the Applicable Margin so determined shall remain effective from such Rate Determination Date until the date which is the first calendar day of the first calendar month after the day the Administrative Agent receives the Margin and Fee Rate Report for the Fiscal Quarter in which such Rate Determination Date falls (which latter date shall be a new Rate Determination Date); provided, that (i) for the period from and including the Closing Date to but excluding the Rate Determination Date next following the Closing Date, the Applicable Margin shall be 1.15% for Euro-Dollar Advances, 0.15% for Base Rate Advances and 1.15% for Letters of Credit, and (ii) if on any Rate Determination Date the Borrower shall have failed to deliver to the Lender the Margin and Fee Rate Report required to be delivered pursuant to Section 5.01(j) with respect to the Fiscal Quarter most recently ended prior to such Rate Determination Date, then for the period beginning on such Rate Determination Date and ending on the earlier of the date on which the Borrower shall deliver to the Administrative Agent the Margin and Fee Rate Report to be delivered pursuant to Section 5.01(j) with respect to such Fiscal Quarter, the Advances shall bear interest at a rate per annum determined as if the Consolidated Debt to Consolidated EBITDA

Ratio was greater than 2.50 to 1.0; provided, that (A) at the election of the Required Lenders, the principal amount of the Advances shall bear interest at the Default Rate upon the failure by the Borrower to deliver any Margin and Fee Rate Report as and when due, and (B) for all purposes of calculating the Default Rate, the Applicable Margin shall be determined as if the Consolidated Debt to Consolidated EBITDA Ratio was greater than 2.50 to 1.0 (i) after the occurrence and during the continuance of an Event of Default (other than an Event of Default under Sections 6.01(a), (g) or (h)), if the Required Lenders elect to do so, and (ii) after the occurrence and during the continuance of an Event of Default described in Sections 6.01(a), (g) or (h), automatically whether or not the Required Lenders elect to do so. Any change in the Applicable Margin on any Rate Determination Date shall result in a corresponding change, effective on and as of such Rate Determination Date, in the interest rate applicable to the Advances and in the fees applicable to each Letter of Credit outstanding on such Rate Determination Date; provided, that no Applicable Margin shall be decreased pursuant to this Section 2.06 if a Default or Event of Default is in existence on the Rate Determination Date.

Notwithstanding the foregoing, in the event that any Margin and Fee Rate Report delivered with respect to any Fiscal Quarter is shown to be inaccurate (regardless of whether (i) this Agreement is in effect, (ii) the Revolver Commitments are in effect, or (iii) any Advance is outstanding when such inaccuracy is discovered or such Margin and Fee Rate Report was delivered), and such inaccuracy, if corrected, would have led to the application of a different Applicable Margin for any period (an "Applicable Period") than the Applicable Margin actually applied for such Applicable Period, then (A) the Borrower shall deliver to the Administrative Agent a corrected Margin and Fee Rate Report for such Applicable Period, (B) the Administrative Agent shall recalculate the accrued interest for such Applicable Period by applying the Applicable Margin based on the corrected Margin and Fee Rate Report, (C) if such corrected Margin and Fee Rate Report resulted in the application of a higher Applicable Margin for such Applicable Period, the Borrower shall be obligated to pay to the Administrative Agent, for the ratable benefit of the Lenders, the additional accrued interest owing during such Applicable Period as a result of such higher Applicable Margin, and (D) if such corrected Margin and Fee Rate Report resulted in the application of a lower Applicable Margin for such Applicable Period, the Lenders shall be severally obligated to reimburse the Borrower for the additional accrued interest paid during such Applicable Period as a result of such lower Applicable Margin.

(b) Each Base Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from the date such Advance is made until it becomes due, at a rate per annum equal to the Base Rate for such day plus the Applicable Margin. Such interest shall be payable on each Interest Payment Date while such Base Rate Advance is outstanding and on the date such Base Rate Advance is repaid. Any overdue principal of and, to the extent permitted by applicable law, overdue interest on any Base Rate Advance shall bear interest, payable on demand, for each day until paid in full at a rate per annum equal to the Default Rate.

(c) Each Euro-Dollar Advance shall bear interest on the outstanding principal amount thereof, for each Interest Period, at a rate per annum equal to the sum of: (1) the Applicable Margin, plus (2) the Adjusted London InterBank Offered Rate for such Interest Period. Such interest shall be payable on each Interest Payment Date while such Euro-Dollar Advance is outstanding and on any date such Euro-Dollar Advance is repaid. Any overdue principal of and,

to the extent permitted by applicable law, overdue interest on any Euro-Dollar Advance shall bear interest, payable on demand, for each day until paid in full at a rate per annum equal to the Default Rate.

(d) The Administrative Agent shall determine each interest rate applicable to the Advances hereunder in accordance with the terms of this Agreement. The Administrative Agent shall give prompt notice to the Borrower and the Lenders by telecopy of each rate of interest so determined, and its determination thereof shall be conclusive in the absence of manifest error.

(e) After the occurrence and during the continuance of an Event of Default (other than an Event of Default under Sections 6.01(a), (g) or (h)), the principal amount of the Advances (and, to the extent permitted by applicable law, all accrued interest thereon) may, at the election of the Required Lenders, bear interest at the Default Rate; provided, however, that automatically whether or not the Required Lenders elect to do so, (i) any overdue principal of and, to the extent permitted by law, overdue interest on the Advances shall bear interest payable on demand, for each day until paid at a rate per annum equal to the Default Rate, and (ii) after the occurrence and during the continuance of an Event of Default described in Sections 6.01(a), (g) or (h), the principal amount of the Advances (and, to the extent permitted by applicable law, all accrued interest thereon) shall bear interest payable on demand for each day until paid at a rate per annum equal to the Default Rate.

SECTION 2.07. Fees.

(a) The Borrower shall pay to the Administrative Agent for the ratable account of each Lender an unused commitment fee equal to the product of: (i) the aggregate of the daily average amounts of such Lender's Unused Commitment, times (ii) a per annum percentage equal to the Applicable Fee Rate. Such unused commitment fee shall accrue from and including the Closing Date to and including the Termination Date. Unused commitment fees shall be payable quarterly in arrears on each Quarterly Payment Date and on the Termination Date; provided, that should the Revolver Commitments of all of the Lenders be terminated at any time prior to the Termination Date for any reason, the entire accrued and unpaid fee shall be paid on the date of such termination.

(b) The “Applicable Fee Rate” shall be determined quarterly based upon the Consolidated Debt to Consolidated EBITDA Ratio, determined as of the last day of each Fiscal Quarter for the Fiscal Quarter then ending, as follows:

<u>Consolidated Debt to Consolidated EBITDA Ratio</u>	<u>Applicable Fee Rate</u>
Greater than or equal to 2.50 to 1.0	0.30%
Greater than or equal to 2.00 to 1.0 but less than 2.50 to 1.0	0.25%
Greater than or equal to 1.50 to 1.0 but less than 2.00 to 1.0	0.20%
Less than 1.50 to 1.0	0.15%

The Applicable Fee Rate shall be determined effective as of the date (herein, the “Fee Determination Date”) which is the first calendar day of the first calendar month after the day the Administrative Agent receives the Margin and Fee Rate Report for the Fiscal Quarter for which the Consolidated Debt to Consolidated EBITDA Ratio is being determined, and the Applicable Fee Rate so determined shall remain effective from such Fee Determination Date until the date which is the first calendar day of the first calendar month after the day the Administrative Agent receives the Margin and Fee Rate Report for the Fiscal Quarter in which such Fee Determination Date falls (which latter date shall be a new Fee Determination Date); provided, that (i) for the period from and including the Closing Date to but excluding the Fee Determination Date next following the Closing Date, the Applicable Fee Rate shall be 0.15%, (ii) if, on any Fee Determination Date, the Borrower shall have failed to deliver to the Lender the Margin and Fee Rate Report required to be delivered pursuant to Section 5.01(j) with respect to the Fiscal Quarter most recently ended prior to such Fee Determination Date, then for the period beginning on such Fee Determination Date and ending on the earlier of the date on which the Borrower shall deliver to the Administrative Agent the Margin and Fee Rate Report to be delivered pursuant to Section 5.01(j) with respect to such Fiscal Quarter, the Applicable Fee Rate shall be determined as if the Consolidated Debt to Consolidated EBITDA Ratio was greater than or equal to 2.50 to 1.0, and (iii) the Applicable Fee Rate shall be determined as if the Consolidated Debt to Consolidated EBITDA Ratio was greater than 2.50 to 1.0 (A) after the occurrence and during the continuance of an Event of Default (other than an Event of Default under Sections 6.01(a), (g) or (h)), if the Required Lenders elect to do so, and (B) after the occurrence and during the continuance of an Event of Default described in Sections 6.01(a), (g) or (h), automatically whether or not the Required Lenders elect to do so. In no event shall the Applicable Fee Rate be decreased pursuant to this Section 2.07 if a Default or Event of Default is in existence on the Fee Determination Date.

(c) The Borrower shall pay to the Administrative Agent for the ratable account of each Lender, with respect to each Letter of Credit, a per annum letter of credit fee (the “Letter of Credit Fee”) equal to the product of: (i) the aggregate average daily Undrawn Amounts, times (ii) a per annum percentage equal to the Applicable Margin for Letters of Credit (determined in

accordance with the pricing grid set forth in Section 2.06(a)). Such Letter of Credit Fees shall be payable in arrears for each Letter of Credit on each Quarterly Payment Date during the term of each respective Letter of Credit and on the termination thereof (whether at its stated expiry date or earlier).

(d) The Borrower shall pay to the Administrative Agent for the account of the Letter of Credit Issuer a facing fee (the "Facing Fee") with respect to each Letter of Credit equal to the product of: (i) the face amount of such Letter of Credit, times (ii) one-eighth (1/8th) of one percent (0.125%). Such Facing Fee shall be due and payable on such date as may be agreed upon by the Letter of Credit Issuer and the Borrower. The Borrower shall pay to the Letter of Credit Issuer, for its own account, transfer fees, drawing fees, modification fees, extension fees and such other fees and charges as may be provided for in any Letter of Credit Application Agreement or otherwise charged by the Letter of Credit Issuer. No Lender shall be entitled to any portion of the Facing Fees or any other fees payable by the Borrower to the Letter of Credit Issuer pursuant to this Section 2.07(d).

(e) The Borrower shall pay to the Administrative Agent, for the ratable account of each Lender, on the Closing Date, upfront fees as set forth in the Fee Letter.

(f) The Borrower shall pay to the Administrative Agent, for the account and sole benefit of the Administrative Agent, such other fees and other amounts at such times as are set forth in the Fee Letter.

SECTION 2.08. Termination or Reduction of Commitments.

The Borrower may, upon at least three (3) Domestic Business Day's irrevocable notice to the Administrative Agent, terminate at any time, or proportionately reduce from time to time by an aggregate amount of at least \$10,000,000 or any larger multiple of \$1,000,000, the Revolver Commitments of all of the Lenders; provided, however: (1) each termination or reduction, as the case may be, shall be permanent and irrevocable; (2) no such termination or reduction shall be in an amount greater than the sum of the Total Unused Revolver Commitments on the date of such termination or reduction; and (3) no such reduction pursuant to this Section 2.08 shall result in the aggregate Revolver Commitments of all of the Lenders being reduced to an amount less than \$60,000,000, unless the Revolver Commitments of all of the Lenders are terminated in their entirety, in which case all accrued fees (as provided under Section 2.07) shall be payable on the effective date of such termination. Each reduction shall be made ratably among the Lenders in accordance with their respective Revolver Commitments.

SECTION 2.09. Termination of Commitments on the Termination Date.

The Revolver Commitments of all of the Lenders shall terminate on the Termination Date and any Advances then outstanding (together with accrued interest thereon) shall be due and payable on such date.

SECTION 2.10. Optional Prepayments.

(a) The Borrower may, without premium or penalty (but with any applicable breakage fee as required below), upon at least one (1) Domestic Business Day's notice to the

Administrative Agent, prepay any Borrowing in whole at any time, or from time to time in part, in amounts aggregating at least \$100,000 or any larger integral multiple of \$50,000 (or any lesser amount equal to the outstanding balance of such Borrowing), by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment, plus (except with respect to any such prepayment made on an Interest Payment Date) a breakage fee in an amount sufficient to compensate the Lenders for any loss or expense arising from the liquidation or reemployment of London InterBank Offered Rate-based funds obtained by it to maintain the amount prepaid or from fees payable to terminate the deposits from which such funds were obtained. Each such optional prepayment of a Revolver Borrowing shall be applied first to any Swing Advances outstanding, and then to prepay ratably the Revolver Advances of the several Lenders included in such Revolver Borrowing.

(b) Upon receipt of a notice of prepayment pursuant to this Section 2.10, the Administrative Agent shall promptly notify each Lender of the contents thereof and of such Lender's ratable share of such prepayment and such notice, once received by the Administrative Agent, shall not thereafter be revocable by the Borrower.

SECTION 2.11. Mandatory Prepayments.

(a) On each date on which the Revolver Commitments of all of the Lenders are reduced or terminated pursuant to Section 2.08 or Section 2.09, the Borrower shall repay or prepay such principal amount of the outstanding Revolver Borrowings (together with interest accrued thereon and any amount due under Article VIII), as may be necessary so that after such payment the aggregate unpaid principal amount of the Revolver Advances and Letter of Credit Obligations do not exceed the aggregate amount of the Revolver Commitments as then reduced. Each such payment or prepayment shall be applied first to any Swing Advances outstanding, and then ratably to the Revolver Advances of the several Lenders outstanding on the date of payment or prepayment in the following order or priority: (i) first, to Base Rate Advances, and (ii) second, to Euro-Dollar Advances.

(b) In the event that the aggregate principal amount of all Revolver Advances, together with the aggregate principal amount of the Letter of Credit Obligations at any one time outstanding shall at any time exceed the aggregate amount of the Revolver Commitments of all of the Lenders at such time, the Borrower shall immediately repay the Revolver Advances in an amount no less than such excess amount. Each such payment or prepayment shall be applied ratably to the Revolver Advances of the several Lenders outstanding on the date of payment or prepayment in the following order or priority: (i) first, to Base Rate Advances, and (ii) second, to Euro-Dollar Advances. Notwithstanding anything contained herein to the contrary, at no time shall the aggregate outstanding principal amount of Revolver Advances made by any Lender, together with such Lender's Applicable Percentage of the aggregate outstanding principal amount of all Swing Advances and Letter of Credit Obligations exceed the amount of the Revolver Commitment of such Lender at such time.

(c) [Reserved.]

(d) If the Loan Parties and their respective Subsidiaries Dispose of any property (other than the Olive Branch Property) which results in the realization of Net Cash Proceeds in

excess of \$250,000 in the aggregate during any Fiscal Year, the Borrower shall promptly (but in no event more than five (5) Domestic Business Days after receipt of such Net Cash Proceeds) prepay an aggregate principal amount of Advances equal to all such Net Cash Proceeds; provided however, that so long as no Default or Event of Default has occurred and is continuing, Net Cash Proceeds relating to the Disposition of obsolete or retired equipment in the ordinary course of business shall not be included to the extent the Borrower delivers to the Administrative Agent a certificate stating that the applicable Loan Party or Applicable Subsidiary thereof intends to use such Net Cash Proceeds to acquire like assets useful to its business within 180 days of the receipt of such Net Cash Proceeds, it being expressly agreed that Net Cash Proceeds not so reinvested shall count against the \$250,000 threshold set forth above.

(e) Upon the sale or issuance by any Loan Party or any Subsidiary thereof of any of its Capital Securities (other than any sales or issuances of Capital Securities to another Loan Party), the Borrower shall prepay an aggregate principal amount of Advances equal to all Net Cash Proceeds received therefrom immediately upon receipt thereof by such Loan Party or such Subsidiary.

(f) Upon the incurrence or issuance by any Loan Party or any Subsidiary thereof of any Debt (other than Debt expressly permitted to be incurred or issued pursuant to Section 5.27), the Borrower shall prepay an aggregate principal amount of Advances equal to all Net Cash Proceeds received therefrom immediately upon receipt thereof by such Loan Party or such Subsidiary.

(g) Subject to the provisions of the Collateral Documents relating to the application of proceeds of insurance with respect to any Collateral, upon any Extraordinary Receipt received by or paid to or for the account of any Loan Party or any Subsidiary thereof, and not otherwise included in paragraphs (b), (c) or (d) of this Section 2.11, the Borrower shall prepay an aggregate principal amount of Advances equal to all Net Cash Proceeds received therefrom immediately upon receipt thereof by such Loan Party or such Subsidiary.

Any repayment or prepayment made pursuant to this Section 2.11 shall not affect any Loan Party's obligation to continue to make payments under any Hedging Agreement, which shall remain in full force and effect notwithstanding such repayment or prepayment, subject to the terms of such Hedging Agreement.

SECTION 2.12. General Provisions as to Payments.

(a) The Borrower shall make each payment of principal of, and interest on, the Advances, and of fees hereunder without any set off, counterclaim or any deduction whatsoever (except as expressly provided in Section 2.15 with respect to amounts owing to any Defaulting Lender), not later than 11:00 A.M. (Eastern time) on the date when due, in Federal or other funds immediately available in Winston-Salem, North Carolina, to the Administrative Agent at its address referred to in Section 9.01. The Administrative Agent will promptly distribute to the Swing Line Lender each such payment received on account of the Swing Advances and to each Lender its ratable share of each such payment received by the Administrative Agent for the account of the Lenders.

(b) Whenever any payment of principal of, or interest on, the Base Rate Advances or of fees shall be due on a day which is not a Domestic Business Day, the date for payment thereof shall be extended to the next succeeding Domestic Business Day. Whenever any payment of principal of or interest on, the Euro-Dollar Advances shall be due on a day which is not a Euro-Dollar Business Day, the date for payment thereof shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case the date for payment thereof shall be the next preceding Euro-Dollar Business Day. If the date for any payment of principal is extended by operation of law or otherwise, interest thereon shall be payable for such extended time.

(c) Funding by Lenders; Presumption by the Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent (forthwith on demand in the case of such Lender, and within three (3) Business Days after demand in the case of the Borrower) such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate reasonably determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to Euro-Dollar Advances. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Advance included in such Borrowing. Any such payment by the Borrower shall be without prejudice to, and shall not constitute a waiver or release of, any claim of the Borrower against such Lender for losses, penalties, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of counsel for the Borrower) arising from such Lender having failed to make such payment to the Administrative Agent.

(d) Payments by the Borrower; Presumptions by the Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate reasonably determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) Taxes.

(i) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided, that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (A) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Administrative Agent, Letter of Credit Issuer or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (B) the Borrower shall make such deductions and (C) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(ii) Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (i) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(iii) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent, the Letter of Credit Issuer and each Lender, within ten (10) calendar days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, the Letter of Credit Issuer or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the Letter of Credit Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the Letter of Credit Issuer, shall be conclusive absent manifest error.

(iv) Evidence of Payments. At the Administrative Agent's request, as soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(v) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, in the event that the Borrower is resident for tax purposes in the United States of America, any Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(A) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(B) duly completed copies of Internal Revenue Service Form W-8ECI,

(C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (1) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrower within the meaning of section 881(c)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN, or

(D) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made.

(vi) Treatment of Certain Refunds. If the Administrative Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section, it shall pay to the Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

SECTION 2.13. Computation of Interest and Fees.

Interest shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Utilization fees, unused commitment fees and any other fees payable hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.14. Increase to Revolver Commitments.

(a) Provided no Default or Event of Default has occurred and is then continuing, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower may, from time to time, request increases in the aggregate Revolver Commitments of all Lenders; provided that (i) each such request shall be in a minimum amount of \$10,000,000 and in increments of \$5,000,000 thereafter, and (ii) the aggregate amount by which the Revolver Commitments may be increased is \$25,000,000.

(b) Each Lender shall be afforded a reasonable time (such time period to be determined by the Administrative Agent in consultation with the Borrower and the Lenders) after receipt of such notice to perform its customary due diligence and underwriting procedures, and shall be entitled (but not obligated) to increase its Revolver Commitment on a pro rata basis with the other Lenders so as to maintain its Applicable Percentage. Within such time period, each Lender shall notify the Administrative Agent whether or not it agrees to an increase in its Revolver Commitment and, if so, whether by an amount equal to, greater than, or less than its ratable portion of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Revolver Commitment.

(c) The Administrative Agent shall notify the Borrower and each Lender of the Lenders' responses to the request made hereunder. To achieve the full amount of the requested increase in the Revolver Commitments of all Lenders, and subject to the approval of the Administrative Agent and the Lenders (such approval not to be unreasonably withheld, conditioned or delayed), the Borrower may also invite additional financial institutions to become Lenders hereunder and/or invite one or more existing Lenders to increase their pro rata shares of the increased Revolver Commitments.

(d) If the increased Revolver Commitments are provided in accordance with this Section 2.14, the Administrative Agent and the Borrower (in consultation with the Lenders) shall determine the closing date and the final allocation of the increased Revolver Commitments among the Lenders. The Borrower, the Administrative Agent and the Lenders (including any additional Lender) shall execute and deliver an amendment to this Agreement and such additional Revolving Notes and other documents as may be required by the Administrative Agent to consummate the increase in the Revolver Commitments.

(e) Upon the closing of any such increase in the Revolver Commitments, the Borrower shall be obligated to pay additional arrangement fees and upfront fees of the type described in the Fee Letter, such fees to be determined by the Lead Arranger and the Administrative Agent (in consultation with the Lenders), and agreed to by the Borrower, and such other fees as may be required by any additional Lender and agreed to by the Borrower.

SECTION 2.15. Defaulting Lenders.

Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Laws:

(a) Waivers and Amendments. Such Defaulting Lender's rights with respect to any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 9.05;

(b) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VI or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 9.04(a)), shall be deemed paid to and redirected by such Defaulting Lender to be applied at such time or times as may be determined by the Administrative Agent as follows: (i) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; (ii) second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Letter of Credit Issuer or Swing Line Lender hereunder; (iii) third, to Cash Collateralize the Letter of Credit Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 11.09; (iv) fourth, unless the Borrower requests otherwise (and so long as no Default or Event of Default exists), to the funding of any Advance in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent and the Borrower; (v) fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Advances under this Agreement and (y) Cash Collateralize the Letter of Credit Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement in accordance with Section 11.09; (vi) sixth, to the payment of any amounts owing to the Borrower, the Non-Defaulting Lenders, the Letter of Credit Issuer, the Swing Line Lender or any other party hereunder against such Defaulting Lender for losses, penalties, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of counsel for the Borrower) arising from such Lender having become a Defaulting Lender; and (vii) seventh, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Advances or Reimbursement Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Advances were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.02 were satisfied or waived, such payment shall be applied solely to pay the Advances of, and Reimbursement Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Advances of, or Reimbursement Obligations owed to, such Defaulting Lender until such time as all Advances and funded and unfunded participations in Letter of Credit Obligations and Swing Advances are held by the Lenders pro rata in accordance with the Revolver Commitments without giving effect to any reallocation pursuant to

paragraph (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this paragraph (b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Certain Fees.

(i) No Lender shall be entitled to receive any unused commitment fee payable under Section 2.07(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(ii) No Lender shall be entitled to receive any Letter of Credit Fees for any period during which that Lender is a Defaulting Lender, except only to the extent allocable to its Applicable Percentage of the stated amount of any Letters of Credit for which such Defaulting Lender has provided Cash Collateral in accordance with Section 11.09.

(iii) With respect to any unused commitment fee or Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (i) or (ii) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letter of Credit Obligations or Swing Advances that has been reallocated to such Non-Defaulting Lender pursuant to paragraph (d) below, (y) pay to the Letter of Credit Issuer and the Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to any remaining Fronting Exposure (determined after giving effect to any reallocation pursuant to paragraph (d) below and any Cash Collateral made available hereunder) of the Letter of Credit Issuer or the Swing Line Lender to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(d) Reallocation of Participations to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in Letter of Credit Obligations and Swing Advances shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolver Commitment) but only to the extent that (x) the conditions set forth in Section 3.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate outstanding principal amount of the Revolver Advances of any Non-Defaulting Lender together with such Non-Defaulting Lender's Applicable Percentage of the aggregate outstanding principal amount of all Swing Line Advances and Letter of Credit Obligations, to exceed such Non-Defaulting Lender's Revolver Commitment.

(e) Cash Collateral, Repayment of Swing Advances. If the reallocation described in paragraph (d) above cannot, or can only partially, be effected, upon the written request of the Administrative Agent the Borrower shall, without prejudice to any right or remedy

available to it hereunder or under law, (x) first, prepay Swing Advances in an amount equal to the Swing Line Lender's Fronting Exposure and (y) second, Cash Collateralize the Letter of Credit Issuer's Fronting Exposure in accordance with the procedures set forth in Section 11.09.

(f) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lender and the Letter of Credit Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which shall include arrangements satisfactory to the Borrower with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Advances of the other Lenders or take such other actions as the Administrative Agent and the Borrower may determine to be necessary to cause the Advances and funded and unfunded participations in Letters of Credit and Swing Advances to be held pro rata by the Lenders in accordance with the Revolver Commitments (without giving effect to paragraph (d) above), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender.

(g) New Swing Advances / Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Advances unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Advance and (ii) the Letter of Credit Issuer shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto, in each case after giving effect to paragraph (d) above and any Cash Collateral provided by the Borrower or such Defaulting Lender.

(h) Replacement of Defaulting Lender. If any Lender is a Defaulting Lender then the Borrower may, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.07), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 9.07(b)(iv), and such assignment does not conflict with applicable law. A Lender shall not be required to make any such assignment or delegation if, prior thereto, such Lender ceases to be a Defaulting Lender.

(i) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Revolver Commitment of any Defaulting Lender upon not less than two (2) Domestic Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of paragraph (b) above will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts).

(j) No Waiver or Release. Except to the extent otherwise expressly agreed by the affected parties, any reallocation under paragraph (d) above, any change in a Lender's status of from a Defaulting Lender to a Non-Defaulting Lender under paragraph (f) above, any

replacement of Defaulting Lender under paragraph (h) above and/or any termination of a Defaulting Lender's unused Revolver Commitment under paragraph (i) above, shall be without prejudice to, and shall not constitute a waiver or release of, any claim of the Borrower, the Administrative Agent, any Non-Defaulting Lender or any other party hereunder against a Defaulting Lender for losses, penalties, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of counsel for such party) arising from such Lender having become a Defaulting Lender.

(k) Credit Agreement Governs. In the event of any direct conflict between the terms of any other Loan Document and this Agreement with respect to the impact of a Lender becoming a Defaulting Lender, the terms of this Agreement shall control.

ARTICLE III
CONDITIONS TO BORROWINGS

SECTION 3.01. Conditions to Closing and First Borrowing.

The obligation of each Lender to make an Advance on the Closing Date (and the obligation of the Letter of Credit Issuer to issue a Letter of Credit on the Closing Date) is subject to the satisfaction of the conditions set forth in Section 3.02 and the following additional conditions:

(a) receipt by the Administrative Agent from each of the parties hereto of a duly executed counterpart of this Agreement signed by such party;

(b) receipt by the Administrative Agent of a duly executed Revolver Note for each Lender, and a duly executed Swing Advance Note for the Swing Line Lender, in each case complying with the provisions of Section 2.04;

(c) receipt by the Administrative Agent of (i) an opinion of Woods Rogers PLC, as counsel to the Borrower, dated as of the Closing Date (or such other date as may be specified by the Administrative Agent) in form and substance satisfactory to the Lenders, and (ii) an opinion of McDonald Carano Wilson LLP, as special Nevada counsel to the Borrower, dated as of the Closing Date (or such other date as may be specified by the Administrative Agent), in form and substance satisfactory to the Lenders;

(d) receipt by the Administrative Agent of a certificate (the "Closing Certificate"), dated the Closing Date of the first Borrowing, substantially in the form of Exhibit F hereto, signed by a chief financial officer or other authorized officer of the Borrower, to the effect that, to his knowledge, (i) no Default or Event of Default has occurred and is continuing on the date of the first Borrowing and (ii) the representations and warranties of the Borrower contained in Article IV are true on and as of the date of the first Borrowing hereunder;

(e) receipt by the Administrative Agent of all documents which the Administrative Agent or any Lender may reasonably request relating to the existence of the Borrower, the authority for and the validity of this Agreement, the Notes and the other Loan Documents, and any other matters relevant hereto, all in form and substance satisfactory to the Lenders, including without limitation a certificate of incumbency of the Borrower (the "Officer's

Certificate”), signed by the Secretary, an Assistant Secretary, a member, manager, partner, trustee or other authorized representative of the Borrower, substantially in the form of Exhibit F hereto, certifying as to the names, true signatures and incumbency of the officer or officers of the Borrower, authorized to execute and deliver the Loan Documents, and certified copies of the following items: (i) the Borrower’s Organizational Documents; (ii) the Borrower’s Operating Documents; (iii) a certificate of the Secretary of State of the Borrower’s State of organization as to the good standing or existence of the Borrower, and (iv) the Organizational Action taken by the board of directors of the Borrower or the members, managers, trustees, partners or other applicable Persons authorizing the Borrower’s execution, delivery and performance of this Agreement, the Notes and the other Loan Documents to which the Borrower is a party;

(f) receipt by the Administrative Agent of a Notice of Borrowing;

(g) the Security Agreement, the Nevada Deed of Trust Amendment, the Winchester Deed of Trust Amendment and any necessary IP Security Agreements, each in form and content satisfactory to the Lenders, shall have been duly executed by the Borrower and such documents shall have been delivered to the Administrative Agent and shall be in full force and effect and each document (including each Uniform Commercial Code financing statement) required by law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent for the benefit of the Secured Parties, upon filing, recording or possession by the Administrative Agent, as the case may be, a valid, legal and perfected first-priority security interest in and lien on the Collateral described in the Collateral Documents shall have been delivered to the Administrative Agent; Borrower shall also deliver or cause to be delivered the certificates (with undated stock powers executed in blank) for all shares of stock or other equity interests pledged to the Administrative Agent for the benefit of the Secured Parties pursuant to any Pledge Agreement;

(h) the Administrative Agent shall have received the results of a search of the Uniform Commercial Code filings made with respect to the Borrower in the state in which the Borrower is organized, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence satisfactory to the Administrative Agent that the Liens (other than any Liens permitted by Section 5.10) indicated in any such financing statement have been released;

(i) [Reserved];

(j) receipt by the Administrative Agent of insurance certificates evidencing the insurance required under this Agreement;

(k) the Borrower shall have paid all fees required hereunder and under the Fee Letter to be paid as of the Closing Date, and shall have reimbursed the Administrative Agent for all reasonable fees, costs and expenses of closing the transactions contemplated hereunder and under the other Loan Documents, including the reasonable legal, audit and other document preparation costs incurred by the Administrative Agent;

(l) all required appraisals (including machinery and equipment appraisals) shall have been completed to satisfaction of the Administrative Agent;

(m) the Administrative Agent shall have received MAI appraisals of the Nevada Property and the Winchester Property, which appraisals shall comply with all rules and regulations of any Governmental Authorities regulating the Lenders, shall be in form and substance satisfactory to the Administrative Agent in all respects, and shall state a fair market value of the applicable real property in an amount satisfactory to the Administrative Agent;

(n) with respect to the Nevada Property, the Administrative Agent shall have received:

(i) evidence that the Nevada Deed of Trust Amendment has been sent to the applicable title company representative to be recorded in the Official Records of Lyon County, Nevada, not more than two (2) Domestic Business Days after the Closing Date;

(ii) a pro-forma endorsement to the Nevada Title Policy (with the original endorsement to be issued not more than 15 days after the Closing Date), confirming the lien of the Nevada Deed of Trust (as modified by the Nevada Deed of Trust Amendment) as a first-priority deed of trust lien on the Nevada Property, without exception for possible filed or unfiled mechanics' and materialmen's Liens and containing only such exceptions as are acceptable to the Administrative Agent;

(iii) a completed Standard Flood Hazard Determination Form issued by the Department of Homeland Security Federal Emergency Management Agency indicating whether or not the Nevada Property is located in a special flood hazard zone, together with an acceptable flood insurance policy, if required; and

(iv) such other certificates, affidavits, opinions, agreements and documents as the Administrative Agent may reasonably require with respect to the Nevada Property, each of which shall be in form and substance reasonably acceptable to the Administrative Agent;

(o) with respect to the Winchester Property, the Administrative Agent shall have received:

(i) evidence that the Winchester Deed of Trust Amendment has been sent to the applicable title company representative to be recorded in the Frederick County Clerk's Office and the Winchester Clerk's Office not more than two (2) Domestic Business Days after the Closing Date;

(ii) a pro-forma endorsement to the Winchester Title Policy (with the original endorsement to be issued not more than 15 days after the Closing Date), increasing the amount of the Winchester Title Policy to \$16,500,000, confirming the lien of the Winchester Deed of Trust (as modified by the Winchester Deed of Trust Amendment) as a first-priority deed of trust lien on the Winchester Property, without exception for possible filed or unfiled mechanics' and materialmen's Liens and containing only such exceptions as are acceptable to the Administrative Agent;

(iii) a completed Standard Flood Hazard Determination Form issued by the Department of Homeland Security Federal Emergency Management Agency indicating whether or not the Winchester Property is located in a special flood hazard zone, together with an acceptable flood insurance policy, if required; and

(iv) such other certificates, affidavits, opinions, agreements and documents as the Administrative Agent may reasonably require with respect to the Winchester Property, each of which shall be in form and substance reasonably acceptable to the Administrative Agent;

(p) the Borrower shall have delivered to the Administrative Agent evidence satisfactory to the Administrative Agent that all insurance required by the terms of this Agreement or any of the other Loan Documents is in full force and effect and the Administrative Agent is named as loss payee or additional insured, as appropriate, on all such insurance;

(q) the Administrative Agent shall have completed (i) Patriot Act searches, OFAC/PEP searches and customary individual background checks for each Loan Party, and (ii) OFAC/PEP searches and customary individual background searches for each Loan Party's senior management and key principals, in each case, the results of which shall be satisfactory to the Administrative Agent;

(r) the Administrative Agent shall have received evidence satisfactory to it that all indebtedness and other obligations under the Prior Credit Agreement will be superseded and replaced by the Obligations hereunder; and

(s) receipt of such other documents or items as the Administrative Agent, the Lenders or their counsel may reasonably request.

SECTION 3.02. Conditions to All Borrowings.

The obligation of each Lender to make a Revolver Advance on the occasion of each Revolver Borrowing, the obligation of the Swing Line Lender to make a Swing Advance and the obligation of the Letter of Credit Issuer to issue a Letter of Credit (including without limitation any such Revolver Advance, Swing Advance and/or Letter of Credit made or issued, as the case may be, on the Closing Date) are subject to the satisfaction of the following conditions:

(a) in the case of a Revolver Borrowing or a Swing Line Borrowing, receipt by the Administrative Agent of a Notice of Borrowing as required by Section 2.02;

(b) the fact that, immediately before and after such Borrowing (or issuance of a Letter of Credit, as the case may be), no Default or Event of Default shall have occurred and be continuing;

(c) the fact that the representations and warranties of the Loan Parties contained in Article IV of this Agreement shall be true on and as of the date of such Borrowing (or issuance of a Letter of Credit, as the case may be); and

(d) the fact that, immediately after such Borrowing (or issuance of a Letter of Credit, as the case may be), (i) the aggregate outstanding principal amount of the Revolver Advances of each Lender together with such Lender's Applicable Percentage of the aggregate outstanding principal amount of all Swing Line Advances and Letter of Credit Obligations, will not exceed the amount of its Revolver Commitment; (ii) the aggregate outstanding principal amount of the Revolver Advances together with the aggregate outstanding principal amount of all Letter of Credit Obligations, will not exceed the aggregate amount of the Revolver Commitments of all of the Lenders at such time.

Each Borrowing, each issuance of a Letter of Credit and each Notice of Conversion hereunder shall be deemed to be a representation and warranty by the Loan Parties on the date of such Borrowing, Letter of Credit and Notice of Conversion, as to the truth and accuracy of the facts specified in clauses (b), (c) and (d) of this Section 3.02.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

The Borrower and the Guarantors represent and warrant that:

SECTION 4.01. Existence and Power.

The Borrower is a corporation, and each Guarantor is a corporation, limited liability company or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, is duly qualified to transact business in every jurisdiction where, by the nature of its business, such qualification is necessary, and has all organizational powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

SECTION 4.02. Organizational and Governmental Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of this Agreement, the Notes, the Collateral Documents and the other Loan Documents to which such Loan Party is a party (i) are within such Loan Party's organizational powers, (ii) have been duly authorized by all necessary Organizational Action, (iii) require no action by or in respect of, or filing with, any Governmental Authority, (iv) do not contravene, or constitute a default under, any provision of Applicable Law or of the Organizational Documents and Operating Documents of such Loan Party or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Loan Party or any of its Applicable Subsidiaries, and (v) do not result in the creation or imposition of any Lien on any asset of such Loan Party or any of its Applicable Subsidiaries, except for a Lien in favor of the Administrative Agent pursuant to the Collateral Documents.

SECTION 4.03. Binding Effect.

This Agreement constitutes a valid and binding agreement of the Loan Parties enforceable in accordance with its terms, and the Notes, the Collateral Documents and the other Loan Documents, when executed and delivered in accordance with this Agreement, will constitute valid and binding obligations of the Loan Parties to such Loan Document enforceable in accordance with their respective terms; provided, that the enforceability hereof and thereof is subject in each case to general principles of equity and to Debtor Relief Laws and similar laws affecting the enforcement of creditors' rights generally.

SECTION 4.04. Financial Information.

(a) The audited consolidated balance sheet of the Borrower as of December 31, 2013, and the related consolidated statements of income, shareholders' equity and cash flows for the Fiscal Year then ended, reported on by Ernst & Young, LLP, copies of which have been delivered to the Administrative Agent for delivery to each of the Lenders, and the unaudited consolidated financial statements of the Borrower for the interim period ended September 30, 2014, copies of which have been delivered to each of the Lenders, fairly present, in conformity with GAAP, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of such dates and their consolidated results of operations and cash flows for such periods stated.

(b) Since December 31, 2013, there has been no event, act, condition or occurrence having a Material Adverse Effect.

SECTION 4.05. Litigation.

As of the Closing Date, except as set forth on Schedule 4.05, there is no action, suit or proceeding pending, or to the knowledge of the Loan Parties threatened, against or affecting the Loan Parties or any of their respective Applicable Subsidiaries before any court or arbitrator or any Governmental Authority which (a) in any manner draws into question the validity or enforceability of this Agreement, the Notes, the Collateral Documents or any of the other Loan Documents, (b) could impair the ability of the Loan Parties to perform their respective obligations under, this Agreement, the Notes, the Collateral Documents or any of the other Loan Documents, or (c) has, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 4.06. Compliance with ERISA.

(a) The Loan Parties and each member of the Controlled Group have fulfilled their obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and are in compliance with the applicable provisions of ERISA and the Code, and have not incurred any liability to the PBGC or a Plan under Title IV of ERISA.

(b) Neither the Loan Parties nor any member of the Controlled Group is or ever has been obligated to contribute to any Multiemployer Plan.

(c) The assets of the Loan Parties or any Applicable Subsidiary of any Loan Party do not and will not constitute "plan assets," within the meaning of ERISA, the Code and the respective regulations promulgated thereunder. The execution, delivery and performance of this Agreement, and the borrowing and repayment of amounts hereunder, do not and will not constitute "prohibited transactions" under ERISA or the Code.

SECTION 4.07. Payment of Taxes.

There have been filed on behalf of the Loan Parties and their respective Applicable Subsidiaries all Federal, state and local income, excise, property and other tax returns which are required to be filed by them and all taxes due pursuant to such returns or pursuant to any assessment received by or on behalf of the Loan Parties or any Applicable Subsidiary have been paid. The charges, accruals and reserves on the books of the Loan Parties and their respective Applicable Subsidiaries in respect of taxes or other governmental charges are, in the opinion of the Loan Parties, adequate. No Loan Party has been given or been requested to give a waiver of the statute of limitation relating to the payment of Federal, state, local or foreign taxes.

SECTION 4.08. Subsidiaries.

Each of the Subsidiaries of each Loan Party is a corporation, a limited liability company or other legal entity, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, is duly qualified to transact business in every jurisdiction where, by the nature of its business, such qualification is necessary, and has all organizational powers and all governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. No Loan Party has any Subsidiaries except those Subsidiaries listed on Schedule 4.24 and as set forth in any Compliance Certificate provided to the Administrative Agent and Lenders pursuant to Section 5.01(d) after the Closing Date, which accurately sets forth each such Subsidiary's complete name and jurisdiction of organization.

SECTION 4.09. Investment Company Act, Etc.

No Loan Party nor any Applicable Subsidiary of a Loan Party is an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No Loan Party nor any Applicable Subsidiary of a Loan Party is a "holding company," or a "subsidiary company" of a "holding company," or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

SECTION 4.10. All Consents Required.

All approvals, authorizations, consents, orders or other actions of any Person or of any Governmental Authority (if any) required in connection with the due execution, delivery and performance by the Loan Parties of this Agreement and any Loan Document to which any Loan Party is a party, have been obtained.

SECTION 4.11. Ownership of Property; Liens.

Each of the Loan Parties and their respective Applicable Subsidiaries has title or the contractual right to possess its properties sufficient for the conduct of its business and none of such properties is subject to any Lien except as permitted in Section 5.10.

SECTION 4.12. No Default or Event of Default.

No Loan Party nor any of its respective Applicable Subsidiaries is in default under or with respect to any agreement, instrument or undertaking to which it is a party or by which it or any of its property is bound, except where such default, alone or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

SECTION 4.13. Full Disclosure.

All information heretofore furnished by the Loan Parties to the Administrative Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all such information hereafter furnished by the Loan Parties to the Administrative Agent or any Lender will be, true, accurate and complete in every material respect or based on reasonable estimates on the date as of which such information is stated or certified. The Loan Parties have disclosed to the Lenders in writing any and all facts which, alone or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

SECTION 4.14. Environmental Matters.

(a) No Loan Party nor any Applicable Subsidiary of a Loan Party is subject to any Environmental Liability which could reasonably be expected to have a Material Adverse Effect and no Loan Party nor any Subsidiary of a Loan Party has been designated as a potentially responsible party under CERCLA. None of the Properties has been identified on any current or proposed (i) National Priorities List under 40 C.F.R. § 300, (ii) CERCLIS list or (iii) any list arising from a state statute similar to CERCLA.

(b) To the best knowledge of the Loan Parties and except as disclosed in the environmental reports relating to the Nevada Property and the Winchester Property delivered to the Administrative Agent in connection with the Prior Credit Agreement, no Hazardous Materials have been or are being used, produced, manufactured, processed, treated, recycled, generated, stored, disposed of, managed or otherwise handled at, or shipped or transported to or from the Properties or are otherwise present at, on, in or under the Properties, or, to the best of the knowledge of the Loan Parties, at or from any adjacent site or facility, except for Hazardous Materials, such as petroleum products, cleaning solvents, pesticides and other materials used, produced, manufactured, processed, treated, recycled, generated, stored, disposed of, and managed or otherwise handled in the ordinary course of business (including without limitation the Poly Business) of such Loan Party or Applicable Subsidiary of a Loan Party in compliance with all applicable Environmental Requirements.

(c) Each of the Loan Parties and their respective Applicable Subsidiaries has procured all Environmental Authorizations necessary for the conduct of the business contemplated on such Property, and is in compliance in all material respects with all Environmental Requirements in connection with the operation of the Properties and the Loan Party's, and each of their respective Subsidiary's, respective businesses.

SECTION 4.15. Compliance with Laws.

Each Loan Party and each Applicable Subsidiary of a Loan Party is in compliance with all Applicable Laws, regulations and similar requirements of Governmental Authorities, including, without limitation, all Environmental Laws and all regulations and requirements of the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. (including with respect to timely filing of reports), except where such compliance is being contested in good faith through appropriate proceedings or where non-compliance, alone or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 4.16. Capital Securities.

All Capital Securities, debentures, bonds, notes and all other securities of each Loan Party and their respective Applicable Subsidiaries presently issued and outstanding are validly and properly issued in accordance with all Applicable Laws, including, but not limited to, the "Blue Sky" laws of all applicable states and the federal securities laws. The issued shares of Capital Securities of each of the Loan Party's respective Subsidiaries are owned by the Loan Parties free and clear of any Lien or adverse claim, except for a Lien in favor of the Administrative Agent pursuant to the Collateral Documents.

SECTION 4.17. Margin Stock.

No Loan Party nor any of its respective Subsidiaries is engaged principally, or as one of its important activities, in the business of purchasing or carrying any Margin Stock, and no part of the proceeds of any Advance will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock, or be used for any purpose which violates, or which is inconsistent with, the provisions of Regulation X of the Board of Governors of the Federal Reserve System. Following the application of the proceeds from each Advance, not more than 25% of the value of the assets, either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis, will be "Margin Stock."

SECTION 4.18. Insolvency.

After giving effect to the execution and delivery of the Loan Documents and the making of the Advances under this Agreement, no Loan Party will be "insolvent," within the meaning of such term as defined in §101 of Title 11 of the United States Code or Section 2 of either the Uniform Fraudulent Transfer Act or the Uniform Fraudulent Conveyance Act, or any other applicable state law pertaining to fraudulent transfers, as each may be amended from time to time, or be unable to pay its debts generally as such debts become due, or have an unreasonably small capital to engage in any business or transaction, whether current or contemplated.

SECTION 4.19. Security Documents.

(a) Upon execution by the applicable Loan Parties, the Security Agreement shall be effective to create in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the Security Agreement) and, upon filing of one or more Uniform Commercial Code financing statements in the appropriate jurisdictions and execution and delivery of control agreements in

form and substance satisfactory to the Administrative Agent, the Administrative Agent shall have a fully perfected first priority Lien on, and security interest in, all right, title and interest of the applicable Loan Parties in such Collateral and the Proceeds thereof that can be perfected upon filing of one or more Uniform Commercial Code financing statements and execution and delivery of such control agreements, in each case, except as previously disclosed to the Administrative Agent in writing, prior and superior in any right to any other Person.

(b) Upon execution by the Borrower of the Nevada Deed of Trust Modification and the Winchester Deed of Trust Modification, each Deed of Trust shall be effective to create in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable lien in the Property covered thereby, and, upon recording the Nevada Deed of Trust Modification and the Winchester Deed of Trust Modification with the appropriate real estate records, the Administrative Agent shall have a fully perfected first priority Lien on all right, title and interest of the Borrower as grantor thereunder, in such Property, in each case, subject to the provisions of such Deed of Trust, prior and superior in any right to any other Person.

(c) Upon execution by the applicable Loan Parties (or any applicable Pledgor Subsidiary) of any Pledge Agreement that may be required pursuant to Section 5.24, such Pledge Agreement shall be effective to create in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in and pledge of the Capital Securities covered thereby and, upon delivery of any certificates evidencing such Capital Securities together with stock powers executed in blank, the Administrative Agent shall have a fully perfected first priority Lien on, and security interest in, all right, title and interest of the applicable Loan Parties (or any applicable Pledgor Subsidiary) in such Capital Securities and the Proceeds thereof, in each case, except as previously disclosed to the Administrative Agent in writing, prior and superior in any right to any other Person.

SECTION 4.20. Labor Matters.

There are no strikes, lockouts, slowdowns or other labor disputes against any Loan Party or any Applicable Subsidiary of any Loan Party pending or, to the knowledge of any Loan Party, threatened. The hours worked by and payment made to employees of the Loan Parties and each Applicable Subsidiary of any Loan Party have been in compliance with the Fair Labor Standards Act and any other applicable federal, state or foreign law dealing with such matters. All payments due from the Loan Parties or any of their respective Applicable Subsidiaries, or for which any claim may be made against the Loan Parties or any of their respective Applicable Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Loan Party or such Applicable Subsidiary, as appropriate. No Loan Party nor any Applicable Subsidiary of a Loan Party is party to a collective bargaining agreement.

SECTION 4.21. Patents, Trademarks, Etc.

The Loan Parties and their respective Applicable Subsidiaries own, or are licensed to use, all patents, trademarks, trade names, copyrights, technology, know-how and processes, service marks and rights with respect to the foregoing that are material to the businesses, assets,

operations, properties or condition (financial or otherwise) of the Loan Parties and their respective Applicable Subsidiaries taken as a whole. Except as disclosed on Schedule 4.21, the Loan Parties and their respective Applicable Subsidiaries conduct their business without infringement or claim of infringement of any material license, patent, trademark, trade name, service mark, copyright, trade secret or any other intellectual property right of others and there is no infringement or claim of infringement by others of any material license, patent, trademark, trade name, service mark, copyright, trade secret or other intellectual property right of the Loan Parties and their respective Applicable Subsidiaries, in each case which could reasonably be expected to have a Material Adverse Effect.

SECTION 4.22. Insurance.

The Loan Parties and each of their Applicable Subsidiaries has (either in the name of such Loan Party or in such Applicable Subsidiary's name), with financially sound and reputable insurance companies, insurance in at least such amounts and against at least such risks (including on all its property, and public liability and worker's compensation) as are usually insured against in the same general area by companies of established repute engaged in the same or similar business.

SECTION 4.23. Anti-Terrorism Laws.

None of the Loan Parties, nor any of their respective Subsidiaries, is in violation of any laws relating to terrorism or money laundering, including, without limitation, the Patriot Act.

SECTION 4.24. Ownership Structure.

As of the Closing Date, Part I of Schedule 4.24 is a complete and correct list of all Subsidiaries of the Borrower and of each Loan Party setting forth for each such Subsidiary, (i) the jurisdiction of organization of such Subsidiary, (ii) each Person holding any Capital Securities in such Subsidiary, (iii) the nature of the Capital Securities held by each such Person, and (iv) the percentage of ownership of such Subsidiary represented by such Capital Securities. Except as disclosed in Part I of Schedule 4.24, as of the Closing Date (i) the Borrower and its Subsidiaries own, free and clear of all Liens and has the unencumbered right to vote, all outstanding Capital Securities in each Person shown to be held by it on such Schedule, (ii) all of the issued and outstanding Capital Securities of each Person is validly issued, fully paid and nonassessable and (iii) there are no outstanding subscriptions, options, warrants, commitments, preemptive rights or agreements of any kind (including, without limitation, any stockholders' or voting trust agreements) for the issuance, sale, registration or voting of, or outstanding securities convertible into, any additional Capital Securities of any type in, any such Person. Except as listed on Part II of Schedule 4.24, neither the Loan Parties nor their respective Subsidiaries are engaged in any joint venture or partnership with any other Person. Except as listed on Part III of Schedule 4.24, there are no outstanding stock purchase warrants, subscriptions, options, securities, instruments or other rights of any type or nature whatsoever, which are convertible into, exchangeable for or otherwise provide for or permit the issuance of Capital Securities of the Loan Parties or their respective Subsidiaries.

SECTION 4.25. Reports Accurate; Disclosure.

All information, exhibits, financial statements, documents, books, records or reports furnished or to be furnished by the Loan Parties to the Administrative Agent or any Lender in connection with this Agreement or any Loan Document, including without limitation all reports furnished pursuant to Section 4.04, are true, complete and accurate in all material respects; it being recognized by the Administrative Agent and the Lenders that the projections and forecasts provided by the Borrower in good faith and based upon reasonable assumptions are not to be viewed as facts and that actual results during the period or periods covered by any such projections and forecasts may differ from the projected or forecasted results. Neither this Agreement, nor any Loan Document, nor any agreement, document, certificate or statement furnished by the Borrower to the Administrative Agent or the Lenders in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

SECTION 4.26. Location of Offices.

The Borrower's name is Trex Company, Inc. The location of the Borrower (within the meaning of Article 9 of the Uniform Commercial Code) is Delaware. The Borrower has not changed its name, identity, structure, existence or state of formation, whether by amendment of its Organizational Documents, by reorganization or otherwise, and has not changed its location (within the meaning of Article 9 of the Uniform Commercial Code) within the four (4) months preceding the Closing Date or any subsequent date on which this representation is made.

SECTION 4.27. Affiliate Transactions.

Except as permitted by Section 5.23. or as disclosed on Schedule 4.27, neither the Borrower nor any Subsidiary nor any other Loan Party is a party to or bound by any agreement or arrangement (whether oral or written) to which any Affiliate of the Borrower, any Subsidiary or any other Loan Party is a party.

SECTION 4.28. Broker's Fees.

Except as set forth in the Fee Letter, no broker's or finder's fee, commission or similar compensation will be payable with respect to the transactions contemplated hereby. Except as set forth in the Fee Letter, no other similar fees or commissions will be payable by any Loan Party for any other services rendered to the Borrower or any of its Subsidiaries ancillary to the transactions contemplated hereby.

SECTION 4.29. Survival of Representations and Warranties, Etc.

All statements contained in any certificate, financial statement, schedule or other instrument delivered by the Borrower, any Subsidiary or any other Loan Party to the Administrative Agent or any Lender pursuant to or in connection with this Agreement or any of the other Loan Documents (including, but not limited to, any such statement made in or in connection with any amendment thereto or any statement contained in any certificate, financial statement, schedule or other instrument delivered by or on behalf of any Loan Party prior to the

Closing Date and delivered to the Administrative Agent or any Lender in connection with the underwriting or closing of the transactions contemplated hereby) shall constitute representations and warranties made by the Loan Parties as of the date of such certificate, financial statement, schedule or other instrument in favor of the Administrative Agent and each of the Lenders under this Agreement. All such representations and warranties shall survive the effectiveness of this Agreement, the execution and delivery of the Loan Documents and the making of the Advances.

SECTION 4.30. Loans and Investments.

No Loan Party nor any of its respective Subsidiaries has made a loan, advance or Investment which is outstanding or existing on the Closing Date except as set forth on Schedule 4.30.

SECTION 4.31. No Default or Event of Default.

No event has occurred and is continuing and no condition exists, or would result from any Advance or from the application of the proceeds therefrom, which constitutes or would reasonably be expected to constitute a Default or Event of Default.

SECTION 4.32. USA PATRIOT ACT; OFAC.

(a) No Loan Party nor any Affiliate of a Loan Party is (i) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a Non-Cooperative Jurisdiction by the Financial Action Task Force on Money Laundering ("FATF"), or whose subscription funds are transferred from or through such a jurisdiction; (ii) a "Foreign Shell Bank" within the meaning of the Patriot Act, i.e., a foreign lender that does not have a physical presence in any country and that is not affiliated with a lender that has a physical presence and an acceptable level of regulation and supervision; or (iii) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns.

(b) No Loan Party or any Affiliate of a Loan Party (i) is a Sanctioned Entity, (ii) has more than 10% of its assets located in Sanctioned Entities, or (iii) derives more than 10% of its operating income from investments in, or transactions with, Sanctioned Entities. The proceeds of any Advance will not be used and have not been used to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Entity. No Loan Party nor any Affiliate of a Loan Party is in violation of or violates any of the country or list based economic and trade sanctions administered and enforced by OFAC that are described or referenced at <http://www.ustreas.gov/offices/enforcement/ofac/> or as otherwise published from time to time.

SECTION 4.33. Material Contracts.

Schedule 4.33 is, as of the Closing Date, a true, correct and complete listing of all contracts (other than any contracts relating to any NMTC Transaction) to which any Loan Party is a party, the breach of or failure to perform which, either by a Loan Party or other party to such contract, could reasonably be expected to have a Material Adverse Effect ("Material Contract").

The Borrower, its Applicable Subsidiaries and the other Loan Parties that is a party to any Material Contract has performed and is in compliance with all of the material terms of such Material Contract, and no Loan Party has knowledge of any default or event of default that exists with respect to any such Material Contract.

SECTION 4.34. No Burdensome Restrictions.

No contract, lease, agreement or other instrument to which any Loan Parties or any of its respective Applicable Subsidiaries is a party or by which any of its property is bound or affected, no charge, corporate restriction, judgment, decree or order and no provision of Applicable Law have had or are reasonably expected to have a Material Adverse Effect.

ARTICLE V
COVENANTS

The Borrower and Guarantors hereby agree, jointly and severally, that, so long as any Lender has any Commitment hereunder or any Obligation remains unpaid:

SECTION 5.01. Information.

The Borrower will deliver to the Administrative Agent, who will then promptly deliver to each of the Lenders:

(a) as soon as available and in any event within ninety (90) calendar days after the end of each Fiscal Year, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income, shareholders' equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and satisfactory in form to the Administrative Agent, all as audited by Ernst & Young, LLP, or other independent public accountants reasonably acceptable to the Administrative Agent, and certified by such independent public accountants to be free of any "going concern" or like exceptions and qualifications not acceptable to the Required Lenders; provided, that the Borrower may deliver, in lieu of the foregoing consolidated annual financial statements only, the annual report of the Borrower for the applicable Fiscal Year on Form 10-K filed with the SEC, but only so long as the consolidated financial statements contained in such annual report are substantially the same in content as the consolidated financial statements required by this Section 5.01(a);

(b) as soon as available and in any event within forty-five (45) calendar days after the end of the first three Fiscal Quarters of each Fiscal Year, a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such Fiscal Quarter and the related statement of income and statement of cash flows for such Fiscal Quarter and for the portion of the Fiscal Year ended at the end of such Fiscal Quarter, setting forth in each case in comparative form the figures for the corresponding Fiscal Quarter and the corresponding portion of the previous Fiscal Year, all in reasonable detail and satisfactory in form to the Administrative Agent, and all reviewed by Ernst & Young, LLP or other independent public accountants reasonably acceptable to the Administrative Agent and certified (subject to normal year-end adjustments) as to fairness of presentation, GAAP and consistency by the chief financial officer

of the Borrower; provided, that the Borrower may deliver, in lieu of the foregoing quarterly consolidated financial statements only, the quarterly report of the Borrower for the applicable Fiscal Quarter on Form 10-Q filed with the SEC, but only so long as the consolidated financial statements contained in such quarterly report are substantially the same in content as the consolidated financial statements required by this Section 5.01(b).

(c) as soon as available and in any event within thirty (30) calendar days after the end of each calendar month (except with respect to any calendar month that is the last month of a Fiscal Quarter), a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such calendar month (together with an executive summary discussion and analysis) and the related statement of income and statement of cash flows for such calendar month and for the portion of the Fiscal Year ended at the end of such calendar month, setting forth in each case in comparative form the figures for the corresponding calendar month and the corresponding portion of the previous Fiscal Year, all certified (subject to normal year-end adjustments) as to fairness of presentation, GAAP and consistency by the chief financial officer of the Borrower;

(d) simultaneously with the delivery of each set of financial statements referred to in clause (a) above for each Fiscal Year and each set of financial statements referred to in clause (b) above for each Fiscal Quarter, a certificate, substantially in the form of Exhibit H and with compliance calculations in form and content satisfactory to the Administrative Agent (a "Compliance Certificate"), of the chief financial officer or other authorized officer of the Borrower (i) setting forth in reasonable detail the calculations required to establish whether the Loan Parties were in compliance with the requirements of Sections 5.03, 5.05, 5.06, 5.07, 5.08, 5.09, 5.13 and 5.27 on the date of such financial statements, (ii) setting forth the identities of the respective Subsidiaries on the date of such financial statements, (iii) stating whether any Default or Event of Default exists on the date of such certificate and, if any Default or Event of Default then exists, setting forth the details thereof and the action which the Loan Parties are taking or propose to take with respect thereto, and (iv) stating whether, since the date of the most recent previous delivery of financial statements pursuant to clauses (a) or (b) above, any event has occurred or condition exists that has had or could reasonably be expected to have a Material Adverse Effect, and, if so, the nature of such event or condition;

(e) simultaneously with the delivery of each set of annual financial statements referred to in paragraph (a) above, a statement of the firm of independent public accountants which reported on such statements to the effect that nothing has come to their attention to cause them to believe that the Borrower has failed to comply with the requirements of Section 5.05(a), (b) or (c) as of the date of such financial statements;

(f) within five (5) Domestic Business Days after the Borrower becomes aware of the occurrence of any Default or Event of Default, or any event that results in a Material Adverse Effect, a certificate of the chief financial officers or authorized officers of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(g) promptly after the same become publicly available, but only upon request of the Administrative Agent, copies of all periodic and other reports, proxy statements and other

materials filed with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all functions of said Commission, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be;

(h) if and when the Borrower or any member of the Controlled Group (i) gives or is required to give notice to the PBGC of any “reportable event” (as defined in Section 4043 of ERISA) with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that the plan administrator of any Plan has given or is required to give notice of any such reportable event, a copy of the notice of such reportable event given or required to be given to the PBGC; (ii) receives notice of complete or partial withdrawal liability under Title IV of ERISA, a copy of such notice; or (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Plan, a copy of such notice;

(i) promptly after the Borrower knows of the commencement thereof, notice of any litigation, dispute or proceeding (and any material development in respect of such proceedings) involving a claim against a Loan Party and/or any Subsidiary of a Loan Party for \$1,000,000 or more;

(j) simultaneously with the delivery of each set of financial statements referred to in clause (b) above, for each Fiscal Quarter, a report (the “Margin and Fee Rate Report”) substantially in the form attached hereto as Exhibit L, reflecting the information needed for a determination of the Consolidated Debt to Consolidated EBITDA Ratio, the Applicable Margin and the Applicable Fee Rate in such form as Administrative Agent shall in its sole discretion approve, together with the Borrower’s calculation of the Consolidated Debt to Consolidated EBITDA Ratio, Applicable Margin and Applicable Fee Rate, all for the preceding Fiscal Quarter. Such Margin and Fee Rate Report shall be certified as to truth and accuracy by the chief financial officer or other authorized financial officer of the Borrower;

(k) promptly upon receipt thereof, copies of each report submitted to the Borrower or its Consolidated Subsidiaries by independent public accountants in connection with any annual, interim or special audit made by them of the books of the Borrower or its Consolidated Subsidiaries, including, without limitation, each report submitted to the Borrower or its Consolidated Subsidiaries concerning its accounting practices and systems and any final comment letter submitted by such accountants to management in connection with the annual audit of the Borrower or its Consolidated Subsidiaries;

(l) on or prior to the date of the consummation thereof, (i) the occurrence of any Disposition of property or assets for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.11(d), (ii) the occurrence of any sale of capital stock or other Capital Securities for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.11(e), (iii) the incurrence or issuance of any Debt for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.11(f), and (iv) the receipt of any Extraordinary Receipt for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.11(g);

(m) notice of the occurrence of any default or event of default under any agreement or note evidencing any Debt having an aggregate principal amount in excess of \$500,000, or under any Material Contract, and the action which the Borrower is taking or proposes to take with respect thereto;

(n) as soon as available and in any event within thirty (30) calendar days after the beginning of each Fiscal Year, an annual operating budget of the Borrower for such Fiscal Year, in form and substance satisfactory to the Administrative Agent; and

(o) from time to time such additional information regarding the assets, financial position or business of the Borrower, its Subsidiaries, and each Loan Party as the Administrative Agent, at the request of any Lender, may reasonably request.

SECTION 5.02. Inspection of Property, Books and Records.

The Borrower will (i) keep, and will cause each of its Applicable Subsidiaries to keep, proper books of record and account in which full, true and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; (ii) permit, and will cause each Applicable Subsidiary of the Borrower and each Loan Party to permit, with reasonable prior notice which notice shall not be required in the case of an emergency or during the existence of a Default or Event of Default, the Administrative Agent or its designees, at the expense of the Borrower and the Loan Parties, to perform periodic appraisals (including real estate, machinery and equipment and trademark appraisals), inspections and investigations of the Borrower, the Loan Parties and the Collateral (including, without limitation, verification of the Accounts and Inventory of the Borrower) and the records pertaining thereto, from time to time; and (iii) permit, and will cause each Subsidiary to permit, representatives of any Lender at the Borrower's expense to visit and inspect any of their respective properties, to examine and make abstracts from any of their respective books and records and to discuss their respective affairs, finances and accounts with their respective officers, employees and independent public accountants. The Loan Parties agree to cooperate and assist in such visits and inspections, in each case at such reasonable times and as often as may reasonably be desired.

SECTION 5.03. Capital Expenditures.

The Loan Parties shall not make Capital Expenditures in excess of \$25,000,000 in the aggregate in any Fiscal Year; provided, that so long as the Borrower maintains Excess Liquidity greater than the Excess Liquidity Requirement on each day from the 30th day prior to the making of any Capital Expenditures through and including the 30th day after the making thereof, as calculated on a pro forma basis as if such Capital Expenditures (including the making of any Advances hereunder in connection therewith) had been consummated on the 30th day prior to the actual making thereof, the amount of such Capital Expenditures shall not count against such annual \$25,000,000 limitation.

Amounts not incurred in any Fiscal Year may not be carried forward to a subsequent period

SECTION 5.04. Sale/Leasebacks.

The Loan Parties shall not, nor shall they permit any Applicable Subsidiary to, enter into any Sale/Leaseback Transaction.

SECTION 5.05. Financial Covenants.

(a) [Reserved].

(b) Fixed Charge Coverage Ratio. The Borrower will not permit the Fixed Charge Coverage Ratio to be less than 1.50 to 1.0, measured as of the end of each Fiscal Quarter, commencing with the Fiscal Quarter ended September 30, 2014.

(c) Consolidated Debt to Consolidated EBITDA Ratio. The Borrower will not permit the Consolidated Debt to Consolidated EBITDA Ratio to exceed 3.00 to 1.0 measured as of the end of each Fiscal Quarter (and in the case of Consolidated EBITDA, for the four-quarter period ending on such date).

SECTION 5.06. Acquisitions.

No Loan Party nor any Applicable Subsidiary of a Loan Party shall make any Acquisition, or take any action to solicit the tender of securities or proxies in respect thereof in order to effect any Acquisition, unless (a) the line or lines of business of the Person to be acquired are substantially the same as or reasonably related to one or more line or lines of business conducted by the Borrower (including without limitation the Poly Business), (b) after giving effect to such Acquisition, no Default or Event of Default shall have occurred and be continuing, and the Borrower shall be in actual and pro-forma compliance with the covenants set forth in Section 5.05 (as calculated as of the most recently ended Fiscal Quarter for which the Borrower is then required to have delivered quarterly financial statements in accordance with Section 5.01(b) as if such Acquisition and all related transactions (including the making of any Advances hereunder in connection therewith and the assumption or incurrence of all Debt related to such Acquisition) had been consummated as of the last day of such Fiscal Quarter), (c) Excess Liquidity shall be at least \$15,000,000 on each day from the 30th day prior to the consummation of such Acquisition through and including the 30th day after the consummation thereof, as calculated on a pro forma basis as if such Acquisition (including the making of any Advances hereunder in connection therewith) had been consummated on the 30th day prior to the actual consummation thereof, and (d) the aggregate consideration (including all Debt of such Person being acquired that is not discharged by the seller at the time of such Acquisition, all Debt as to which any Loan Party or any Applicable Subsidiary of a Loan Party takes subject, and all other liabilities (including contingent earn-out payments) paid or to be paid in connection with such Acquisition) paid in connection with any single Acquisition shall not exceed \$10,000,000 and in connection with all Acquisitions made during any Fiscal Year shall not exceed \$20,000,000; provided, that so long as the Borrower maintains Excess Liquidity greater than the Excess Liquidity Requirement on each day from the 30th day prior to the consummation of any Acquisition through and including the 30th day after the consummation thereof, as calculated on a pro forma basis as if such Acquisition (including the making of any Advances hereunder in connection therewith) had been consummated on the 30th day prior to the actual consummation

thereof, the aggregate consideration paid in connection with such Acquisition shall not count against the \$10,000,000 per Acquisition limitation or the annual \$20,000,000 limitation in this clause (d).

SECTION 5.07. Loans or Advances.

No Loan Party nor any Applicable Subsidiary of a Loan Party shall make loans or advances to any Person except: (a) deposits required by government agencies or public utilities; (b) loans or advances to the Borrower or any Guarantor that is a Consolidated Subsidiary; provided, if requested by the Administrative Agent in writing, all such Debt shall be unsecured and subordinated in right of payment to the payment in full of the Obligations pursuant to the terms of the applicable promissory notes or an intercompany subordination agreement that in any such case is reasonably satisfactory to Administrative Agent; (c) loans and advances, if any, outstanding on the Closing Date and set forth on Schedule 5.07; (d) loans made in connection with any NMTC Transaction, but only to the extent offset by Debt incurred in connection with such NMTC Transaction under Section 5.27(d), and (e) unsecured loans or advances not otherwise permitted under this Section 5.07, which when aggregated with all other loans and advances made by the Loan Parties and Applicable Subsidiaries of the Loan Parties under this clause (e) and the total Investments made by the Loan Parties and Subsidiaries of Loan Parties under Section 5.09(vi) do not exceed \$1,000,000 in the aggregate outstanding; provided, that after giving effect to the making of any loans, advances or deposits permitted by clause (a), (b), (c), (d) or (e) of this Section, no Default or Event of Default shall have occurred and be continuing. All loans or advances permitted under this Section 5.07 (other than under clause (d) hereof) shall be evidenced by written promissory notes and all such notes shall be subject to the Administrative Agent's first priority Lien pursuant to the Security Agreement.

SECTION 5.08. Restricted Payments.

The Loan Parties shall not declare or make any Restricted Payment unless (i) after giving effect to the making of such Restricted Payment, no Default or Event of Default shall have occurred and be continuing, and the Borrower shall be in actual and pro-forma compliance with the covenants set forth in Section 5.05 (as calculated as of the most recently ended Fiscal Quarter for which the Borrower is then required to have delivered quarterly financial statements in accordance with Section 5.01(b) as if such Restricted Payment and all related transactions (including the making of any Advances hereunder in connection therewith) had been consummated as of the last day of such Fiscal Quarter), (ii) Excess Liquidity shall be at least \$15,000,000 on each day from the 30th day prior to the making of such Restricted Payment through and including the 30th day after the making of such Restricted Payment, as calculated on a pro forma basis as if such Restricted Payment (including the making of any Advances hereunder in connection therewith) had been made on the 30th day prior to the actual making thereof, and (iii) the aggregate amount of Restricted Payments made during any Fiscal Year shall not exceed \$25,000,000; provided, that so long as the Borrower maintains Excess Liquidity greater than the Excess Liquidity Requirement on each day from the 30th day prior to the making of any Restricted Payment through and including the 30th day after the making of such Restricted Payment, as calculated on a pro forma basis as if such Restricted Payment (including the making of any Advances hereunder in connection therewith) had been consummated on the 30th day prior to the actual making thereof, the amount of such Restricted Payment shall not count against the annual \$25,000,000 limitation in this clause (iii).

SECTION 5.09. Investments.

No Loan Party nor any Applicable Subsidiary of a Loan Party shall make Investments in any Person except as permitted by Sections 5.06 and Section 5.07(a) through (e) and except Investments in (i) direct obligations of the United States Government maturing within one year, (ii) certificates of deposit issued by a commercial bank whose credit is satisfactory to the Administrative Agent, (iii) commercial paper rated A-1 or the equivalent thereof by Standard & Poor's Corporation or P-1 or the equivalent thereof by Moody's Investors Service, Inc. and in either case maturing within 12 months after the date of acquisition, (iv) tender bonds the payment of the principal of and interest on which is fully supported by a letter of credit issued by a United States Bank whose long-term certificates of deposit are rated at least AA or the equivalent thereof by Standard & Poor's Corporation and AA or the equivalent thereof by Moody's Investors Service, Inc., (v) Investments existing on the Closing Date and set forth on Schedule 5.09; and (vi) Investments not otherwise permitted under this Section 5.09, made in the ordinary course of business and consistent with practices existing on the Closing Date, which when aggregated with all other Investments made by the Loan Parties and Subsidiaries of Loan Parties under clause (vi) and the aggregate outstanding loans and advances made by the Loan Parties and Applicable Subsidiaries of Loan Parties under Section 5.07(e) do not exceed \$1,000,000; provided, that after giving effect to such Investment and at any time after any such Investment is made, no Default or Event of Default exists.

SECTION 5.10. Negative Pledge.

No Loan Party nor any Applicable Subsidiary of a Loan Party will create, assume or suffer to exist any Lien on any asset now owned or hereafter acquired by it, except:

(a) Liens existing on the date of this Agreement encumbering assets (other than Collateral) securing Debt outstanding on the date of this Agreement, in each case as described and in the principal amounts set forth on Schedule 5.10;

(b) Liens for taxes, assessments or similar charges, incurred in the ordinary course of business that are not yet due and payable or that are being contested in good faith and with due diligence by appropriate proceedings and with respect to which (i) the Loan Party has established reserves reasonably satisfactory to the Administrative Agent and the Required Lenders and (ii) the Administrative Agent is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of the Administrative Agent's Liens;

(c) pledges or deposits made in the ordinary course of business to secure payment of workers' compensation, to participate in any fund in connection with workers' compensation, unemployment insurance, old-age pensions or other social security programs, or for other similar purposes;

(d) Liens of mechanics, materialmen, warehousemen, carriers or other like liens, securing obligations incurred in the ordinary course of business that: (1) are not yet due

and payable and which in no event shall become a Lien prior to any of the Administrative Agent's Liens; or (2) are being contested diligently in good faith pursuant to appropriate proceedings and with respect to which the Loan Party has established reserves reasonably satisfactory to the Administrative Agent and the Required Lenders and which in no event shall become a Lien prior to any of the Administrative Agent's Liens;

(e) good faith pledges or deposits made in the ordinary course of business to secure performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases, not in excess of ten percent (10%) of the aggregate amount due thereunder, or to secure statutory obligations, or surety, appeal, indemnity, performance or other similar bonds required in the ordinary course of business;

(f) any Lien arising out of the refinancing, extension, renewal or refunding of any Debt secured by any Lien permitted by any of clauses (a) through (e) of this Section; provided, that (i) such Debt is not secured by any additional assets, and (ii) the amount of such Debt secured by any such Lien is not increased;

(g) any Lien imposed as a result of a taking under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority;

(h) minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, which are necessary for the conduct of the activities of the Borrower and its Subsidiaries or which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not in any event materially impair their use in the operation of the business of the Borrower and its Applicable Subsidiaries and other easements, covenants, restrictions, reservations, exceptions and other matters shown on any title insurance commitment or survey provided to the Administrative Agent prior to the date hereof and not objected to by the Administrative Agent prior to the date hereof;

(i) Liens securing the Secured Obligations created or arising under the Loan Documents; and

(j) Liens securing Debt incurred by the Borrower or any applicable Subsidiary in connection with any NMTC Transaction, provided that (i) such Liens encumber only the assets acquired with the proceeds of such Debt, and (ii) such Liens are subordinated to Liens securing the Secured Obligations in a manner satisfactory to the Administrative Agent.

SECTION 5.11. Maintenance of Existence, etc.

Except as otherwise permitted by Section 5.12, each Loan Party shall maintain its organizational existence and carry on its business in substantially the same manner and in substantially the same line or lines of business or line or lines of business reasonably related to the business now carried on and maintained (including without limitation the Poly Business). Any Loan Party pledging Collateral under the Collateral Documents shall be organized as a corporation, limited liability company, limited partnership or other legal entity.

SECTION 5.12. Dissolution.

No Loan Party shall suffer or permit dissolution or liquidation either in whole or in part or redeem or retire any shares of its own Capital Securities, except: (a) through corporate or company reorganization to the extent permitted by Section 5.13; (b) Restricted Payments permitted by Section 5.08; and (c) dissolution or liquidation of any Loan Party other than the Borrower so long as (i) all of the assets of such Loan Party have been transferred to the Borrower or such assets will become assets of the Borrower by operation of law, and (ii) if requested by the Administrative Agent, the Borrower shall execute and deliver such documents or instruments as shall be reasonably requested by the Administrative Agent to confirm that the Administrative Agent's security interest in any Collateral pledged by such Loan Party shall continue in full force and effect after such dissolution or liquidation.

SECTION 5.13. Consolidations, Mergers and Sales of Assets.

No Loan Party will, nor will it permit any Applicable Subsidiary of a Loan Party to, consolidate or merge with or into, or sell, lease or otherwise dispose of all or any substantial part of its assets to, any other Person, or discontinue or eliminate any business line or segment, provided, that (a) pursuant to the consummation of an Acquisition permitted under Section 5.06 (but not otherwise) a Loan Party may merge with another Person if (i) such Person was organized under the laws of the United States of America or one of its states, (ii) the Loan Party is the Person surviving such merger, (iii) immediately after giving effect to such merger, no Default or Event of Default shall have occurred and be continuing, (b) Loan Parties may merge with one another, provided that if the Borrower merges with another Loan Party, the Borrower is the Person surviving such merger; (c) Subsidiaries of a Loan Party (excluding Loan Parties) may merge with one another; (d) the Borrower may dispose of the Olive Branch Property; and (e) so long as no Event of Default shall exist or would result therefrom, the foregoing limitation on the sale, lease or other transfer of assets and on the discontinuation or elimination of a business line or segment shall not prohibit (i) sales of Inventory in the ordinary course of business and for fair value; (ii) transfers of assets between the Borrower and any Subsidiary in connection with an NMTC Transaction; provided that such Subsidiary has become a party to this Agreement and the other applicable Loan Documents pursuant to Section 5.24 hereof; and (iii) any other transfer of assets or the discontinuance or elimination of a business line or segment (in a single transaction or in a series of related transactions); provided that that aggregate value of the assets so transferred by all Loan Parties and all Applicable Subsidiaries of Loan Parties, and all other assets utilized in all other business lines or segments so discontinued by all Loan Parties and all Applicable Subsidiaries of Loan Parties, shall not exceed \$500,000 in the aggregate during any Fiscal Year.

SECTION 5.14. Use of Proceeds.

No portion of the proceeds of any Advance will be used by the Borrower or any Subsidiary (a) directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any Margin Stock, or (b) for any purpose in violation of any applicable law or regulation. Except as otherwise provided herein, the proceeds of the Advances shall be used: (i) to refinance certain existing indebtedness of the Borrower, including the Borrower's indebtedness under the Prior Credit Agreement; (ii) for working capital and other lawful

corporate purposes, (iii) for the issuance of Letters of Credit, and (iv) to pay fees and expenses incurred in connection with this Agreement. No part of the proceeds of any Advance will be used, whether directly or indirectly, for any purpose that would violate any rule or regulation of the Board of Governors of the Federal Reserve System, including Regulations T, U or X.

SECTION 5.15. Compliance with Laws; Payment of Taxes.

Each Loan Party will, and will cause each Applicable Subsidiary of a Loan Party and each member of the Controlled Group to, comply in all material respects with applicable laws (including but not limited to Environmental Laws, ERISA and the Patriot Act), regulations and similar requirements of governmental authorities (including but not limited to the PBGC), except where the necessity of such compliance is being contested in good faith through appropriate proceedings diligently pursued. Each Loan Party will, and will cause each Applicable Subsidiary of a Loan Party to, pay promptly when due all taxes, assessments, governmental charges, claims for labor, supplies, rent and other obligations which, if unpaid, might become a Lien against the property of a Loan Party or any Applicable Subsidiary of a Loan Party, except liabilities being contested in good faith by appropriate proceedings diligently pursued and with respect to which (a) the Borrower shall have set up reserves in accordance with GAAP, and (b) the Administrative Agent is satisfied that, while any such contest is pending, there will be no impairment of the enforceability, validity, or priority of any of the Administrative Agent's Liens. Each Loan Party will, and will cause each Applicable Subsidiary of a Loan Party to, comply with all material terms and conditions of all Material Contracts to which it is a party.

SECTION 5.16. Insurance.

In addition to any insurance requirements set forth in the Collateral Documents, each Loan Party will maintain, and will cause each Applicable Subsidiary of a Loan Party to maintain (either in the name of such Loan Party or in such Applicable Subsidiary's own name), with financially sound and reputable insurance companies, insurance on all its Property in at least such amounts (and with such risk retentions and with such deductibles) and against at least such risks as are usually insured against in the same general area by companies of established repute engaged in the same or similar business, and the Borrower will maintain not less than \$64,000,000 of business interruption insurance at all times (or such lesser amount as the Administrative Agent may agree to in its Permitted Discretion). Upon request, the Loan Parties shall promptly furnish the Administrative Agent copies of all such insurance policies or certificates evidencing such insurance and such other documents and evidence of insurance as the Administrative Agent shall request. Subject to the terms of the Security Agreement, the Administrative Agent shall be named as loss payee and additional insured on all such insurance policies insuring the Collateral (as defined in the Security Agreement).

SECTION 5.17. Change in Fiscal Year.

No Loan Party will make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change its Fiscal Year without the consent of the Required Lenders.

SECTION 5.18. Maintenance of Property.

Each Loan Party shall, and shall cause each Applicable Subsidiary of a Loan Party to, maintain all of its properties and assets in good condition, repair and working order, ordinary wear and tear excepted, except as otherwise provided in any of the Collateral Documents.

SECTION 5.19. Environmental Notices.

Each Loan Party shall furnish to the Lenders and the Administrative Agent prompt written notice of all material Environmental Liabilities, pending or threatened Environmental Proceedings, Environmental Notices, Environmental Judgments and Orders, and Environmental Releases at, on, in, under or in any way affecting the Properties of which any Loan Party has notice.

SECTION 5.20. Environmental Matters.

No Loan Party or any Applicable Subsidiary of a Loan Party will, nor will any Loan Party permit any Third Party to, use, produce, manufacture, process, treat, recycle, generate, store, dispose of, manage at, or otherwise handle or ship or transport to or from the Properties any Hazardous Materials except for Hazardous Materials such as cleaning solvents, pesticides, petroleum products and other materials used, produced, manufactured, processed, treated, recycled, generated, stored, disposed, managed or otherwise handled in the ordinary course of business (including without limitation the Poly Business) in strict compliance with all applicable Environmental Requirements.

SECTION 5.21. Environmental Release.

Each Loan Party agrees that, upon the occurrence of an Environmental Release at, under or on any of the Properties owned by any Loan Party, it will act immediately to investigate the extent of, and to take appropriate remedial action to eliminate, such Environmental Release, whether or not ordered or otherwise directed to do so by any Environmental Authority.

SECTION 5.22. Additional Covenants, Etc.

In the event that at any time this Agreement is in effect or any Note remains unpaid any Loan Party shall enter into any agreement, guarantee, indenture or other instrument governing, relating to, providing for commitments to advance or guaranteeing any Financing or to amend any terms and conditions applicable to any Financing, which agreement, guarantee, indenture or other instrument includes covenants, warranties, representations, defaults or events of default (or any other type of restriction which would have the practical effect of any of the foregoing, including, without limitation, any "put" or mandatory prepayment of such debt) or other terms or conditions not substantially as, or in addition to those, provided in this Agreement or any other Loan Document, or more favorable to the lender or other counterparty thereunder than those provided in this Agreement or any other Loan Document, the Loan Party shall promptly so notify the Administrative Agent and the Lenders. Thereupon, if the Administrative Agent shall request by written notice to the Loan Party (after a determination has been made by the Required Lenders that any of the above referenced documents or instruments contains any provisions which either individually or in the aggregate are more favorable than one of the provisions set

forth herein), the Loan Parties, the Administrative Agent and the Lenders shall enter into an amendment to this Agreement providing for substantially the same such covenants, warranties, representations, defaults or events of default or other terms or conditions as those provided for in such agreement, guarantee, indenture or other instrument, to the extent required and as may be selected by the Administrative Agent, such amendment to remain in effect, unless otherwise specified in writing by the Administrative Agent, for the entire duration of the term of such Financing (to and including the date to which the same may be extended at the option of the Loan Party); provided, that if any such agreement, guarantee, indenture or other instrument shall be subsequently modified, supplemented, amended or restated so as to modify, amend or eliminate from such agreement, guarantee, indenture or other instrument any such covenant, warranty, representation, default or event of default or other term or condition so made a part of this Agreement, then unless otherwise required by the Administrative Agent pursuant to this Section, the Loan Documents shall be modified so as to conform the provisions previously incorporated pursuant to this Section 5.22 to such provisions as subsequently modified, supplemented, amended or restated. Notwithstanding the foregoing, this Section 5.22 shall not apply to the terms and conditions applicable to any Financing in connection with any NMTC Transaction.

SECTION 5.23. Transactions with Affiliates.

No Loan Party nor any Applicable Subsidiary of a Loan Party shall enter into, or be a party to, any transaction with any Affiliate of a Loan Party or such Applicable Subsidiary (which Affiliate is not a Loan Party or a Applicable Subsidiary of a Loan Party), except as permitted by law and in the ordinary course of business and pursuant to reasonable terms which are no less favorable to the Loan Party or such Subsidiary than would be obtained in a comparable arm's length transaction with a Person which is not an Affiliate, and except for NMTC Transactions and the other transactions described in Schedule 4.27.

SECTION 5.24. Joinder of Subsidiaries.

(a) The Loan Parties shall cause any Person which becomes a Subsidiary of a Loan Party after the Closing Date to become a party to, and agree to be bound by the terms of, this Agreement and the other Loan Documents (including without limitation the Security Agreement) as a Guarantor pursuant to a Joinder Agreement, satisfactory to the Administrative Agent in all respects and executed and delivered to the Administrative Agent within ten (10) Domestic Business Days after the day on which such Person became a Subsidiary; provided, however, that (1) the Excluded Subsidiary shall not be required to become a Guarantor hereunder, and (2) no Foreign Subsidiary shall be required to become a Guarantor hereunder if, in the reasonable judgment of the Administrative Agent based on information provided by the Borrower, doing so would result in material adverse tax consequences to the Borrower. The Loan Parties shall also cause the items specified in Section 3.01(c), (e) and (h) to be delivered to the Administrative Agent concurrently with the instrument referred to above, modified appropriately to refer to such instrument and such Subsidiary.

(b) The Loan Parties shall, or shall cause any applicable Subsidiary (a "Pledgor Subsidiary") to, pledge: (a) the lesser of 65% or the entire interest owned by the Loan Parties and any such Pledgor Subsidiary, of the Capital Securities or equivalent equity interests in any

Person which becomes a Direct Foreign Subsidiary after the Closing Date; and (b) the entire interest owned by the Loan Parties and any such Pledgor Subsidiary, of the Capital Securities or equivalent equity interests in any Person which becomes a Domestic Subsidiary after the Closing Date, in each case pursuant to a Pledge Agreement executed and delivered by the Loan Parties and any such Pledgor Subsidiary to the Administrative Agent within ten (10) Domestic Business Days after the day on which such Person became a Subsidiary, and shall deliver to the Administrative Agent such shares of the Capital Securities together with stock powers executed in blank. The Loan Parties shall also cause the items specified in Section 3.01(c), (e), (g), (h) and (j) to be delivered to the Administrative Agent concurrently with such Pledge Agreement, modified appropriately to refer to such Pledge Agreement, the pledgor and such Subsidiary.

(c) Once any Subsidiary becomes a party to this Agreement in accordance with Section 5.24(a) or any Capital Securities (or equivalent equity interests) of a Subsidiary are pledged to the Administrative Agent in accordance with Section 5.24(b), such Subsidiary thereafter shall remain a party to this Agreement and the Capital Securities (or equivalent equity interests) in such Subsidiary (including, without limitation, all initial Subsidiaries) shall remain subject to the pledge to the Administrative Agent even if such Subsidiary ceases to be a Subsidiary; provided, that if a Subsidiary ceases to be a Subsidiary of the Borrower as a result of the Borrower's transfer or sale of one hundred percent (100%) of the Capital Securities of such Subsidiary in accordance with and to the extent permitted by the terms of Section 5.13, the Administrative Agent and the Lenders agree to release such Subsidiary from this Agreement and release the Capital Securities of such Subsidiary from the applicable Pledge Agreement.

(d) Nothing herein shall be deemed to require the Borrower or any other Loan Party to pledge to the Administrative Agent any Capital Securities or equivalent equity interests in the Excluded Subsidiary.

SECTION 5.25. No Restrictive Agreement.

No Loan Party will, nor will any Loan Party permit any of its Applicable Subsidiaries to, enter into, after the date of this Agreement, any indenture, agreement, instrument or other arrangement that, directly or indirectly, prohibits or restrains, or has the effect of prohibiting or restraining, or imposes materially adverse conditions upon, any of the following by the Loan Party or any such Subsidiary: the incurrence or payment of Debt, the granting of Liens (except as permitted by Section 5.10), the declaration or payment of Restricted Payments or other distributions in respect of Capital Securities of the Loan Party or any Subsidiary, the making of loans, advances or Investments or the sale, assignment, transfer or other disposition of property, real, personal, intangible or tangible.

SECTION 5.26. Partnerships and Joint Ventures.

No Loan Party shall become a general partner in any general or limited partnership or a joint venturer in any joint venture, except for any Investment permitted by Section 5.09.

SECTION 5.27. Additional Debt.

No Loan Party or Applicable Subsidiary of a Loan Party shall directly or indirectly issue, assume, create, incur or suffer to exist any Debt or the equivalent (including obligations under

capital leases), except for: (a) the Debt owed to the Lenders under the Loan Documents; (b) the Debt existing and outstanding on the Closing Date described on Schedule 5.27; (c) Debt subordinated to the Obligations by subordination agreement(s) satisfactory to Administrative Agent in its sole discretion; (d) so long as no NMTC Recapture Event with respect to any NMTC Transaction has occurred, any Debt incurred by the Borrower and/or any Subsidiary in connection with such NMTC Transaction, and (e) unsecured Debt not otherwise permitted under this Section 5.27, the aggregate outstanding principal amount of which when aggregated with all other outstanding unsecured Debt of the Loan Parties and Applicable Subsidiaries of Loan Parties under this clause (e) shall not, at any time, exceed \$1,000,000.

The Borrower will not, and will not permit any Subsidiary to, (a) redeem, purchase prior to maturity, pay, or prepay any Subordinated Debt (other than as otherwise permitted by Section 5.08), (b) amend, modify, waive or extend or permit the amendment, modification, waiver or extension of any term of any document governing or relating to any Subordinated Debt or (c) designate any Debt of the Borrower or any Applicable Subsidiary as "Senior Indebtedness," "Senior Debt" or any similar designation under any agreement governing any Subordinated Debt of the Borrower or any Applicable Subsidiary, other than the Obligations; provided, that the Borrower shall be permitted on one occasion to repay Subordinated Debt with the proceeds of additional Subordinated Debt (the "Substitute Subordinated Debt") incurred contemporaneously with such repayment, provided: (1) such Substitute Subordinated Debt is in a principal amount no less than the principal amount of the Subordinated Debt being repaid; (2) the Borrower provides the Administrative Agent with written notice of such repayment no less than fifteen (15) calendar days prior to such repayment; (3) such repayment is made no less than sixty (60) calendar days prior to the maturity date of the Subordinated Debt being repaid; and (4) prior to such repayment, the holder of such Substitute Subordinated Debt executes and delivers to the Administrative Agent a subordination agreement satisfactory to the Required Lenders in their sole discretion.

SECTION 5.28. Modifications of Organizational Documents.

The Borrower shall not, and shall not permit any Loan Party or Applicable Subsidiary thereof to, amend, supplement, restate or otherwise modify its Organizational Documents or Operating Documents or other applicable document which modification is adverse to the interests of the Administrative Agent, the Letter of Credit Issuer or the Lenders under the Loan Documents.

SECTION 5.29. ERISA Exemptions.

The Loan Parties shall not permit any of their respective assets to become or be deemed to be "plan assets" within the meaning of ERISA, the Code or the respective regulations promulgated thereunder.

SECTION 5.30. Hedge Transactions.

The Loan Parties will not, and will not permit any of their Applicable Subsidiaries to, enter into any Hedge Transaction, other than Hedge Transactions entered into in the ordinary course of business to hedge or mitigate risks to which the Loan Parties are exposed in the

conduct of their business or the management of their liabilities. Solely for the avoidance of doubt, the Borrower acknowledges that a Hedge Transaction entered into for speculative purposes or of a speculative nature (which shall be deemed to include any Hedge Transaction under which any Loan Party is or may become obliged to make any payment (i) in connection with the purchase by any third party of any common stock or any Debt or (ii) as a result of changes in the market value of any common stock or any Debt) is not a Hedge Transaction entered into in the ordinary course of business to hedge or mitigate risks.

SECTION 5.31. Performance of Loan Documents.

Each Loan Party will at its own expense duly fulfill and comply with all obligations on its part to be fulfilled or complied with under or in connection with the Collateral, and all documents related thereto and will do nothing to impair the rights of any Loan Party or the Administrative Agent, as agent for the Secured Parties, or of the Secured Parties in, to and under the Collateral. Each Loan Party shall clearly and unambiguously identify each item of the Collateral in its computer or other records to reflect that the Administrative Agent, as agent for the Secured Parties, has the Lien therein granted by the Loan Parties pursuant to the Loan Documents.

SECTION 5.32. Operating Leases.

No Loan Party nor any Applicable Subsidiary of a Loan Party shall create, assume or suffer to exist any operating lease except operating leases which: (a) (i) are entered into in the ordinary course of business, and (ii) the aggregate indebtedness, liabilities and obligations of the Loan Parties under all such operating leases during any period of four (4) consecutive Fiscal Quarters shall at no time exceed \$15,000,000; and (b) are between the Borrower or any Guarantor, as landlord, and the Borrower or any Guarantor as tenant.

SECTION 5.33. Deposit Accounts.

The Loan Parties shall maintain their primary demand deposit and cash management accounts with BB&T.

SECTION 5.34. Evidence of Insurance.

The Borrower shall provide to the Administrative Agent, within ten (10) days after the Closing Date, (a) a certificate evidencing the Borrower's liability insurance coverage, together with a copy of the "additional insured" endorsement to the Borrower's liability insurance policies, and (b) a copy of the "lenders loss payable" endorsement to the Borrower's property insurance policies, in each case in form and substance satisfactory to the Administrative Agent.

SECTION 5.35. Further Assurances.

Upon the request of the Administrative Agent, the Loan Parties will execute and deliver to the Administrative Agent such further instruments, documents and certificates, and do and cause to be done such further acts, in each case as the Administrative Agent may deem necessary or advisable to maintain in favor of the Administrative Agent, for the benefit of the Secured Parties, Liens on the Collateral that are duly perfected in accordance with the requirements of, or the obligations of the Loan Parties under, the Loan Documents and all Applicable Laws.

SECTION 5.36. Specific Covenants Regarding the Excluded Subsidiary.

Without limiting the generality of any of the forgoing covenant, the Borrower agrees that it will not (i) re-activate the Excluded Subsidiary or permit the Excluded Subsidiary to engage in any business activities, (ii) convey any assets to the Excluded Subsidiary, or (iii) make any loans or advances to the Excluded Subsidiary.

ARTICLE VI
DEFAULTS

SECTION 6.01. Events of Default.

If one or more of the following events (“Events of Default”) shall have occurred and be continuing:

(a) the Borrower (i) shall fail to pay when due any principal of any Advance (including, without limitation, any Advance or portion thereof to be repaid pursuant to Section 2.11), (ii) shall fail to pay when due any Reimbursement Obligation with respect to any Letter of Credit, or (iii) shall fail to pay any interest on any Advance within three (3) Business Days after such interest shall become due; or any Loan Party shall fail to pay any fee or other amount payable hereunder within three (3) Business Days after such fee or other amount becomes due; or

(b) any Loan Party shall fail to observe or perform any covenant contained in Sections 5.01, 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.12, 5.13, 5.14, 5.17, 5.23, 5.24, 5.25, 5.26, 5.27, 5.28, 5.29, 5.30, or 5.32; or

(c) any Loan Party shall fail to observe or perform any covenant or agreement contained or incorporated by reference in this Agreement (other than those covered by clause (a) or (b) above or clauses (n) or (p) below); provided, that such failure continues for fifteen (15) calendar days after the earlier of (i) the first day on which any Loan Party has knowledge of such failure or (ii) written notice thereof has been given to the Borrower by the Administrative Agent at the request of any Lender; or

(d) any representation, warranty, certification or statement made or deemed made by the Loan Parties in Article IV of this Agreement or in any financial statement, material certificate or other material document or report delivered pursuant to this Agreement by any Loan Party shall prove to have been untrue or misleading in any material respect when made (or deemed made); or

(e) any Loan Party or any Subsidiary of a Loan Party shall fail to make any payment in respect of Debt (other than the Notes) having an aggregate principal amount in excess of \$250,000 after expiration of any applicable cure or grace period; or

(f) any event or condition shall occur which results in the acceleration of the maturity of Debt outstanding of any Loan Party or any Subsidiary of a Loan Party in an aggregate principal amount in excess of \$250,000 or the mandatory prepayment or purchase of such Debt by any Loan Party (or its designee) or such Subsidiary of a Loan Party (or its designee) prior to the scheduled maturity thereof, or enables the holders of such Debt or commitment to provide such Debt or any Person acting on such holders' behalf to accelerate the maturity thereof, terminate any such commitment or require the mandatory prepayment or purchase thereof prior to the scheduled maturity thereof; or

(g) any Loan Party or any Subsidiary of a Loan Party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any Debtor Relief Laws now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, administrator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or shall admit in writing its inability, to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(h) an involuntary case or other proceeding shall be commenced against any Loan Party or any Subsidiary of a Loan Party seeking liquidation, reorganization or other relief with respect to it or its debts under any Debtor Relief Laws now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, administrator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) calendar days; or an order for relief shall be entered against any Loan Party or any Subsidiary of a Loan Party under any Debtor Relief Laws now or hereafter in effect; or

(i) any Loan Party or any member of the Controlled Group shall fail to pay when due any material amount which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans shall be filed under Title IV of ERISA by any Loan Party, any member of the Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any such Plan or Plans or a proceeding shall be instituted by a fiduciary of any such Plan or Plans to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within thirty (30) calendar days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any such Plan or Plans must be terminated; or

(j) (1) one or more judgments or orders for the payment of money in an aggregate amount in excess of \$250,000 shall be rendered against any Loan Party or any Subsidiary of a Loan Party, and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) calendar days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect, or (2) any Loan Party or Subsidiary of a Loan Party shall have made payments in settlement of any litigation or threatened proceeding in excess of \$5,000,000 in the aggregate without the prior approval of the Required Lenders, which consent shall not be unreasonably withheld, conditioned or delayed; or

(k) one or more federal tax Liens shall be filed against any Loan Party or any Subsidiary of a Loan Party under Section 6323 of the Code or one or more Liens of the PBGC shall be filed against any Loan Party or any Subsidiary of a Loan Party under Section 4068 of ERISA, in either case which (i) are in an aggregate amount of less than \$250,000 and are not paid or otherwise discharged within thirty (30) days, or (ii) are in an aggregate amount of \$250,000 or more; or

(l) a Change in Control shall occur; or

(m) the Administrative Agent, as agent for the Secured Parties, shall fail for any reason to have a valid first priority security interest in any of the Collateral (other than as a direct result of any action or inaction on the part of the Administrative Agent); or there shall have occurred uninsured damage to, or loss, theft or destruction of, any part of the Collateral in excess of \$2,500,000 in the aggregate during any Fiscal Year; or

(n) a default or event of default shall occur and be continuing under any of the Collateral Documents, any Letter of Credit or any Letter of Credit Application Agreement or any Loan Party shall fail to observe or perform any obligation to be observed or performed by it under any Collateral Document, any Letter of Credit or any Letter of Credit Application Agreement, and such default, event of default or failure to perform or observe any obligation continues beyond any applicable cure or grace period provided in such Collateral Document, any Letter of Credit or any Letter of Credit Application Agreement; or

(o) a material default or event of default shall occur and be continuing under any of the Material Contracts or any Loan Party shall fail to observe or perform any material obligation to be observed or performed by it under any Material Contract, and such material default, event of default or failure to perform or observe any obligation continues beyond any applicable cure or grace period provided in such Material Contract; or

(p) (i) any of the Guarantors shall fail to pay when due any Guaranteed Obligations or shall fail to pay any fee or other amount payable hereunder when due (in either case after giving effect to any applicable grace period); or (ii) any Guarantor shall disaffirm, contest or deny its obligations under Article X; or

(q) if the Borrower, except as permitted by Section 5.12 or 5.13, at any time fails to own (directly or indirectly, through Wholly-Owned Subsidiaries) 100% of the outstanding shares of the voting stock, voting membership interests or equivalent equity interests of each Guarantor that was a Wholly-Owned Subsidiary at the time it became a Guarantor under this Agreement; or

(r) any Loan Party shall (or shall attempt to) disaffirm, contest or deny its obligations under any Loan Document; or

(s) the occurrence of any event, act or condition which the Required Lenders determine either does or has a reasonable probability of causing a Material Adverse Effect,

then, and in every such event, the Administrative Agent shall (i) if requested by the Required Lenders, by notice to the Borrower terminate the Revolver Commitments of all of the Lenders and they shall thereupon terminate; (ii) if requested by the Swing Line Lender, by notice to the Borrower, terminate the Swing Line facility set forth in Section 2.01(b); (iii) if requested by the Required Lenders, by notice to the Letter of Credit Issuer, instruct the Letter of Credit Issuer to declare an Event of Default under the Letter of Credit Application Agreements; and (iv) if requested by the Required Lenders, by notice to the Borrower declare the Notes (together with accrued interest thereon) and all other amounts payable hereunder and under the other Loan Documents to be, and the Notes, including without limitation the Swing Advance Note (together with all accrued interest thereon) and all other amounts payable hereunder and under the other Loan Documents shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Loan Parties; provided, that if any Event of Default specified in clause (g) or (h) above occurs with respect to any Loan Party or any Subsidiary of a Loan Party, without any notice to any Loan Party or any other act by the Administrative Agent or the Lenders, the Revolver Commitments of all of the Lenders shall thereupon automatically terminate and the Swing Line facility set forth in Section 2.01(b) shall thereupon automatically terminate and the Notes, including without limitation the Swing Advance Note (together with accrued interest thereon) and all other amounts payable hereunder and under the other Loan Documents shall automatically become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Loan Parties. Notwithstanding the foregoing, the Administrative Agent shall have available to it all rights and remedies provided under the Loan Documents (including, without limitation, the rights of a secured party pursuant to the Collateral Documents) and in addition thereto, all other rights and remedies at law or equity, and the Administrative Agent shall exercise any one or all of them at the request of the Required Lenders.

SECTION 6.02. Notice of Default.

The Administrative Agent shall give notice to the Borrower of any Default under Section 6.01(c) promptly upon being requested to do so by any Lender (other than any Defaulting Lender) and shall thereupon notify all the Lenders thereof.

SECTION 6.03. Cash Cover.

If any Event of Default shall have occurred and be continuing, the Borrower shall, if requested by the Administrative Agent, pay to the Administrative Agent, for the benefit of the Lenders an amount in immediately available funds (which funds shall be held as Cash Collateral pursuant to arrangements satisfactory to the Administrative Agent) equal to 102% of the aggregate Undrawn Amounts available under the Letters of Credit; provided, that if any Event of Default specified in clause (g) or (h) above occurs, the Borrower shall be obligated to pay such amount to the Administrative Agent forthwith without any notice to the Borrower or any other act by the Administrative Agent.

SECTION 6.04. Allocation of Proceeds.

If an Event of Default has occurred and not been waived, and the maturity of the Notes has been accelerated pursuant to Article VI hereof, all payments received by the Administrative Agent hereunder or under the other Loan Documents, in respect of any principal of or interest on the Secured Obligations or any other amounts payable by the Borrower or any other Loan Party hereunder or under the other Loan Documents, shall be applied by the Administrative Agent in the following order:

(a) To payment of that portion of the Secured Obligations constituting fees, indemnities, Credit Party Expenses and other amounts (including reasonable fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article VIII and Section 2.12) payable to the Administrative Agent; and then

(b) To payment of that portion of the Secured Obligations constituting indemnities, Credit Party Expenses and other amounts (other than principal, interest and fees) payable to the Lenders and the Letter of Credit Issuer (including reasonable fees, charges and disbursements of counsel to the respective Lenders and the Letter of Credit Issuer and amounts payable under Article VIII and Section 2.12), ratably among them in proportion to the amounts described in this clause payable to them; and then

(c) To the extent that Swing Advances have not been refinanced by a Revolver Advance, payment to the Swing Line Lender of that portion of the Secured Obligations constituting accrued and unpaid interest on the Swing Advances; and then

(d) To payment of that portion of the Secured Obligations constituting accrued and unpaid interest on the Advances and other Secured Obligations, and fees (including unused commitment fees, Letter of Credit Fees and Facing Fees), ratably among the Lenders and the Letter of Credit Issuer in proportion to the respective amounts described in this clause payable to them; and then

(e) To the extent that Swing Advances have not been refinanced by a Revolver Advance, to payment to the Swing Line Lender of that portion of the Secured Obligations constituting unpaid principal of the Swing Advances; and then

(f) To payment of that portion of the Secured Obligations constituting unpaid principal of the Advances and Reimbursement Obligations, ratably among the Lenders and the Letter of Credit Issuer in proportion to the respective amounts described in this clause held by them; and then

(g) To the Administrative Agent for the account of the Letter of Credit Issuer (for the benefit of the Letter of Credit Issuer and the Lenders), in respect of outstanding Letters of Credit pursuant to Section 6.03; and then

(h) To payment of all other Secured Obligations (excluding any Secured Obligations arising from Cash Management Services and Bank Products), ratably among the Secured Parties in proportion to the respective amounts described in this clause held by them; and then

(i) To payment of all other Secured Obligations arising from Bank Products and Cash Management Services to the extent secured under the Collateral Documents, ratably among the Secured Parties in proportion to the respective amounts described in this clause held by them; and then

(j) The balance, if any, after all of the Secured Obligations have been indefeasibly paid in full, to the Loan Parties or as otherwise required by law.

Subject to Article XI, amounts used to Cash Collateralize the aggregate Undrawn Amount of Letters of Credit pursuant to clause (g) above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Secured Obligations, if any, in the order set forth above.

ARTICLE VII
THE ADMINISTRATIVE AGENT

SECTION 7.01. Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints BB&T to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) Without limiting the generality of the foregoing, each of the Lenders (including, in the case of BB&T, in such Lender's capacity as a Hedge Counterparty or as the provider of Bank Products or Cash Management Services, as applicable, and on behalf of any Affiliate thereof acting in any such capacity), the Swing Line Lender and the Letter of Credit Issuer hereby irrevocably authorizes the Administrative Agent to act as the agent of the Secured Parties for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure all or any portion of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. The Administrative Agent, acting in such capacity under the Collateral Documents may sometime be referred to as a "collateral agent" or "Collateral Agent" herein and in the other Loan Documents. All references herein and in the other Loan Documents to the "Administrative Agent" shall include the Administrative Agent in its capacity as "collateral agent" or "Collateral Agent" under the Collateral Documents.

(c) The provisions of this Article are solely for the benefit of the Administrative Agent and the Lenders, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions.

SECTION 7.02. Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the

Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders

SECTION 7.03. Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided, that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 9.05 and 6.01) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 7.04. Reliance by Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of an Advance that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Advance. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 7.05. Delegation of Duties.

The Administrative Agent may perform any and all of their duties and exercise their rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent, and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 7.06. Resignation or Removal of Administrative Agent.

The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. In addition, if the Administrative Agent becomes a Defaulting Lender, the Borrower or the Required Lenders may remove the Administrative Agent by written notice to the Administrative Agent and the Lenders. Upon receipt of any such notice of resignation or removal of the Administrative Agent, the Required Lenders shall have the right, in consultation with the Borrower (and, with respect to the removal of the Administrative Agent, with the approval of the Borrower unless an Event of Default shall have occurred and then be continuing), to appoint a successor Administrative Agent, which shall be a bank with an office in the United States of America, or an Affiliate of any such bank with an office in the United States of America. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) calendar days after the retiring Administrative Agent gives notice of its resignation or the Borrower or the Required Lenders, as the case may be, gives notice of removal of the Administrative Agent, then the retiring or removed Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent

meeting the qualifications set forth above; provided, that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations as Administrative Agent hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this paragraph. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent (other than rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations as Administrative Agent hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this paragraph). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 9.03 shall continue in effect with respect to such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

SECTION 7.07. Non-Reliance on Administrative Agent and Other Lenders.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 7.08. No Other Duties, etc.

Anything herein to the contrary notwithstanding, none of the Arrangers listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

SECTION 7.09. Other Agents.

The Borrower and each Lender hereby acknowledges that any Lender designated as an "Agent" on the signature pages hereof (other than the Administrative Agent) shall not have any obligations, duties or liabilities hereunder other than in its capacity as a Lender.

SECTION 7.10. Collateral Matters.

(a) Each Lender (including in its capacity as a Hedge Counterparty, or as the provider of Bank Products or Cash Management Services, as applicable, and on behalf of any Affiliate thereof acting in any such capacity) and the Letter of Credit Issuer hereby irrevocably authorizes and directs the Administrative Agent to enter into the Collateral Documents for the benefit of such Lender and the Letter of Credit Issuer. Each Lender and the Letter of Credit Issuer hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth in Section 9.05(a), any action taken by the Required Lenders, in accordance with the provisions of this Agreement or the Collateral Documents, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of Lenders and the Letter of Credit Issuer. The Administrative Agent is hereby authorized (but not obligated) on behalf of all of Lenders and the Letter of Credit Issuer, without the necessity of any notice to or further consent from any Lender or the Letter of Credit Issuer from time to time prior to, an Event of Default, to take any action with respect to any Collateral or Collateral Documents which may be necessary to perfect and maintain perfected the Liens upon the Collateral granted pursuant to the Collateral Documents.

(b) Each Lender (including in its capacity as a Hedge Counterparty, or as the provider of Bank Products or Cash Management Services, as applicable, and on behalf of any Affiliate thereof acting in any such capacity) and the Letter of Credit Issuer hereby irrevocably authorize the Administrative Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (A) upon termination of the Revolver Commitments and payment in full of all Secured Obligations (other than (1) contingent indemnification obligations and (2) obligations and liabilities under Hedging Agreements as to which arrangements satisfactory to the applicable Hedge Counterparty shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to Agent and the Letter of Credit Issuer shall have been made), (B) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, (C) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders, or (D) in connection with any foreclosure sale or other disposition of Collateral after the occurrence of an Event of Default; and

(ii) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is expressly permitted by this Agreement or any other Loan Document to have priority to the Administrative Agent's Lien therein.

Upon request by the Administrative Agent at any time, each Lender and the Letter of Credit Issuer will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of Collateral pursuant to this Section 7.10.

(c) Subject to paragraph (b) above, the Administrative Agent may (and is hereby irrevocably authorized by each Lender and the Letter of Credit Issuer, to) execute such documents as may be necessary to evidence the release or subordination of the Liens granted to the Administrative Agent for the benefit of the Secured Parties herein or pursuant hereto upon the applicable Collateral; provided that (i) the Administrative Agent shall not be required to execute any such document on terms which, in the Administrative Agent's opinion, would expose the Administrative Agent to or create any liability or entail any consequence other than the release or subordination of such Liens without recourse or warranty and (ii) such release or subordination shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Borrower or any other Loan Party in respect of) all interests retained by the Borrower or any other Loan Party, including the proceeds of the sale, all of which shall continue to constitute part of the Collateral. In the event of any sale or transfer of Collateral, or any foreclosure with respect to any of the Collateral, the Administrative Agent shall be authorized to deduct all expenses reasonably incurred by the Administrative Agent from the proceeds of any such sale, transfer or foreclosure.

(d) The Administrative Agent shall have no obligation whatsoever to any Lender, the Letter of Credit Issuer or any other Person to assure that the Collateral exists or is owned by the Borrower or any other Loan Party or is cared for, protected or insured or that the Liens granted to the Administrative Agent in any of the Collateral Documents or pursuant hereto or thereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Administrative Agent in this Section 7.10 or in any of the Collateral Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Administrative Agent may act in any manner it may deem appropriate, in its sole discretion, given Administrative Agent's own interest in the Collateral as one of Lenders and that the Administrative Agent shall have no duty or liability whatsoever to Lenders or the Letter of Credit Issuer.

(e) Each Lender and the Letter of Credit Issuer hereby appoints each other Lender as agent for the purpose of perfecting the Lenders' and the Letter of Credit Issuer's security interest in assets which, in accordance with Article 9 of the UCC can be perfected only by possession. Should any Lender or the Letter of Credit Issuer (other than the Administrative Agent) obtain possession of any such Collateral, such Lender or the Letter of Credit Issuer shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or in accordance with the Administrative Agent's instructions.

SECTION 7.11. Administrative Agent May File Proofs of Claim.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether

the principal of any Advance or Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Advances and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.07 or 9.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.07 or 9.03.

ARTICLE VIII CHANGE IN CIRCUMSTANCES; COMPENSATION

SECTION 8.01. Basis for Determining Interest Rate Inadequate or Unfair.

If any Lender advises the Administrative Agent that the London InterBank Offered Rate as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lender of funding any Euro-Dollar Advances, the Administrative Agent shall forthwith give notice thereof to the Borrower and the Lenders, whereupon until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist, (a) the obligations of the Lenders to make Euro-Dollar Advances shall be suspended, (b) all outstanding Euro-Dollar Advances shall be converted automatically to Base Rate Advances, and (c) with respect to any Borrowing of Euro-Dollar Advances for which a Notice of Borrowing has already been given, such Borrowing shall instead be made as Base Rate Advances unless the Borrower notifies the Administrative Agent, at least two (2) Euro-Dollar Business Days before the date of such Borrowing, that it elects not to borrow on such date.

SECTION 8.02. Illegality.

If, after the date hereof, a Change of Law or compliance by any Lender (or its Lending Office) with any formal request or directive of any Governmental Authority shall make it unlawful or impossible for any Lender (or its Lending Office) to make, maintain or fund its Euro-Dollar Advances and such Lender shall so notify the Administrative Agent, the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Borrower,

whereupon until such Lender notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make or permit continuations or conversions of Euro-Dollar Advances shall be suspended. Before giving any notice to the Administrative Agent pursuant to this Section, such Lender shall designate a different Lending Office if such designation will avoid the need for giving such notice and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. If such Lender shall reasonably determine that it may not lawfully continue to maintain and fund any of its portion of the outstanding Euro-Dollar Advances to maturity and shall so specify in such notice, the Borrower shall immediately prepay in full the then outstanding principal amount of the Euro-Dollar Advances of such Lender. Concurrently with prepaying such Euro-Dollar Advances, the Borrower shall borrow a Base Rate Advance in an equal principal amount from such Lender (on which interest and principal shall be payable contemporaneously with the related Euro-Dollar Advances of the other Lenders), and such Lender shall make such a Base Rate Advance.

SECTION 8.03. Increased Cost and Reduced Return.

(a) If, after the date hereof, a Change of Law or compliance by any Lender (which for purposes of this Section 8.03 shall include the Letter of Credit Issuer) (or its Lending Office) with any formal request or directive of any Governmental Authority:

(i) shall subject any Lender (or its Lending Office) to any tax of any kind whatsoever with respect to this Agreement, any Euro-Dollar Advances made by it, or shall change the basis of taxation of payments to any Lender (or its Lending Office) in respect thereof (except for changes in the rate of tax on the overall net income of such Lender or its Lending Office imposed by the jurisdiction in which such Lender's principal executive office or Lending Office is located); or

(ii) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System, but excluding any such requirement included in an applicable Euro-Dollar Reserve Percentage) against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (or its Lending Office); or

(iii) shall impose on any Lender (or its Lending Office) or the London interbank market any other condition, cost or expense affecting this Agreement, any Euro-Dollar Advances made by such Lender or participation therein;

and the result of any of the foregoing is to increase the cost to such Lender (or its Lending Office) of making or maintaining any Advance (or of maintaining its obligation to make any such Advance), or to reduce the amount of any sum received or receivable by such Lender (or its Lending Office) under this Agreement or under its Notes with respect thereto, by an amount deemed by such Lender, in its reasonable discretion, to be material, then, upon demand by such Lender (with a copy to the Administrative Agent), the Borrower shall pay to such Lender such additional amount or amounts as will reasonably compensate such Lender for such additional or increased cost or reduction suffered.

(b) If any Lender shall have determined that after the date hereof any Change in Law regarding capital adequacy, or compliance by any Lender (or its Lending Office) with any formal request or directive regarding capital adequacy of any Governmental Authority, has or would have the effect of reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender, in its reasonable discretion, to be material, then from time to time, upon demand by such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will reasonably compensate such Lender for such reduction.

(c) Each Lender will promptly notify the Borrower and the Administrative Agent of any event of which it has knowledge, occurring after the date hereof, which will entitle such Lender to compensation pursuant to this Section and will designate a different Lending Office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender. A certificate of any Lender claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Lender may use any reasonable averaging and attribution methods.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the event giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the event giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 8.04. Base Rate Advances Substituted for Affected Euro-Dollar Advances.

If (i) the obligation of any Lender to make or maintain a Euro-Dollar Advance has been suspended pursuant to Section 8.02 or (ii) any Lender has demanded compensation under Section 8.03, and the Borrower shall, by at least five (5) Euro-Dollar Business Days' prior notice to such Lender through the Administrative Agent, have elected that the provisions of this Section shall apply to such Lender, then, unless and until such Lender notifies the Borrower that the circumstances giving rise to such suspension or demand for compensation no longer apply:

(a) all Advances which would otherwise be made by such Lender as or permitted to be continued as or converted into Euro-Dollar Advances shall instead be made as or converted into Base Rate Advances, (in all cases interest and principal on such Advances shall be payable contemporaneously with the related Euro-Dollar Advances of the other Lenders), and

(b) after its portion of the Euro-Dollar Advance has been repaid, all payments of principal which would otherwise be applied to repay such Euro-Dollar Advance shall be applied to repay its Base Rate Advance instead.

In the event that the Borrower shall elect that the provisions of this Section shall apply to any Lender, the Borrower shall remain liable for, and shall pay to such Lender as provided herein, all amounts due such Lender under Section 8.03 in respect of the period preceding the date of conversion of such Lender's portion of any Advance resulting from the Borrower's election.

ARTICLE IX
MISCELLANEOUS

SECTION 9.01. Notices Generally.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

- (i) if to the Borrower or any other Loan Party:

Trex Company, Inc.
160 Exeter Drive
Winchester, Virginia 22603
Attention: Chief Financial Officer and Chief Legal Officer
Telecopier Nos. (540) 542-6902 and (540) 542-6887
Telephone Nos. (540) 542-6939 and (540) 542- 6356

with a copy (which shall not constitute notice) to:

Woods Rogers PLC
10 South Jefferson Street, Suite 1400
Roanoke, VA 24011
Attention: Nicole F. Ingle, Esquire
Telecopier No. (540) 983-7711
Telephone No. (540) 983-7561

- (ii) if to BB&T as the Administrative Agent:

Branch Banking and Trust Company
200 West Second Street, 17th Floor
Winston-Salem, NC 27101
Attention: Matthew W. Rush, Senior Vice President
Telecopier No. (336) 733-2740
Telephone No. (336) 733-2422

with a copy (which shall not constitute notice) to:

Troutman Sanders LLP
1001 Haxall Point
Richmond, VA 23219
Attention: Christopher E. Vinyard
Telecopier No.: (804) 698-5126
Telephone No.: (804) 697-1249

(iii) if to a Lender, to it at its address (or telecopier number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided, that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided, that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided, that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. No Waivers.

No failure or delay by the Administrative Agent or any Lender in exercising any right, power or privilege hereunder or under any Note or other Loan Document shall operate as a

waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall, jointly and severally, pay all Credit Party Expenses, as and when incurred or chargeable.

(b) Indemnification by the Loan Parties. The Loan Parties shall, jointly and severally, indemnify the Administrative Agent (and any sub-agent thereof), the Lead Arranger, the Letter of Credit Issuer and each Lender (in each case unless the same is a Defaulting Lender), and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, penalties, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Advance or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Environmental Releases on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that a Loan Party for any reason fails to pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Sections 9.10 and 9.13.

(d) WAIVER OF CONSEQUENTIAL DAMAGES, ETC. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE LOAN PARTIES SHALL NOT ASSERT, AND HEREBY WAIVE, ANY CLAIM AGAINST ANY INDEMNITEE (OTHER THAN ANY DEFAULTING LENDER), ON ANY THEORY OF LIABILITY, FOR INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, ANY ADVANCE OR THE USE OF THE PROCEEDS THEREOF. NO INDEMNITEE REFERRED TO IN PARAGRAPH (B) ABOVE SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED BY IT THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY UNLESS SUCH DAMAGES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE.

(e) Payments. All amounts due under this Section shall be payable on demand and, if owed by the Borrower or any other Loan Party, shall bear interest at the rate otherwise in effect hereunder with respect to Revolver Advances (including the Default Rate, if then applicable) until paid in full. No failure or delay by any Non-Defaulting Lender or the Borrower in exercising any right, power or privilege hereunder against any Defaulting Lender shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege against any Defaulting Lender. The rights and remedies herein provided against any Defaulting Lender shall include all losses, penalties, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of counsel) arising from such Defaulting Lender's default and shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.04. Setoffs; Sharing of Set-Offs; Application of Payments.

(a) If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmaturred or are owed to a

branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided that each Lender shall provide advance written notice to the Administrative Agent (and in the case of any Defaulting Lender, the Borrower) of its intention to exercise any such right of set off and shall have received the Administrative Agent's prior written consent thereto; provided further that, in the event that any Defaulting Lender shall exercise any such right of setoff, (i) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Letter of Credit Issuer and the Lenders, and (ii) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided, that the failure to give such notice shall not affect the validity of such setoff and application.

(b) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Advances or other obligations hereunder resulting in such Lender's receiving payment of a proportion of the aggregate amount of its Advances and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Advances and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Advances and other amounts owing them; provided, that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by a Loan Party pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

SECTION 9.05. Amendments and Waivers.

(a) Any provision of this Agreement, the Notes or any other Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Required Lenders (and, if the rights or duties of the Administrative Agent are affected thereby, by the Administrative Agent); provided, that no such amendment or waiver shall, unless signed by all the Lenders, (i) increase the Revolver Commitment of any Lender or subject any Lender to any additional obligation, (ii) reduce the principal of or decrease the rate of interest on any Advance or decrease any fees hereunder, (iii) defer the date fixed for any payment of principal of (including any extension of the Stated Termination Date, except as contemplated in the definition of such term) or interest on any Advance or any fees hereunder, (iv) reduce the amount of principal, decrease the amount of interest or decrease the amount of fees due on any date fixed for the payment thereof, (v) change the percentage of the Revolver Commitments or of the aggregate unpaid principal amount of the Notes, or the percentage of Lenders, which shall be required for the Lenders or any of them to take any action under this Section or any other provision of this Agreement, (vi) change the manner of application of any payments made under this Agreement or the other Loan Documents, (vii) release or substitute all or any material portion of the Collateral held as security for all or any portion of the Secured Obligations, (viii) change or modify the definition of "Required Lenders," (ix) release any guaranty given to support payment of the Guaranteed Obligations, or (x) release or subordinate any Lien of the Administrative Agent in any Collateral.

Notwithstanding the foregoing (1) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by the terms hereof requires the consent of all Lenders or each affected Lender may be effected with the consent of all Lenders other than Defaulting Lenders), except that (a) the Revolver Commitments of any Defaulting Lender may not be increased or extended without the consent of such Lender, and (b) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender; and (2) the Hedging Agreement, the Fee Letter and the agreements evidencing the Bank Products and Cash Management Services may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

(b) No Loan Party will solicit, request or negotiate for or with respect to any proposed waiver or amendment of any of the provisions of this Agreement unless each Lender (other than any Defaulting Lender except to the extent relating to a matter for which such Defaulting Lender has approval rights as provided in the immediately preceding paragraph) shall be informed thereof by the Borrower, or by the Administrative Agent, and shall be afforded an opportunity to consider the same and shall be supplied by the Borrower, or by the Administrative Agent, if the Borrower so requests and to the extent already furnished to the Administrative Agent, with sufficient information to enable it to make an informed decision with respect thereto. Executed or true and correct copies of any waiver or consent effected pursuant to the provisions of this Agreement shall be delivered by the Borrower to the Administrative Agent for delivery to each Lender (other than any Defaulting Lender except to the extent relating to a matter for which such Defaulting Lender has approval rights as provided in the immediately preceding paragraph) forthwith following the date on which the same shall have been executed and delivered by the

requisite percentage of Lenders. No Loan Party will, directly or indirectly, pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any Lender (in its capacity as such) as consideration for or as an inducement to the entering into by such Lender of any waiver or amendment of any of the terms and provisions of this Agreement unless such remuneration is concurrently paid, on the same terms, ratably to all such Lenders.

SECTION 9.06. Margin Stock Collateral.

Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not, directly or indirectly (by negative pledge or otherwise), relying upon any Margin Stock as collateral in the extension or maintenance of the credit provided for in this Agreement.

SECTION 9.07. Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder, and (ii) no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (A) to an Eligible Assignee in accordance with the provisions of paragraph (b) of this Section, (B) by way of the sale of a participation in accordance with the provisions of paragraph (d) of this Section or (C) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolver Commitment and the Revolver Advances at the time owing to it); provided, that

(i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Revolver Commitments, and the Revolver Advances at the time owing to it, or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Revolver Commitments (which for this purpose includes Revolver Advances outstanding thereunder) or, if the Revolver Commitments are not then in effect, the principal outstanding balance of the Revolver Advances of the assigning Lender subject to such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than the Minimum Amount (as defined herein), unless each of the Administrative Agent and, so long as

no Default or Event of Default has occurred and is continuing, the Borrower otherwise consent to a different minimum amount (each such consent not to be unreasonably withheld or delayed) (As used herein, "Minimum Amount" shall mean \$5,000,000; provided, that after the occurrence and during the continuance of a Default or Event of Default, Minimum Amount shall mean \$3,000,000);

(ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Revolver Advances and the Revolver Commitments assigned;

(iii) No consent shall be required for any assignment except to the extent required by clause (i) above and, in addition: (A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) any Default or Event of Default has occurred and is continuing, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto within five (5) Domestic Business Days after having received the second of two written notices thereof; and (B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required unless such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500, and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance thereof by the Administrative Agent and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section 9.07, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from any further obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 8.03 and 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting, solely for this purpose, as an agent of the Borrower, shall maintain at one of its offices in Winston-Salem, North Carolina a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolver Commitments of, and principal amounts of the Revolver Advances owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the

Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolver Commitment and/or the Revolver Advances owing to it); provided, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 9.05(a) (i) through (x) (inclusive) that affects such Participant. Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Section 2.12 and Sections 8.01 through 8.04 inclusive to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.04 as though it were a Lender, provided such Participant agrees to be subject to Section 9.04 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 8.03 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.12 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.12 as though it were a Lender. Notwithstanding anything to the contrary herein, any Participant that purchases a participation from a Defaulting Lender shall have no greater rights than such Defaulting Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided, that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.08. Confidentiality.

Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information

SECTION 9.09. Representation by Lenders.

Each Lender hereby represents that it is a commercial lender or financial institution which makes loans in the ordinary course of its business and that it will make its Advances hereunder for its own account in the ordinary course of such business; provided, however, that, subject to Section 9.07, the disposition of the Note or Notes held by that Lender shall at all times be within its exclusive control.

SECTION 9.10. Obligations Several.

The obligations of each Lender hereunder are several, and no Lender shall be responsible for the obligations or commitment of any other Lender hereunder. Nothing contained in this Agreement and no action taken by the Lenders pursuant hereto shall be deemed to constitute the Lenders to be a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt and each Lender shall be entitled to protect and enforce its rights arising out of this Agreement or any other Loan Document and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

SECTION 9.11. Survival of Certain Obligations.

Sections 8.03(a), 8.03(b) and 9.03, and the obligations of the Loan Parties thereunder, shall survive, and shall continue to be enforceable notwithstanding the termination of this Agreement and the Revolver Commitments of all of the Lenders, and the payment in full of the principal of and interest on all Advances.

SECTION 9.12. Virginia Law.

This Agreement and each Note shall be construed in accordance with and governed by the law of the Commonwealth of Virginia, without reference to choice of law provisions.

SECTION 9.13. Severability.

In case any one or more of the provisions contained in this Agreement, the Notes or any of the other Loan Documents should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby and shall be enforced to the greatest extent permitted by law.

SECTION 9.14. Interest.

In no event shall the amount of interest due or payable hereunder or under the Notes exceed the maximum rate of interest allowed by applicable law, and in the event any such payment is inadvertently made to any Lender by the Borrower or inadvertently received by any Lender, then such excess sum shall be credited as a payment of principal, unless the Borrower shall notify such Lender in writing that it elects to have such excess sum returned forthwith. It is the express intent hereof that the Borrower not pay and the Lenders not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may legally be paid by the Borrower under applicable law.

SECTION 9.15. Interpretation.

No provision of this Agreement or any of the other Loan Documents shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.

SECTION 9.16. Counterparts.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 9.17. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION.

THE BORROWER, EACH OF THE OTHER LOAN PARTIES, AND EACH OF THE LENDERS AND THE ADMINISTRATIVE AGENT (1) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, (2) SUBMITS TO PERSONAL JURISDICTION IN THE COMMONWEALTH OF VIRGINIA, THE COURTS THEREOF AND THE UNITED STATES DISTRICT COURTS SITTING THEREIN, FOR THE ENFORCEMENT OF THIS AGREEMENT, THE NOTES AND THE OTHER LOAN DOCUMENTS, (3) WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY JURISDICTION TO OBJECT ON ANY BASIS (INCLUDING, WITHOUT LIMITATION, INCONVENIENCE OF FORUM) TO JURISDICTION OR VENUE WITHIN THE COMMONWEALTH OF VIRGINIA FOR THE PURPOSE OF LITIGATION TO ENFORCE THIS AGREEMENT, THE NOTES OR THE OTHER LOAN DOCUMENTS, AND (4) AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN THE MANNER PRESCRIBED IN SECTION 9.01 FOR THE GIVING OF NOTICE TO THE BORROWER. NOTHING HEREIN CONTAINED, HOWEVER, SHALL: (I) PREVENT THE ADMINISTRATIVE AGENT FROM BRINGING ANY ACTION OR EXERCISING ANY RIGHTS AGAINST ANY SECURITY AND AGAINST THE BORROWER OR ANY OTHER LOAN PARTY PERSONALLY, AND AGAINST ANY ASSETS OF THE BORROWER OR ANY OTHER LOAN PARTY, WITHIN ANY OTHER STATE OR JURISDICTION; OR (II) AFFECT THE RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 9.18. Independence of Covenants.

All covenants under this Agreement and the other Loan Documents shall be given independent effect so that if a particular action or condition is not permitted by any covenant (a "Restrictive Covenant"), the fact that such action or condition would be permitted by an exception to, or would be otherwise allowed by, another covenant, shall not prevent a violation of such Restrictive Covenant if such action is taken or such condition exists.

SECTION 9.19. Electronic Transactions.

The Borrower, the Administrative Agent and Lenders agree that the electronic reporting of the information described in Section 5.01 (the "Required Information"), shall constitute an agreement under the Uniform Electronic Transfer Act (the "Act"), in effect in the Commonwealth of Virginia; and any dispute or controversy relating to such reporting shall be interpreted in accordance with the provisions of the Act. With respect to such reporting, Borrower acknowledges that, the Administrative Agent and Lenders shall not be responsible (i) for any failure, interruption, or delay in the performance of the internet; (ii) for any unauthorized, inadvertent, or fraudulent access, use or disclosure to third parties of the Required Information should it occur by error of transmission of the Borrower or reply thereto by, the Administrative Agent or the Lenders or otherwise; or (iii) for the Administrative Agent or the Lenders' failure to maintain security measures at the time of transmission or reply thereto to prevent unauthorized access, misappropriation and use of Required Information by third parties,

unless the same shall be determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such party. Borrower expressly assumes the risk of unauthorized access, use or misappropriation by third parties of the Required Information transmitted to, the Administrative Agent and the Lenders via the internet and will hold harmless and indemnify, the Administrative Agent and the Lenders from any claim or expense, including reasonable attorneys' fees associated therewith, unless the same shall be determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such party. Until the Administrative Agent and the Lenders shall receive written notice otherwise from Borrower, the following persons may be contacted by the Administrative Agent, and the Lenders with any questions or issues about the Required Information:

Primary Contact Person

Brian Bertaux

Name

Director of Financial Planning

Title

(540) 542-6980

Telephone Number

bbertaux@trex.com

Email

Secondary Contact Person

Jim Cline

Name

Senior Vice President and CFO

Title

(540) 542-6939

Telephone Number

jcline@trex.com

Email

SECTION 9.20. Patriot Act Notice.

Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies such Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Patriot Act.

SECTION 9.21. Amendment and Restatement; References; Reaffirmation of Liens.

This Agreement amends and restates in its entirety the Prior Credit Agreement. This Agreement shall not be construed to constitute a novation with respect to the obligations described in the Prior Credit Agreement or, except as otherwise expressly provided herein or in any of the other Loan Documents, to release or otherwise adversely affect any lien, mortgage or security interest securing such indebtedness or any rights of the Administrative Agent or any Lender against any guarantor, surety or other party primarily or secondarily liable for such obligations. All references to the "Credit Agreement" (or words of similar effect) in the Nevada Deed of Trust, the Winchester Deed of Trust, the Existing IP Security Agreements (collectively, the "Existing Collateral Documents") or any other document or instrument that refers to the Prior Credit Agreement and that remains in effect after the Closing Date shall be deemed to be

references to this Agreement. Without limiting the generality of the foregoing, the Borrower agrees that, except as otherwise expressly provided herein or in any of the other Loan Documents, (i) the execution and delivery of this Agreement and the other Loan Documents do not release, impair or otherwise limit any of the its respective obligations under the Existing Collateral Documents, (ii) it does not have any offset, counterclaim or defense of any kind to its obligations, covenants or agreements under the Existing Collateral Documents, all of which obligations, covenants and agreements are hereby expressly reaffirmed, and (iii) the Existing Collateral Documents remain in full force and effect in all respects.

ARTICLE X
GUARANTY

SECTION 10.01. Unconditional Guaranty.

Each Guarantor hereby irrevocably, unconditionally and jointly and severally guarantees, each as a primary obligor and not merely as a surety, to the Administrative Agent, the Lenders and the other Secured Parties the due and punctual payment of the principal of and the premium, if any, and interest on, and the due and punctual performance of, the Guaranteed Obligations and any and all other amounts due under or pursuant to the Loan Documents, when and as the same shall become due and payable (whether at stated maturity or by optional or mandatory prepayment or by declaration, redemption or otherwise) in accordance with the terms of the Loan Documents. The Guarantors' guaranty under this Section is an absolute, present and continuing guarantee of payment and not of collectibility, and is in no way conditional or contingent upon any attempt to collect from the Borrower, any of the Guarantors or any other guarantor of the Guaranteed Obligations (or any portion thereof) or upon any other action, occurrence or circumstances whatsoever. In the event that the Borrower or any Guarantor shall fail so to pay any such principal, premium, interest or other amount to the Administrative Agent, a Lender or any other Secured Party, the Guarantors will pay the same forthwith, without demand, presentment, protest or notice of any kind (all of which are waived by the Guarantors to the fullest extent permitted by law), in lawful money of the United States, at the place for payment specified in the Loan Documents or specified by the Administrative Agent in writing, to the Administrative Agent for the benefit of the applicable Secured Party(ies) The Guarantors further agree, on demand, to pay to the Administrative Agent, the Lenders (other than any Defaulting Lender) and the other Secured Parties the reasonable costs and expenses incurred by the Administrative Agent, such Lender or such other Secured Party in connection with enforcing the rights of the Administrative Agent, the Lenders and the other Secured Parties against the Borrower and any or all of the Guarantors (whether in a bankruptcy proceeding or otherwise) following any default in payment of any of the Guaranteed Obligations or the obligations of the Guarantors hereunder (taking into account any applicable notice, grace and/or cure periods), including, without limitation, the reasonable fees and expenses of counsel to the Administrative Agent, such Lenders and the other Secured Parties.

SECTION 10.02. Obligations Absolute.

The obligations of the Guarantors hereunder are and shall be absolute and unconditional, irrespective of the validity, regularity or enforceability of this Agreement, any of the Guaranteed Obligations or any of the Loan Documents, shall not be subject to any counterclaim, set-off,

deduction or defense based upon any claim any of the Guarantors may have against the Borrower, any other Guarantor or the Administrative Agent, any Lender or any other Secured Party, hereunder or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, to the fullest extent permitted by law, any circumstance or condition whatsoever (whether or not any of the Guarantors shall have any knowledge or notice thereof), including, without limitation:

(a) any amendment or modification of or supplement to any of the Loan Documents or any other instrument referred to herein or therein, or any assignment or transfer of any thereof or of any interest therein, or any furnishing or acceptance of additional security for any of the Guaranteed Obligations;

(b) any waiver, consent or extension under any Loan Document or any such other instrument, or any indulgence or other action or inaction under or in respect of, or any extensions or renewals of, any Loan Document, any such other instrument or any Guaranteed Obligation;

(c) any failure, omission or delay on the part of the Administrative Agent to enforce, assert or exercise any right, power or remedy conferred on or available to the Administrative Agent or any Lender against the Borrower or any Guarantor, any Subsidiary of the Borrower or any Subsidiary of any Guarantor;

(d) any bankruptcy, insolvency, readjustment, composition, liquidation or similar proceeding with respect to the Borrower, any Guarantor, any Subsidiary of the Borrower or any Subsidiary of any Guarantor or any property of the Borrower, any Guarantor or any such Subsidiary or any unavailability of assets against which the Guaranteed Obligations, or any of them, may be enforced;

(e) any merger or consolidation of the Borrower, any Subsidiary of the Borrower or any Guarantor or any of the Guarantors into or with any other Person or any sale, lease or transfer of any or all of the assets of any of the Guarantors, the Borrower or any Subsidiary of the Borrower or any Guarantor to any Person;

(f) any failure on the part of the Borrower, any Guarantor or any Subsidiary of the Borrower or any Guarantor for any reason to comply with or perform any of the terms of any agreement with any of the Guarantors;

(g) any exercise or non-exercise by the Administrative Agent, any Lender or any other Secured Party, of any right, remedy, power or privilege under or in respect of any of the Loan Documents or the Guaranteed Obligations, including, without limitation, under this Section;

(h) any default, failure or delay, willful or otherwise, in the performance or payment of any of the Guaranteed Obligations;

(i) any furnishing or acceptance of security, or any release, substitution or exchange thereof, for any of the Guaranteed Obligations;

(j) any failure to give notice to any of the Guarantors of the occurrence of any breach or violation of, or any event of default or any default under or with respect to, any of the Loan Documents or the Guaranteed Obligations;

(k) any partial prepayment, or any assignment or transfer, of any of the Guaranteed Obligations; or

(l) any other circumstance (other than payment in full) which might otherwise constitute a legal or equitable discharge or defense of a guarantor or which might in any manner or to any extent vary the risk of such Guarantor.

The Guarantors covenant that their respective obligations hereunder will not be discharged except by complete performance of the obligations contained in the Loan Documents and this Agreement and the final payment in full of the Guaranteed Obligations. The Guarantors unconditionally waive, to the fullest extent permitted by law (A) notice of any of the matters referred to in this Section 10.02, (B) any and all rights which any of the Guarantors may now or hereafter have arising under, and any right to claim a discharge of the Guarantor's obligations hereunder by reason of the failure or refusal by the Administrative Agent, any Lender or any other Secured Party to take any action pursuant to any statute permitting a Guarantor to request that the Administrative Agent or any Lender attempt to collect the Guaranteed Obligations from the Borrower, any of the Guarantors or any other guarantor (including without limitation any rights under Sections 49-25 or 49-26 of the Code of Virginia of 1950, as amended, or any similar or successor provisions), (C) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of the Administrative Agent, any Lender or any other Secured Party against the Guarantors, including, without limitation, presentment to or demand of payment from the Borrower, any of the Subsidiaries of the Borrower or any Guarantor, or any of the other Guarantors with respect to any Loan Document or this agreement, notice of acceptance of the Guarantors' guarantee hereunder and/or notice to the Borrower, any of the Subsidiaries of the Borrower or any Guarantor, or any Guarantor of default or protest for nonpayment or dishonor, (D) any diligence in collection from or protection of or realization upon all or any portion of the Guaranteed Obligations or any security therefor, any liability hereunder, or any party primarily or secondarily liable for all or any portion of the Guaranteed Obligations, and (E) any duty or obligation of the Administrative Agent, any Lender or any other Secured Party to proceed to collect all or any portion of the Guaranteed Obligations from, or to commence an action against, the Borrower, any Guarantor or any other Person, or to resort to any security or to any balance of any deposit account or credit on the books of the Administrative Agent, any Lender or any other Secured Party in favor of the Borrower, any Guarantor or any other Person, despite any notice or request of any of the Guarantors to do so. Notwithstanding anything to the contrary herein or in any other Loan Document, no Guarantor shall be obligated to make any payment to any Defaulting Lender, indemnify any Defaulting Lender or take any action at the request of or for the benefit of any Defaulting Lender if the Borrower would not be required to make such payment, so indemnify or take such action hereunder.

SECTION 10.03. Continuing Obligations; Reinstatement.

The obligations of the Guarantors under this Article X are continuing obligations and shall continue in full force and effect until such time as all of the Guaranteed Obligations (and

any renewals and extensions thereof) shall have been finally performed, paid and satisfied in full. The obligations of the Guarantors under this Article X shall continue to be effective or be automatically reinstated, as the case may be, if any payment made by the Borrower, any Guarantor or any Subsidiary of the Borrower or any Guarantor on, under or in respect of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by the recipient upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, any Guarantor or any such Subsidiary, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Borrower, any Guarantor or any such Subsidiary or any substantial part of the property of the Borrower, any Guarantor or any such Subsidiary, or otherwise, all as though such payment had not been made. If an event permitting the acceleration of all or any portion of the Guaranteed Obligations shall at any time have occurred and be continuing, and such acceleration shall at such time be stayed, enjoined or otherwise prevented for any reason, including without limitation because of the pendency of a case or proceeding relating to the Borrower, any Guarantor or any Subsidiary of the Borrower or any Guarantor under any Debtor Relief Laws, for purposes of this Article X and the obligations of the Guarantors hereunder, such Guaranteed Obligations shall be deemed to have been accelerated with the same effect as if such Guaranteed Obligations had been accelerated in accordance with the terms of the applicable Loan Documents or of this Agreement.

SECTION 10.04. Additional Security, Etc.

The Guarantors authorize the Administrative Agent on behalf of the Lenders without notice to or demand on the Guarantors and without affecting their liability hereunder, from time to time (a) to obtain additional or substitute endorsers or guarantors; (b) to exercise or refrain from exercising any rights against, and grant indulgences to, the Borrower, any Subsidiary of the Borrower or any Guarantor, any other Guarantor or others; and (c) to apply any sums, by whomsoever paid or however realized, to the payment of the principal of, premium, if any, and interest on, and other obligations consisting of, the Guaranteed Obligations. The Guarantors waive any right to require the Administrative Agent, any Lender or any other Secured Party to proceed against any additional or substitute endorsers or guarantors or the Borrower or any of their Subsidiaries or any other Person or to pursue any other remedy available to the Administrative Agent, any such Lender or any such other Secured Party.

SECTION 10.05. Information Concerning the Borrower.

The Guarantors assume all responsibility for being and keeping themselves informed of the financial condition and assets of the Borrower, the other Guarantors and their respective Subsidiaries, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which the Guarantors assume and insure hereunder, and agree that none of the Administrative Agent, any Lender nor any other Secured Party shall have any duty to advise the Guarantors of information known to the Administrative Agent, any such Lender or any such other Secured Party regarding or in any manner relevant to any of such circumstances or risks.

SECTION 10.06. Guarantors' Subordination.

The Guarantors hereby absolutely subordinate, both in right of payment and in time of payment, any present and future indebtedness of the Borrower or any Subsidiary of the Borrower or any Guarantor to any or all of the Guarantors to the indebtedness of the Borrower or any such Subsidiary or to the Administrative Agent, the Lenders and the other Secured Parties (or any of them); provided, that the Guarantors may receive scheduled payments of principal, premium (if any) and interest in respect of such present or future indebtedness so long as there is no Default or Event of Default then in existence.

SECTION 10.07. Waiver of Subrogation.

Notwithstanding anything herein to the contrary, until the payment in full of the Guaranteed Obligations, the Guarantors hereby waive any right of subrogation (under contract, Section 509 of the Bankruptcy Code or otherwise) or any other right of indemnity, reimbursement or contribution and hereby waive any right to enforce any remedy that the Administrative Agent, any Lender or any other Secured Party now has or may hereafter have against the Borrower, any Guarantor or any endorser or any other guarantor of all or any part of the Guaranteed Obligations, and the Guarantors hereby waive any benefit of, and any right to participate in, any security or collateral given to the Administrative Agent, any Lender or any other Secured Party to secure payment or performance of the Guaranteed Obligations or any other liability of the Borrower to the Administrative Agent, any Lender or any other Secured Party. The waiver contained in this Section shall continue and survive the termination of this Agreement and the final payment in full of the Guaranteed Obligations.

SECTION 10.08. Enforcement.

In the event that the Guarantors shall fail forthwith to pay upon demand of the Administrative Agent, any Lender or any other Secured Party any amounts due pursuant to this Article X or to perform or comply with or to cause performance or compliance with any other obligation of the Guarantors under this Agreement the Administrative Agent, any Lender and any other Secured Party shall be entitled and empowered to institute any action or proceeding at law or in equity for the collection of the sums so due and unpaid or for the performance of or compliance with such terms, and may prosecute any such action or proceeding to judgment or final decree and may enforce such judgment or final decree against the Guarantors and collect in the manner provided by law out of the property of the Guarantors, wherever situated, any monies adjudged or decreed to be payable. The obligations of the Guarantors under this Agreement are continuing obligations and a fresh cause of action shall arise in respect of each default hereunder.

SECTION 10.09. Miscellaneous.

Except as may otherwise be expressly agreed upon in writing, the liability of the Guarantors under this Article X shall neither affect nor be affected by any prior or subsequent guaranty by the Guarantors of any other indebtedness to the Administrative Agent, the Lenders or any other Secured Party. Notwithstanding anything in this Article X to the contrary, the maximum liability of each Guarantor hereunder shall in no event exceed the maximum amount which could be paid out by such Guarantor without rendering such Guarantor's obligations under

this Article X, in whole or in part, void or voidable under applicable law, including, without limitation, (i) the Bankruptcy Code, and (ii) any applicable state or federal law relative to fraudulent conveyances.

SECTION 10.10. Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Article X in respect of Regulated Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.10 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.10, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). Each Qualified ECP Guarantor intends that this Section 10.10 constitute, and this Section 10.10 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of each other Guarantor for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE XI
LETTER OF CREDIT FACILITY

SECTION 11.01. Obligation to Issue.

Subject to the terms and conditions of this Agreement, and in reliance upon the representations and warranties of the Loan Parties herein set forth, the Letter of Credit Issuer shall issue for the account of the Borrower, one or more Letters of Credit denominated in Dollars, in accordance with Article II and this Article XI, from time to time during the period commencing on the Closing Date and ending thirty (30) calendar days prior to the Termination Date. The Existing Letter of Credit shall be deemed to have been issued pursuant to this Article XI, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

SECTION 11.02. Types and Amounts.

The Letter of Credit Issuer shall have no obligation to issue any Letter of Credit at any time:

(a) if the aggregate maximum amount then available for drawing under Letters of Credit, after giving effect to the issuance of the requested Letter of Credit, shall exceed any limit imposed by law or regulation upon the Letter of Credit Issuer;

(b) if, after giving effect to the issuance of the requested Letter of Credit, (i) the aggregate Letter of Credit Obligations would exceed \$15,000,000, or (ii) the conditions set forth in Section 2.01(a) would not be satisfied;

(c) which has an expiration date after that date which is 30 calendar days prior to the Termination Date.

SECTION 11.03. Conditions.

In addition to being subject to the satisfaction of the conditions contained in Article III, the obligation of the Letter of Credit Issuer to issue any Letter of Credit is subject to the satisfaction in full of the following conditions:

(a) the Borrower shall have delivered to the Letter of Credit Issuer at such times and in such manner as the Letter of Credit Issuer may prescribe, a Letter of Credit Application Agreement and such other documents and materials as may be required pursuant to the terms thereof all satisfactory in form and substance to the Letter of Credit Issuer and the terms of the proposed Letter of Credit shall be satisfactory in form and substance to the Letter of Credit Issuer;

(b) as of the date of issuance no order, judgment or decree of any court, arbitrator or Governmental Authority shall purport by its terms to enjoin or restrain the Letter of Credit Issuer from issuing the Letter of Credit and no law, rule or regulation applicable to the Letter of Credit Issuer and no request or directive from any Governmental Authority with jurisdiction over the Letter of Credit Issuer shall prohibit or request that the Letter of Credit Issuer refrain from the issuance of letters of credit generally or the issuance of that Letter of Credit;

(c) after the issuance of the requested Letter of Credit, the conditions set forth in Section 2.01(a) shall be satisfied; and

(d) subject to Section 2.15(d), as of the date of issuance no default of any Lender's obligations to fund under Section 2.02(c) exists nor is any Lender at such time a Defaulting Lender hereunder, unless the Letter of Credit Issuer has entered into arrangements satisfactory to the Letter of Credit Issuer with the Borrower or such Lender to eliminate the Letter of Credit Issuer's Fronting Exposure with respect to such Lender.

SECTION 11.04. Issuance of Letters of Credit.

(a) Request for Issuance. At least three (3) Domestic Business Days before the effective date for any Letter of Credit, the Borrower shall give the Letter of Credit Issuer a written notice containing the original signature of an authorized officer or employee of the Borrower. Such notice shall be irrevocable and shall specify the original face amount of the Letter of Credit requested, the effective date (which day shall be a Domestic Business Day) of issuance of such requested Letter of Credit, the date on which such requested Letter of Credit is to expire, the amount of then outstanding Letter of Credit Obligations, the purpose for which such Letter of Credit is to be issued, whether such Letter of Credit may be drawn in single or partial draws and the Person for whose benefit the requested Letter of Credit is to be issued.

(b) Issuance; Notice of Issuance. If the conditions set forth in Section 11.03 are satisfied, the Letter of Credit Issuer shall issue the requested Letter of Credit. The Letter of Credit Issuer shall give each Lender written or telecopy notice in substantially the form of Exhibit L, or telephonic notice confirmed promptly thereafter in writing, of the issuance of a Letter of Credit and shall deliver to each Lender in connection with such notice a copy of the Letter of Credit issued by the Letter of Credit Issuer.

(c) No Extension or Amendment. The Letter of Credit Issuer shall not extend or amend any Letter of Credit if the issuance of a new Letter of Credit having the same terms as such Letter of Credit as so amended or extended would be prohibited by Section 11.02 or Section 11.03.

SECTION 11.05. Reimbursement Obligations; Duties of the Letter of Credit Issuer.

(a) Reimbursement. Notwithstanding any provisions to the contrary in any Letter of Credit Application Agreement:

(i) the Borrower shall reimburse the Letter of Credit Issuer for drawings under a Letter of Credit issued by it no later than the earlier of (A) the time specified in such Letter of Credit Application Agreement, or (B) one (1) Domestic Business Day after the payment by the Letter of Credit Issuer;

(ii) any Reimbursement Obligation with respect to any Letter of Credit shall bear interest from the date of the relevant drawing under the pertinent Letter of Credit until the date of payment in full thereof at a rate per annum equal to the Default Rate (unless and until the Letter of Credit Issuer is reimbursed by a Revolver Advance pursuant to paragraph (iii) below); and

(iii) in order to implement the foregoing, upon the occurrence of a draw under any Letter of Credit, unless the Letter of Credit Issuer is reimbursed in accordance with paragraph (i) above, the Borrower irrevocably authorizes the Letter of Credit Issuer and the Administrative Agent to treat such nonpayment as a Notice of Borrowing in the amount of such Reimbursement Obligation and the Lenders to make Revolver Advances to Borrower in such amount regardless of whether the conditions precedent to the making of Revolver Advances hereunder have been met. The Borrower further authorizes the Administrative Agent to credit the proceeds of such Revolver Advances so as to immediately eliminate the liability of the Borrower for Reimbursement Obligations under such Letter of Credit.

(b) Duties of the Letter of Credit Issuer. Any action taken or omitted to be taken by the Letter of Credit Issuer in connection with any Letter of Credit, if taken or omitted in the absence of willful misconduct or gross negligence, shall not put the Letter of Credit Issuer under any resulting liability to any Lender, or assuming that the Letter of Credit Issuer has complied with the procedures specified in Section 11.04, relieve any Lender of its obligations hereunder to the Letter of Credit Issuer. In determining whether to pay under any Letter of Credit, the Letter of Credit Issuer shall have no obligation relative to the Lenders other than to confirm that any documents required to have been delivered under such Letter of Credit appear to comply on their face with the requirements of such Letter of Credit.

(c) Cash Collateral. If any Letter of Credit remains outstanding under this Agreement after the Termination Date, the Borrower shall Cash Collateralize such Letter of Credit in an amount not less than 102% of the aggregate Undrawn Amounts available under such Letter of Credit.

SECTION 11.06. Participations.

(a) Purchase of Participations. Immediately upon issuance by the Letter of Credit Issuer of any Letter of Credit in accordance with the procedures set forth in Section 11.04, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation, to the extent of such Lender's Applicable Percentage, in such Letter of Credit; provided, that a Letter of Credit shall not be entitled to the benefits of this Section 11.06 if the Letter of Credit Issuer shall have received written notice from any Lender on or before the Domestic Business Day immediately prior to the date of the Letter of Credit Issuer's issuance of such Letter of Credit that one or more of the conditions contained in Section 11.03 or Article III is not then satisfied, and, in the event the Letter of Credit Issuer receives such a notice, it shall have no further obligation to issue any Letter of Credit until such notice is withdrawn by that Lender or until the Required Lenders have effectively waived such condition in accordance with the provisions of this Agreement.

(b) Sharing of Letter of Credit Payments. In the event that the Letter of Credit Issuer makes any payment under any Letter of Credit for which the Borrower shall not have reimbursed such amount to the Letter of Credit Issuer pursuant to Section 11.05(a)(i) or which cannot be paid by Revolver Advances pursuant to Section 11.05(a)(iii), the Letter of Credit Issuer shall promptly notify each Lender of such failure, and each Lender shall promptly and unconditionally pay to the Letter of Credit Issuer such Lender's ratable share of the amount of such payment in Dollars and in immediately available funds. If the Letter of Credit Issuer so notifies such Lender prior to 11:00 A.M. (Winston-Salem, North Carolina time) on any Domestic Business Day, such Lender shall make available to the Letter of Credit Issuer its ratable share of the amount of such payment on such Domestic Business Day in same day funds. If and to the extent such Lender shall not have so made its ratable share of the amount of such payment available to the Letter of Credit Issuer, such Lender agrees to pay to the Letter of Credit Issuer forthwith on demand such amount together with interest thereon at the Base Rate, for each day from the date such payment was first due until the date such amount is paid to the Letter of Credit Issuer. The failure of any Lender to make available to the Letter of Credit Issuer its ratable share of any such payment shall neither relieve nor increase the obligation of any other Lender hereunder to make available to the Letter of Credit Issuer its ratable share of any payment on the date such payment is to be made.

(c) Sharing of Reimbursement Obligation Payments. Whenever the Letter of Credit Issuer receives a payment on account of a Reimbursement Obligation, including any interest thereon, as to which the Letter of Credit Issuer has received any payments from the Lenders pursuant to this Section 11.06, it shall promptly pay to each Lender which has funded its participating interest therein, in Dollars and in the kind of funds so received, an amount equal to such Lender's ratable share thereof. Each such payment shall be made by the Letter of Credit Issuer on the Domestic Business Day on which the funds are paid to such Person, if received prior to 10:00 A.M. (Winston-Salem, North Carolina time) on such Domestic Business Day, and otherwise on the next succeeding Domestic Business Day.

(d) Documentation. Upon the request of any Lender, the Letter of Credit Issuer shall furnish to such Lender copies of any Letter of Credit, Letter of Credit Application Agreement and other documentation relating to Letters of Credit issued pursuant to this Agreement.

(e) Obligations Irrevocable. The obligations of the Lenders to make payments to the Letter of Credit Issuer with respect to a Letter of Credit shall be irrevocable, not subject to any qualification or exception whatsoever and shall be made in accordance with, but not subject to, the terms and conditions of this Agreement under all circumstances (assuming that the Letter of Credit Issuer has issued such Letter of Credit in accordance with Section 11.04 and such Lender has not given a notice contemplated by Section 11.06(a) that continues in full force and effect), including, without limitation, any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(ii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against a beneficiary named in a Letter of Credit or any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Letter of Credit Issuer, the Administrative Agent, any Lender or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions;

(iii) any draft, certificate or any other document presented under the Letter of Credit proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(v) payment by the Letter of Credit Issuer under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(vi) payment by the Letter of Credit Issuer under any Letter of Credit against presentation of any draft or certificate that does not comply with the terms of such Letter of Credit, except payment resulting from the gross negligence or willful misconduct of the Letter of Credit Issuer; or

(vii) any other circumstances or happenings whatsoever, whether or not similar to any of the foregoing, except circumstances or happenings resulting from the gross negligence or willful misconduct of the Letter of Credit Issuer.

SECTION 11.07. Payment of Reimbursement Obligations.

(a) Payments to Letter of Credit Issuer. The Borrower agrees to pay to the Letter of Credit Issuer the amount of all Reimbursement Obligations, interest and other amounts payable to the Letter of Credit Issuer under or in connection with any Letter of Credit issued for such Borrower's account immediately when due, irrespective of:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(ii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against a beneficiary named in a Letter of Credit or any transferee of any Letter of Credit (or any Person for whom any such transferee may be acting), the Letter of Credit Issuer, the Administrative Agent, any Lender or any other Person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions;

(iii) any draft, certificate or any other document presented under the Letter of Credit proves to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(v) payment by the Letter of Credit Issuer under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(vi) payment by the Letter of Credit Issuer under any Letter of Credit against presentation of any draft or certificate that does not comply with the terms of such Letter of Credit, except payment resulting from the gross negligence or willful misconduct of the Letter of Credit Issuer; or

(vii) any other circumstances or happenings whatsoever, whether or not similar to any of the foregoing, except circumstances or happenings resulting from the gross negligence or willful misconduct of the Letter of Credit Issuer.

(b) Recovery or Avoidance of Payments. In the event any payment by or on behalf of the Borrower received by the Letter of Credit Issuer with respect to a Letter of Credit and distributed by the Letter of Credit Issuer to the Lenders on account of their participations is thereafter set aside, avoided or recovered from the Letter of Credit Issuer in connection with any receivership, liquidation or bankruptcy proceeding, each Lender that received such distribution shall, upon demand by the Letter of Credit Issuer, contribute such Lender's ratable share of the amount set aside, avoided or recovered together with interest at the rate required to be paid by the Letter of Credit Issuer upon the amount required to be repaid by it.

SECTION 11.08. Compensation for Letters of Credit.

The compensation for Letters of Credit shall be as set forth in Section 2.07.

SECTION 11.09. Defaulting Lenders and Cash Collateral.

(a) Cash Collateral. At any time that there shall exist a Defaulting Lender, within three (3) Business Days following the written request of the Administrative Agent or the Letter of Credit Issuer (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the Letter of Credit Issuer's Fronting Exposure, if any, with respect to such Defaulting Lender, determined after giving effect to (i) any reallocation of such Defaulting Lender's participation in Letter of Credit Obligations as provided in Section 2.15(d), (ii) any Cash Collateral provided by such Defaulting Lender, and (iii) any Cash Collateral made available pursuant to Section 2.15(b) or otherwise.

(b) Application. Cash Collateral provided under this Section 11.09 or Section 2.15 shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letter of Credit Obligations (including, as to Cash Collateral provided by such Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce the Letter of Credit Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 11.09 following (i) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and the Letter of Credit Issuer that there exists excess Cash Collateral; provided that, subject to Section 2.15, the Person providing Cash Collateral and the Letter of Credit Issuer may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations; provided further that, the release of such Cash Collateral shall not constitute a release of any security interest in the Collateral granted to the Administrative Agent pursuant to the Collateral Documents.

SECTION 11.10. Indemnification; Exoneration.

(a) Indemnification. In addition to amounts payable as elsewhere provided in this Article XI, the Borrower shall protect, indemnify, pay and save the Letter of Credit Issuer, the Administrative Agent and each Lender (other than any Defaulting Lender) harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees) which the Letter of Credit Issuer, the Administrative Agent or any Lender (other than any Defaulting Lender) may incur or be subject to as a consequence of the issuance of any Letter of Credit for the Borrower's account other than as a result of such party's gross negligence or willful misconduct, as determined by a court of competent jurisdiction.

(b) Assumption of Risk by the Borrower. As between the Borrower, the Letter of Credit Issuer, the Administrative Agent and Lenders, the Borrower assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued for the Borrower's account by, the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, the Letter of Credit Issuer, the Administrative Agent and the Lenders shall not be responsible for (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason, (iii) failure of the beneficiary of a Letter of Credit to comply duly with conditions required in order to draw upon such Letter of Credit, (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise,

whether or not they be in cipher, or for errors in interpretation of technical terms, (v) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof, (vi) the misapplication by the beneficiary of a Letter of Credit of the proceeds of any drawing under such Letter of Credit; or (vii) any consequences arising from causes beyond the control of the Letter of Credit Issuer, the Administrative Agent and the Lenders.

(c) Exoneration. In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by the Letter of Credit Issuer under or in connection with the Letters of Credit or any related certificates if taken or omitted in good faith and with reasonable care, shall not put the Letter of Credit Issuer, the Administrative Agent or any Lender under any resulting liability to the Borrower or relieve the Borrower of any of its obligations hereunder to any such Person.

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, under seal, by their respective authorized officers as of the day and year first above written.

TREX COMPANY, INC.
a Delaware corporation (SEAL)

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and Chief Financial Officer

[Signature Page to Second Amended and Restated Credit Agreement]

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent, Letter of Credit Issuer,
Swing Line Lender and a Lender

(SEAL)

By: /s/ Matthew W. Rush

(SEAL)

Name: Matthew W. Rush

Title: Senior Vice President

Revolver Commitment: (i) \$80,000,000.00 from January 1 through (and including) June 30 of each year, and (ii) \$53,333,333.33 from July 1 through (and including) December 31 of each year.

Lending Office

Branch Banking and Trust Company

200 West Second Street

Winston-Salem, NC 27101

Attention: Matthew W. Rush, Senior Vice President

Facsimile number: (336) 733-2740

Telephone number: (336) 733-2422

And a copy to:

Troutman Sanders LLP

1001 Haxall Point

Richmond, VA 23219

Attention: Christopher E. Vinyard

Facsimile number: (804) 698-5126

Telephone number: (804) 697-1249

[Signature Page to Second Amended and Restated Credit Agreement]

CITIBANK, N.A.,
as a Lender

(SEAL)

By: /s/ T. Carter Waddell

(SEAL)

Name: T. Carter Waddell

Title: Senior Vice President

Revolver Commitment: (i) \$45,000,000.00 from January 1 through (and including) June 30 of each year, and (ii) \$30,000,000.00 from July 1 through (and including) December 31 of each year.

Lending Office

Citibank, N.A.

1101 Pennsylvania Avenue, NW, 11th Floor

Washington, DC 20004

Attention: T. Carter Waddell, Senior Vice President

Telecopier No.: _____

Telephone No.: (202) 508-4521

[Signature Page to Second Amended and Restated Credit Agreement]

BANK OF AMERICA, N.A.,
as a Lender

(SEAL)

By: /s/ Mary K. Giermek

(SEAL)

Name Mary K. Giermek

Title: Senior Vice President

Revolver Commitment: (i) \$25,000,000.00 from January 1 through (and including) June 30 of each year, and (ii) \$16,666,666.67 from July 1 through (and including) December 31 of each year.

Lending Office

Bank of America, N.A.

100 S. Charles Street, 3rd floor

Mailcode MD4-325-03-95

Baltimore, Maryland 21201

Attention: Mary K. Giermek, Senior Vice President

Telecopier No.: (804) 262-9717

Telephone No.: (410) 547-4262

[Signature Page to Second Amended and Restated Credit Agreement]

BB&T CAPITAL MARKETS,
as Lead Arranger

By: /s/ Olu Jegede (SEAL)

Name: Olu Jegede

Title: Vice President

[Signature Page to Second Amended and Restated Credit Agreement]

NOTICE OF BORROWING

, 20

To: Branch Banking and Trust Company, as Administrative Agent

Re: Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended and modified from time to time, the "Credit Agreement"), among Trex Company, Inc., the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

Ladies and Gentlemen:

Unless otherwise defined herein, capitalized terms used herein shall have the meanings attributable thereto in the Credit Agreement.

This Notice of Borrowing is delivered to you pursuant to Section 2.02 of the Credit Agreement.

The Borrower hereby requests a [Revolver] [Swing Line] Borrowing in the aggregate principal amount of \$ 1 to be made on , 20 .2

[The Advances included in such Revolver Borrowing are to be: [Base Rate Advances in the aggregate principal amount of \$] [Euro-Dollar Advances in the aggregate principal amount of \$]].3

The Borrower has caused this Notice of Borrowing to be executed and delivered by its duly authorized officer this day of , 20 .

1 Amount of Revolver Borrowing must be \$500,000 or a larger multiple of \$100,000 (or in the aggregate amount of the Total Unused Revolver Commitment); Amount of Swing Line Borrowing must be \$100,000 or a larger multiple of \$50,000.
2 Must be a Domestic Business Day.
3 Delete this paragraph if a Swing Line Advance as all Swing Line Advances are to be Base Rate Advances.

All of the conditions applicable to the Borrowing requested herein as set forth in the Credit Agreement have been satisfied as of the date hereof and will remain satisfied on the date of such Borrowing, including, without limitation, those set forth in Section 3.02 of the Credit Agreement.

TREX COMPANY, INC.,
a Delaware corporation

(SEAL)

By: _____ (SEAL)
Name: _____
Title: _____

[RESERVED]

B-1

REVOLVER NOTE

\$

Winston-Salem, North Carolina
November , 2014

For value received, TREX COMPANY, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of (the "Lender"), for the account of its Lending Office, the principal sum of and No/100 Dollars (\$), or such lesser amount as shall equal the unpaid principal amount of each Revolver Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, on the dates and in the amounts provided in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of this Note on the dates and at the rate or rates provided for in the Credit Agreement. Interest on any overdue principal of and, to the extent permitted by law, overdue interest on the principal amount hereof shall bear interest at the Default Rate, as provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of Branch Banking and Trust Company, 200 West Second Street, 16th Floor, Winston-Salem, NC 27101, or at such other address as may be specified from time to time pursuant to the Credit Agreement.

All Revolver Advances made by the Lender, the interest rates from time to time applicable thereto and all repayments of the principal thereof may be recorded by the Lender and, prior to any transfer hereof, endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make, or any error of the Lender in making, any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement. This Note is secured by, among other security, the Collateral Documents, as the same may be modified or amended from time to time.

This Note is one of the Revolver Notes referred to in the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, restated, replaced or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders listed on the signature pages thereof and their successors and assigns, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment and the repayment hereof and the acceleration of the maturity hereof.

If the Lender is the holder of a Revolver Note previously issued by the Borrower under the Prior Credit Agreement (a "Prior Note"), this Note is executed and delivered to the Lender as a replacement of and in substitution for such Prior Note.

The Borrower hereby waives presentment, demand, protest, notice of demand, protest and nonpayment and any other notice required by law relative hereto, except to the extent as otherwise may be expressly provided for in the Credit Agreement.

The Borrower agrees, in the event that this Note or any portion hereof is collected by law or through an attorney at law, to pay all reasonable costs of collection, including, without limitation, reasonable attorneys' fees.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed under seal, by its duly authorized officers as of the day and year first above written.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: _____ (SEAL)
Name: James E. Cline
Title: Senior Vice President and Chief Financial
Officer

SWING ADVANCE NOTE

\$5,000,000.00

Winston-Salem, North Carolina
November , 2014

For value received, TREX COMPANY, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of BRANCH BANKING AND TRUST COMPANY (the "Lender"), for the account of its Lending Office, the principal sum of Five Million and No/100 Dollars (\$5,000,000.00), or such lesser amount as shall equal the unpaid principal amount of each Swing Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, on the dates and in the amounts provided in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of this Note on the dates and at the rate or rates provided for in the Credit Agreement. Interest on any overdue principal of and, to the extent permitted by law, overdue interest on the principal amount hereof shall bear interest at the Default Rate, as provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of Branch Banking and Trust Company, 200 West Second Street, 16th Floor, Winston-Salem, NC 27101, or at such other address as may be specified from time to time pursuant to the Credit Agreement.

All Swing Advances made by the Lender, the interest rates from time to time applicable thereto and all repayments of the principal thereof may be recorded by the Lender and, prior to any transfer hereof, endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make, or any error of the Lender in making, any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement. This Note is secured by, among other security, the Collateral Documents, as the same may be modified or amended from time to time.

This Note is the Swing Advance Note referred to in the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, restated, replaced or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders listed on the signature pages thereof and their successors and assigns, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment and the repayment hereof and the acceleration of the maturity hereof.

This Note is executed and delivered to the Lender as a replacement of and in substitution for the Swing Advance Note previously issued by the Borrower under the Prior Credit Agreement.

The Borrower hereby waives presentment, demand, protest, notice of demand, protest and nonpayment and any other notice required by law relative hereto, except to the extent as otherwise may be expressly provided for in the Credit Agreement.

The Borrower agrees, in the event that this Note or any portion hereof is collected by law or through an attorney at law, to pay all reasonable costs of collection, including, without limitation, reasonable attorneys' fees.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed under seal, by its duly authorized officers as of the day and year first above written.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: _____ (SEAL)
Name: James E. Cline
Title: Senior Vice President and Chief Financial Officer

NOTICE OF CONVERSION

, 20

To: Branch Banking and Trust Company, as Administrative Agent

Re: Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended and modified from time to time, the "Credit Agreement"), among Trex Company, Inc., the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

Gentlemen:

Unless otherwise defined herein, capitalized terms used herein shall have the meanings attributable thereto in the Credit Agreement.

This Notice of Conversion is delivered to you pursuant to Section 2.03 of the Credit Agreement.

With respect to the [Base Rate Advances] [Euro-Dollar Advances] in the aggregate amount of \$, which Advances are Revolver Advances, the Borrower hereby requests that such Advances be converted to [Euro-Dollar Advances] [Base Rate Advances] in the aggregate principal amount of \$ to be made on such date, and for interest to accrue thereon at the rate established by the Credit Agreement for [Euro-Dollar Advances] [Base Rate Advances].

The Borrower has caused this Notice of Conversion to be executed and delivered by its duly authorized officer this day of , 20 .

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: _____ (SEAL)
Name: _____
Title: _____

CLOSING CERTIFICATE

Reference is made to the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (the "Credit Agreement"), among Trex Company, Inc., the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Capitalized terms used herein have the meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 3.01(d) of the Credit Agreement, James E. Cline, the duly authorized Senior Vice President and Chief Financial Officer of the Borrower hereby certifies to the Administrative Agent and the Lenders that: to his knowledge (i) no Default or Event of Default has occurred and is continuing on the date hereof; and (ii) the representations and warranties of the Borrower contained in Article IV of the Credit Agreement are true on and as of the date hereof.

Certified as of the day of November, 2014.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: _____ (SEAL)
Name: James E. Cline
Title: Senior Vice President and Chief Financial Officer

OFFICER'S CERTIFICATE

The undersigned, William R. Gupp, as Secretary of TREX COMPANY, INC., a Delaware corporation (the "Company"), hereby certifies that he has been duly elected, qualified and is acting in such capacity and that, as such, he is familiar with the facts herein certified and is duly authorized to certify the same, and hereby further certifies, in connection with the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (the "Credit Agreement"), among Trex Company, Inc., the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger, that:

1. Attached hereto as Exhibit A is a complete and correct copy of the Organizational Documents of the Company as in full force and effect on the date hereof as certified by the Secretary of State of the State of Delaware, the Company's state of organization.

2. Attached hereto as Exhibit B is a complete and correct copy of the Operating Documents of the Company as in full force and effect on the date hereof.

3. Attached hereto as Exhibit C is a complete and correct copy of the Organizational Actions duly adopted by the Board of Directors of the Company on November , 2014, approving and authorizing the execution and delivery of the Credit Agreement, the Notes and the other Loan Documents to which the Company is a party. Such Organizational Actions have not been repealed or amended and are in full force and effect, and no other Organizational Actions have been adopted by the Board of Directors of the Company in connection therewith.

4. James E. Cline, who as Senior Vice President and Chief Financial Officer of the Company signed the Credit Agreement, the Notes and the other Loan Documents to which the Company is a party, was duly elected, qualified and acting as such at the time he signed the Credit Agreement, the Notes and the other Loan Documents to which the Company is a party, and his respective signature appearing on the Credit Agreement, the Notes and the other Loan Documents to which the Company is a party is his genuine signature.

5. Capitalized terms used herein have the meanings ascribed thereto in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of the day of November, 2014.

Name: William R. Gupp
Title: Secretary

COMPLIANCE CERTIFICATE

Reference is made to the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as modified and supplemented and in effect from time to time, the "Credit Agreement"), among Trex Company, Inc. (the "Borrower"), the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Capitalized terms used herein have the meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 5.01(d) of the Credit Agreement, _____, the duly authorized _____ of the Borrower hereby certifies to the Administrative Agent and the Lenders that (1) the information contained in the Compliance Checklist attached hereto is true, accurate and complete as of _____, 20____ (the "Compliance Date"), (2) no Default or Event of Default is in existence on and as of the date hereof, and (3) except as disclosed on a schedule attached hereto: (i) no new applications have been filed by or on behalf of the Borrower for the registration of any patent, trademark or copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, (ii) no new registrations have been issued to the Borrower for any patent, trademark or copyright by the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, and (iii) (A) the Borrower has not decided to abandon any existing application or registration relating to any United States patent, trademark or copyright, (B) no material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) has occurred regarding the Borrower's ownership of any United States patent, trademark or copyright, its right to register the same, or to keep and maintain the same, and (C) there is no known infringement, misappropriation or dilution by a third party of any United States patent, trademark or copyright of the Borrower.

Dated as of _____, 20____.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: _____ (SEAL)
Name: _____
Title: _____

Compliance Checklist
[To Be Provided By Trex Company, Inc. In Form and
Content Satisfactory to Administrative Agent]

H-2

MARGIN AND FEE RATE REPORT

Reference is made to the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as modified and supplemented and in effect from time to time, the "Credit Agreement"), among Trex Company, Inc., the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Capitalized terms used herein have the meanings ascribed thereto in the Credit Agreement.

Pursuant to Section 5.01(j) of the Credit Agreement, _____, the duly authorized _____ of the Borrower, hereby certifies to the Administrative Agent and the Lenders that the information regarding the Consolidated Debt to Consolidated EBITDA Ratio, the Applicable Margin and the Applicable Fee Rate contained in the schedule(s) attached hereto, all for the Fiscal Quarter ended _____, 20____ is true, accurate and complete as of the date hereof.

Dated as of _____, 20____.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: _____ (SEAL)
Name: _____
Title: _____

JOINDER AND REAFFIRMATION AGREEMENT

THIS JOINDER AND REAFFIRMATION AGREEMENT (the "Agreement"), dated as of _____, 20____, is by and among _____ (the "New Guarantor"), TREX COMPANY, INC. (the "Borrower"), [and _____ (collectively, the "Existing Guarantors"),] and BRANCH BANKING AND TRUST COMPANY, as Administrative Agent (as defined in the Credit Agreement, as hereinafter defined) (the "Administrative Agent").

The Borrower, [the Existing Guarantors,] the Lenders (as defined therein), the Administrative Agent, the Swing Line Lender (as defined therein), the Letter of Credit Issuer (as defined therein), and the Lead Arranger (as defined therein) have entered into that certain Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, modified, supplemented, restated, replaced, renewed and extended from time to time, the "Credit Agreement"). All of the defined terms in the Credit Agreement are incorporated herein by reference.

The Borrower[, the Existing Guarantors] and the New Guarantor have requested that the New Guarantor become a Guarantor under the Credit Agreement, in accordance with Section 5.24 of the Credit Agreement.

Accordingly, the Borrower, [the Existing Guarantors,] the New Guarantor, and the Administrative Agent hereby agree as follows:

1. The New Guarantor, the Borrower [and the Existing Guarantors] hereby acknowledge, agree and confirm that, by their execution of this Joinder Agreement, the New Guarantor will be deemed to be a party to the Credit Agreement and a "Guarantor" for all purposes of the Credit Agreement, the Notes and the other Loan Documents, and shall have all of the obligations of a Guarantor thereunder as if it had executed the Credit Agreement and the other Loan Documents. The New Guarantor, the Borrower [and the Existing Guarantors] hereby further acknowledge, agree and confirm that, by their execution of this Joinder Agreement, the New Guarantor will be deemed to be, effective as of the date hereof, a party to the Security Agreement and a "Debtor" for all purposes of the Security Agreement and shall have all of the obligations of a Debtor thereunder as if it had executed the Security Agreement. The New Guarantor assumes and agrees to be bound by and comply with, all of the terms, provisions and conditions contained in the Credit Agreement, the Security Agreement and the other Loan Documents and all duties and obligations thereunder, as fully and completely as all other Guarantors thereunder, jointly and severally, individually and collectively, with all other Guarantors, including without limitation (i) all of the representations, warranties, covenants, undertakings and obligations set forth in the Credit Agreement and the other Loan Documents, and (ii) all waivers set forth in the Credit Agreement and the other Loan Documents.

2. The New Guarantor has received a copy of the Credit Agreement and the Schedules and Exhibits thereto, the Security Agreement and the Schedules thereto and the other Loan Documents. The information on the Exhibits and Schedules to the Credit Agreement and the Security Agreement are amended to provide the information shown on the attached Schedule A.

3. In furtherance and not in limitation of the terms of the Security Agreement, the New Guarantor acknowledges its present grant of a first priority security interest in all of its Collateral (as defined in the Security Agreement) to the Administrative Agent, for the ratable benefit of the Secured Parties (as defined in the Security Agreement). In furtherance and not in limitation thereof, the New Guarantor hereby, as security for the payment of the Notes, the Guaranty, all Obligations and all other Secured Obligations (as defined in the Security Agreement) whatsoever, hereby grants to the Administrative Agent, for the benefit of the Secured Parties a continuing, general lien upon and security interest in and to the following described property, wherever located, whether now existing or hereafter acquired or arising, namely: (i) all Accounts, Inventory, Chattel Paper, Documents, Instruments, Supporting Obligations and Letter of Credit Rights, General Intangibles, Investment Property, Goods and Equipment, now existing or hereafter arising of the New Guarantor; (ii) all money, cash, cash equivalents, securities and other property of any kind of the New Guarantor held directly or indirectly by the Administrative Agent or any other Secured Party; (iii) all of the New Guarantor's Deposit Accounts (as defined in the Security Agreement), credits, and balances with and other claims against the Administrative Agent or any other Secured Party or any of their respective affiliates or any other financial institution with which the New Guarantor maintains deposits; (iv) all books, records and other property related to or referring to any of the foregoing, including books, records, account ledgers, data processing records, computer software and other property and General Intangibles at any time evidencing or relating to any of the foregoing; and (v) all accessions to, substitutions for and replacements, products and proceeds of any of the foregoing, including, but not limited to, proceeds of any insurance policies (whether or not such policy shall contain an endorsement in favor of the Administrative Agent or any Secured Party), claims against third parties, and condemnation or requisition payments with respect to all or any of the foregoing. Notwithstanding the foregoing, it is understood and agreed that, in accordance with Section 5.24 of the Credit Agreement, (a) with respect to any Investment Property consisting of Capital Securities or equivalent equity interests in any Foreign Subsidiary of the Debtor, the lesser of 65% or the entire interest owned by the Debtor of such Capital Securities or equivalent equity interests in such Foreign Subsidiary shall be included in the Collateral, and (b) the Collateral shall not include (1) any Capital Securities or equivalent equity interests in Trex Wood-Polymer Espana, S.L., or (2) the Olive Branch Property.

4. The New Guarantor hereby waives presentment, demand, protest, acceptance, notice of demand, protest and nonpayment and any other notice required by law relative to the Credit Agreement, the Obligations, the Notes and the other Loan Documents.

5. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract.

6. Except as set forth expressly herein, all terms of the Credit Agreement, the Security Agreement and the other Loan Documents, shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Borrower and Guarantors to the Administrative Agent and Lenders. To the extent any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the

Credit Agreement, after giving effect to this Joinder Agreement, such terms and conditions are hereby deemed modified and amended accordingly to reflect the terms and conditions of the Credit Agreement as modified and amended hereby. In any event, this Joinder Agreement and the documents executed in connection therewith shall not, individually or collectively, constitute a novation.

7. To induce the Administrative Agent and Lenders to enter into this Joinder Agreement, the Borrower, the New Guarantor and [the Existing Guarantors] hereby (a) restate and renew each and every representation and warranty heretofore made by them under, or in connection with the execution and delivery of, the Credit Agreement, the Security Agreement and the other Loan Documents; (b) restate, ratify and reaffirm each and every term and condition set forth in the Credit Agreement, the Security Agreement and in the Loan Documents, effective as of the date hereof; (c) except as set forth on Schedule A attached hereto, acknowledge and agree that, as of the date hereof, to the Borrower's knowledge, there exists no right of offset, defense, counterclaim or objection in favor of Borrower [or any Existing Guarantor] as against the Administrative Agent or any Lender with respect to the payment or performance of its Obligations; and (d) certifies that no Default or Event of Default exists.

8. This Joinder Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

9. The Borrower, the New Guarantor [and the Existing Guarantors] agree to pay upon request the actual costs and expenses of the Administrative Agent and Lenders reasonably incurred in connection with the preparation, execution, delivery and enforcement of this Joinder Agreement and all other Loan Documents executed in connection herewith, the closing hereof, and any other transactions contemplated hereby, including the reasonable fees and out-of-pocket expenses of Administrative Agent's legal counsel, but shall not be obligated to pay any such costs or expenses incurred by any other Lender.

IN WITNESS WHEREOF, the New Guarantor, the Borrower [and the Existing Guarantors] have caused this Joinder Agreement to be duly executed by its authorized officers for the benefit of the Administrative Agent and the Lenders as of the day and year first above written.

[NEW GUARANTOR], (SEAL)
a corporation

By: _____ (SEAL)
Name: _____
Title: _____

TREX COMPANY, INC.,
a Delaware corporation

(SEAL)

By: _____ (SEAL)
Name: _____
Title: _____

[[EXISTING GUARANTOR], (SEAL)
a corporation

By: _____ (SEAL)
Name: _____
Title: _____]

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent and a Lender (SEAL)

By: _____ (SEAL)
Name: _____
Title: _____]

[OTHER LENDERS] (SEAL)

By: _____ (SEAL)
Name: _____
Title: _____]

Schedule A to Joinder Agreement

[Provide Information here to update Schedules and Exhibits
to Credit Agreement and other Loan Documents]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____
 [and is an Affiliate/Approved Fund of [*identify Lender*]]

3. Borrower(s): _____

4. Administrative Agent: _____, as the administrative agent under the Credit Agreement

5. Credit Agreement: The Second Amended and Restated Credit Agreement dated as of November 20, 2014, as amended, among Trex Company, Inc., the Lenders parties thereto, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

6. Assigned Interest:

<u>Revolver Commitment</u>	<u>Aggregate Amount of Commitment/Loans for all Lenders</u>	<u>Amount of Commitment/Loans Assigned¹</u>	<u>Percentage Assigned of Commitment/Loans²</u>
\$	\$	\$	%

[7. Trade Date: _____]³

- 1 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
- 2 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.
- 3 To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _____, 20 [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By: _____
Title: _____

ASSIGNEE
[NAME OF ASSIGNEE]

By: _____
Title: _____

[Consented to and]⁴ Accepted:

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent

By _____
Title: _____

[Consented to:]⁵

[NAME OF RELEVANT PARTY]

By _____
Title: _____

⁴ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁵ To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents, and (ii) it will perform in accordance with their terms all of the obligations that by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. **General Provisions.** This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto, the Borrower and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the Commonwealth of Virginia.

FORM OF LETTER OF CREDIT NOTICE

To: The Lenders parties to the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended and modified from time to time, the "Credit Agreement"), among Trex Company, Inc., the Lenders listed on the signature pages thereof, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

Pursuant to Section 11.04(b) of the Credit Agreement, the Letter of Credit Issuer hereby notifies the Lenders that it has issued the following Letters of Credit pursuant to Article XI of the Credit Agreement:

Number	Face Amount	Date of Issuance/Expiration	Beneficiary	Purpose
--------	-------------	-----------------------------	-------------	---------

A copy of each of the Letters of Credit listed above has been attached hereto.

Unless otherwise defined herein, terms defined in the Credit Agreement shall have the same meaning in this notice.

Date: , 20 .

BRANCH BANKING AND TRUST COMPANY,
as Letter of Credit Issuer

By: _____
Name: _____
Title: _____

REVOLVER NOTE

\$80,000,000.00

Winston-Salem, North Carolina
November 20, 2014

For value received, TREX COMPANY, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of BRANCH BANKING AND TRUST COMPANY (the "Lender"), for the account of its Lending Office, the principal sum of Eighty Million and No/100 Dollars (\$80,000,000.00), or such lesser amount as shall equal the unpaid principal amount of each Revolver Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, on the dates and in the amounts provided in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of this Note on the dates and at the rate or rates provided for in the Credit Agreement. Interest on any overdue principal of and, to the extent permitted by law, overdue interest on the principal amount hereof shall bear interest at the Default Rate, as provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of Branch Banking and Trust Company, 200 West Second Street, 16th Floor, Winston-Salem, NC 27101, or at such other address as may be specified from time to time pursuant to the Credit Agreement.

All Revolver Advances made by the Lender, the interest rates from time to time applicable thereto and all repayments of the principal thereof may be recorded by the Lender and, prior to any transfer hereof, endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make, or any error of the Lender in making, any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement. This Note is secured by, among other security, the Collateral Documents, as the same may be modified or amended from time to time.

This Note is one of the Revolver Notes referred to in the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, restated, replaced or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders listed on the signature pages thereof and their successors and assigns, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment and the repayment hereof and the acceleration of the maturity hereof.

If the Lender is the holder of a Revolver Note previously issued by the Borrower under the Prior Credit Agreement (a "Prior Note"), this Note is executed and delivered to the Lender as a replacement of and in substitution for such Prior Note.

The Borrower hereby waives presentment, demand, protest, notice of demand, protest and nonpayment and any other notice required by law relative hereto, except to the extent as otherwise may be expressly provided for in the Credit Agreement.

The Borrower agrees, in the event that this Note or any portion hereof is collected by law or through an attorney at law, to pay all reasonable costs of collection, including, without limitation, reasonable attorneys' fees.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed under seal, by its duly authorized officers as of the day and year first above written.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

[Revolver Note – BB&T]

REVOLVER NOTE

\$45,000,000.00

Winston-Salem, North Carolina
November 20, 2014

For value received, TREX COMPANY, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of CITIBANK, N.A. (the "Lender"), for the account of its Lending Office, the principal sum of Forty-Five Million and No/100 Dollars (\$45,000,000.00), or such lesser amount as shall equal the unpaid principal amount of each Revolver Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, on the dates and in the amounts provided in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of this Note on the dates and at the rate or rates provided for in the Credit Agreement. Interest on any overdue principal of and, to the extent permitted by law, overdue interest on the principal amount hereof shall bear interest at the Default Rate, as provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of Branch Banking and Trust Company, 200 West Second Street, 16th Floor, Winston-Salem, NC 27101, or at such other address as may be specified from time to time pursuant to the Credit Agreement.

All Revolver Advances made by the Lender, the interest rates from time to time applicable thereto and all repayments of the principal thereof may be recorded by the Lender and, prior to any transfer hereof, endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make, or any error of the Lender in making, any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement. This Note is secured by, among other security, the Collateral Documents, as the same may be modified or amended from time to time.

This Note is one of the Revolver Notes referred to in the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, restated, replaced or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders listed on the signature pages thereof and their successors and assigns, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment and the repayment hereof and the acceleration of the maturity hereof.

If the Lender is the holder of a Revolver Note previously issued by the Borrower under the Prior Credit Agreement (a "Prior Note"), this Note is executed and delivered to the Lender as a replacement of and in substitution for such Prior Note.

The Borrower hereby waives presentment, demand, protest, notice of demand, protest and nonpayment and any other notice required by law relative hereto, except to the extent as otherwise may be expressly provided for in the Credit Agreement.

The Borrower agrees, in the event that this Note or any portion hereof is collected by law or through an attorney at law, to pay all reasonable costs of collection, including, without limitation, reasonable attorneys' fees.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed under seal, by its duly authorized officers as of the day and year first above written.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

[Revolver Note – Citibank]

REVOLVER NOTE

\$25,000,000.00

Winston-Salem, North Carolina
November 20, 2014

For value received, TREX COMPANY, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of BANK OF AMERICA, N.A. (the "Lender"), for the account of its Lending Office, the principal sum of Twenty-Five Million and No/100 Dollars (\$25,000,000.00), or such lesser amount as shall equal the unpaid principal amount of each Revolver Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, on the dates and in the amounts provided in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of this Note on the dates and at the rate or rates provided for in the Credit Agreement. Interest on any overdue principal of and, to the extent permitted by law, overdue interest on the principal amount hereof shall bear interest at the Default Rate, as provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of Branch Banking and Trust Company, 200 West Second Street, 16th Floor, Winston-Salem, NC 27101, or at such other address as may be specified from time to time pursuant to the Credit Agreement.

All Revolver Advances made by the Lender, the interest rates from time to time applicable thereto and all repayments of the principal thereof may be recorded by the Lender and, prior to any transfer hereof, endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make, or any error of the Lender in making, any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement. This Note is secured by, among other security, the Collateral Documents, as the same may be modified or amended from time to time.

This Note is one of the Revolver Notes referred to in the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, restated, replaced or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders listed on the signature pages thereof and their successors and assigns, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment and the repayment hereof and the acceleration of the maturity hereof.

If the Lender is the holder of a Revolver Note previously issued by the Borrower under the Prior Credit Agreement (a "Prior Note"), this Note is executed and delivered to the Lender as a replacement of and in substitution for such Prior Note.

The Borrower hereby waives presentment, demand, protest, notice of demand, protest and nonpayment and any other notice required by law relative hereto, except to the extent as otherwise may be expressly provided for in the Credit Agreement.

The Borrower agrees, in the event that this Note or any portion hereof is collected by law or through an attorney at law, to pay all reasonable costs of collection, including, without limitation, reasonable attorneys' fees.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed under seal, by its duly authorized officers as of the day and year first above written.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

[Revolver Note – Bank of America]

SWING ADVANCE NOTE

\$5,000,000.00

Winston-Salem, North Carolina
November 20, 2014

For value received, TREX COMPANY, INC., a Delaware corporation (the "Borrower"), promises to pay to the order of BRANCH BANKING AND TRUST COMPANY (the "Lender"), for the account of its Lending Office, the principal sum of Five Million and No/100 Dollars (\$5,000,000.00), or such lesser amount as shall equal the unpaid principal amount of each Swing Advance made by the Lender to the Borrower pursuant to the Credit Agreement referred to below, on the dates and in the amounts provided in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of this Note on the dates and at the rate or rates provided for in the Credit Agreement. Interest on any overdue principal of and, to the extent permitted by law, overdue interest on the principal amount hereof shall bear interest at the Default Rate, as provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of Branch Banking and Trust Company, 200 West Second Street, 16th Floor, Winston-Salem, NC 27101, or at such other address as may be specified from time to time pursuant to the Credit Agreement.

All Swing Advances made by the Lender, the interest rates from time to time applicable thereto and all repayments of the principal thereof may be recorded by the Lender and, prior to any transfer hereof, endorsed by the Lender on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided that the failure of the Lender to make, or any error of the Lender in making, any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement. This Note is secured by, among other security, the Collateral Documents, as the same may be modified or amended from time to time.

This Note is the Swing Advance Note referred to in the Second Amended and Restated Credit Agreement dated as of November 20, 2014 (as amended, restated, replaced or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders listed on the signature pages thereof and their successors and assigns, Branch Banking and Trust Company, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the prepayment and the repayment hereof and the acceleration of the maturity hereof.

This Note is executed and delivered to the Lender as a replacement of and in substitution for the Swing Advance Note previously issued by the Borrower under the Prior Credit Agreement.

The Borrower hereby waives presentment, demand, protest, notice of demand, protest and nonpayment and any other notice required by law relative hereto, except to the extent as otherwise may be expressly provided for in the Credit Agreement.

The Borrower agrees, in the event that this Note or any portion hereof is collected by law or through an attorney at law, to pay all reasonable costs of collection, including, without limitation, reasonable attorneys' fees.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed under seal, by its duly authorized officers as of the day and year first above written.

TREX COMPANY, INC., (SEAL)
a Delaware corporation

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

[Swing Advance Note]

SECOND AMENDED AND RESTATED SECURITY AGREEMENT

THIS SECOND AMENDED AND RESTATED SECURITY AGREEMENT (this “Security Agreement”) is dated as of the 20th day of November, 2014, by and between TREX COMPANY, INC., a Delaware corporation (the “Borrower”); each additional entity that hereafter becomes a party to the Credit Agreement (as hereinafter defined) as a Guarantor (as defined in the Credit Agreement) pursuant to Section 5.24 thereto (together with the Borrower, individually or collectively as the context may require, the “Debtor”); and BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation (“BB&T”), in its capacity as Administrative Agent under the Credit Agreement referenced below, and acting as agent for itself and the other Secured Parties (as hereinafter defined) (in such capacities, together with its successors and assigns, including any successor Administrative Agent under the Credit Agreement, the “Administrative Agent” or the “Collateral Agent”).

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Credit Agreement of even date herewith (as amended, restated, extended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among the Debtor, the lenders from time to time party thereto (collectively, the “Lenders”), BB&T, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

The Borrower, BB&T and Wells Fargo Capital Finance, LLC (“Wells Fargo”) are parties to an Amended and Restated Security Agreement dated as of January 6, 2012 (the “Prior Security Agreement”), pursuant to which the Borrower granted to BB&T a security interest in certain collateral described therein for the benefit of the secured parties described therein. Contemporaneously with, but immediately prior to, the effectiveness of this Security Agreement, Wells Fargo has resigned as a collateral agent under the Prior Security Agreement, has assigned all of its right, title and interest as a collateral agent thereunder to BB&T and is no longer a Lender.

In connection with the Credit Agreement, the Lenders have required that the Debtor enter into this Security Agreement to amend and restate the terms of the Prior Security Agreement, to reaffirm the security interests created under and pursuant to the Prior Security Agreement, and to grant a security interest in favor of the Collateral Agent for the ratable benefit of the Secured Parties (as hereinafter defined) in the Collateral (as hereinafter defined).

Accordingly, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor and the Collateral Agent hereby agree, and hereby agree to amend and restate the Prior Security Agreement in its entirety, as follows:

SECTION 1 – DEFINITIONS

The following terms shall have the following respective meanings:

“Accounts” means all of the Debtor’s now owned or hereafter acquired or arising “accounts,” as defined in the UCC, including any rights to payment for the sale or lease of Goods or rendition of services, whether or not they have been earned by performance.

“Chattel Paper” means all of the Debtor’s now owned or hereafter acquired “chattel paper,” as defined in the UCC, including electronic chattel paper.

“Collateral” has the meaning set forth in Section 2.

“Deposit Accounts” means all “deposit accounts,” as defined in the UCC, now or hereafter held in the name of the Debtor.

“Documents” means all “documents,” as defined in the UCC, including bills of lading, warehouse receipts or other documents of title, now owned or hereafter acquired by Debtor.

“Equipment” means all of the Debtor’s now owned or hereafter acquired “equipment,” as defined in the UCC, including all of the Debtor’s machinery, equipment, furniture, furnishings, fixtures, and other tangible personal property (except Inventory), including embedded software, motor vehicles with respect to which a certificate of title has been issued, aircraft, dies, tools, jigs, molds and office equipment, and all of the Debtor’s rights and interests with respect to all such types of property leased by the Debtor (including, without limitation, options to purchase); together with all present and future additions and accessions thereto, replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith, and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto; wherever any of the foregoing is located.

“Event of Default” and “Default” have the respective meanings assigned thereto in the Credit Agreement.

“General Intangibles” means all of the Debtor’s now owned or hereafter acquired “general intangibles,” as defined in the UCC, including all general intangibles, choses in action and causes of action and all other intangible personal property of the Debtor of every kind and nature (other than Accounts), including, without limitation, all contract rights, payment intangibles, Proprietary Rights, corporate or other business records, inventions, designs, blueprints, plans, specifications, patents, patent applications, trademarks, service marks, trade names, trade secrets, goodwill, copyrights, computer software, customer lists, registrations, licenses, franchises, tax refund claims, any funds which may become due to the Debtor in connection with the termination of any employee benefit plan or any rights thereto and any other amounts payable to the Debtor from any employee benefit plan, rights and claims against carriers and shippers, rights to indemnification, business interruption insurance and proceeds thereof, property, casualty or any similar type of insurance and any proceeds thereof, proceeds of insurance covering the lives of key employees on which the Debtor is beneficiary, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged equity interests or Investment Property and any letter of credit, guarantee, claim, security interest or other security held by or granted to the Debtor.

“Goods” means all “goods,” as defined in the UCC, now owned or hereafter acquired by the Debtor, wherever located, including embedded software to the extent included in “goods” as defined in the UCC, manufactured homes, standing timber that is cut and removed for sale and unborn young of animals.

“Instruments” means all “instruments,” as defined in the UCC, now owned or hereafter acquired by the Debtor.

“Inventory” means all of the Debtor’s now owned or hereafter acquired “inventory,” as defined in the UCC, including all Goods and merchandise, wherever located, to be furnished under any contract of service or held for sale or lease, all returned goods, raw materials, work-in-process, finished goods (including embedded software), other materials and supplies of any kind, nature or description which are used or consumed in the Debtor’s business or used in connection with the packing, shipping, advertising, selling or finishing of such Goods, merchandise, and all documents of title or other Documents representing them.

“Investment Property” means all of the Debtor’s now existing or hereafter arising right, title and interest in and to any and all “investment property,” as defined in the UCC, including all: (a) securities whether certificated or uncertificated; (b) securities entitlements; (c) securities accounts; (d) commodity contracts; or (e) commodity accounts.

“IP Security Agreement” means an Intellectual Property Security Agreement in the form of Exhibit A attached hereto and made a part hereof.

“Lease” has the meaning set forth in Section 4.4.

“Letter-of-Credit Rights” means “letter-of-credit rights,” as defined in the UCC, now owned or hereafter acquired by the Debtor, including rights to payment or performance under a letter of credit, whether or not the Debtor, as beneficiary, has demanded or is entitled to demand payment or performance.

“Obligations” has the meaning set forth in the Credit Agreement.

“Olive Branch Property” means all real and personal property of the Debtor located in Olive Branch, Mississippi.

“Permitted Liens” means the Liens permitted under Section 5.10 of the Credit Agreement.

“Proprietary Rights” means all of the Debtor’s now owned or hereafter arising or acquired: licenses, franchises, permits, patents, patent rights, copyrights, works which are the subject matter of copyrights, trademarks, service marks, trade names, trade styles, patent, trademark and service mark applications, and all licenses and rights related to any of the foregoing, and all other rights under any of the foregoing, all extensions, renewals, reissues, divisions, continuations, and continuations-in-part of any of the foregoing, and all rights to sue for past, present and future infringement of any of the foregoing.

“Secured Parties” means, collectively: (1) the Administrative Agent (including in its capacity as Collateral Agent), (2) each Lender (including in such Lender’s capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable), (3) each Affiliate of a Lender in such Affiliate’s capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable, (4) the Swing Line Lender, (5) the Letter of Credit Issuer, and (6) the respective successors and assigns of each of the foregoing.

“Secured Obligations” has the meaning set forth in Section 3.

“Supporting Obligations” means all supporting obligations as such term is defined in the UCC.

“UCC” means the Uniform Commercial Code, as in effect from time to time, of the Commonwealth of Virginia or of any other state the laws of which are required as a result thereof to be applied in connection with the issue of perfection of security interests.

All other capitalized terms used in this Security Agreement but not otherwise defined herein or in the Credit Agreement shall, unless the context indicates otherwise, have the meanings provided for by the UCC to the extent the same are used or defined therein. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. All references herein to Sections and Schedules shall be construed to refer to Sections of, and Schedules to, this Security Agreement.

SECTION 2 – GRANT OF SECURITY INTEREST

The Debtor hereby reaffirms the prior grant pursuant to the Prior Security Agreement, and grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a continuing security interest in, lien on, assignment of and right of set-off against, all of the Debtor’s right, title and interest in and to the following personal property and assets, whether now owned or hereafter acquired or arising, regardless of where located (collectively, the “Collateral”):

- (i) all Accounts;
- (ii) all Inventory;
- (iii) all Chattel Paper;
- (iv) all Documents;
- (v) all Instruments;
- (vi) all Supporting Obligations and Letter of Credit Rights;
- (vii) all General Intangibles (including payment intangibles and Software);

(viii) all Investment Property;

(ix) all Goods;

(x) all Equipment;

(xi) all money, cash, cash equivalents, securities and other property of any kind of the Debtor, whether held directly or indirectly by the Collateral Agent, any other Secured Party or any other Person;

(xii) all of the Debtor's Deposit Accounts, credits and balances with, and other claims against, the Collateral Agent, any other Secured Party or any of their respective affiliates, or any other financial institution with which the Debtor maintains deposits;

(xiii) all books, records and other property related to or referring to any of the foregoing, including books, records, account ledgers, data processing records, computer software and other property and General Intangibles at any time evidencing or relating to any of the foregoing; and

(xiv) all accessions to, substitutions for and replacements, products and proceeds of any of the foregoing, including, but not limited to, proceeds of any insurance policies (whether or not such policy shall contain an endorsement in favor of the Collateral Agent or any other Secured Party), claims against third parties, and condemnation or requisition payments with respect to all or any of the foregoing.

Notwithstanding the foregoing, it is understood and agreed that, in accordance with Section 5.24 of the Credit Agreement, (a) with respect to any Investment Property consisting of Capital Securities or equivalent equity interests in any Foreign Subsidiary of the Debtor, the lesser of 65% or the entire interest owned by the Debtor of such Capital Securities or equivalent equity interests in such Foreign Subsidiary shall be included in the Collateral, and (b) the Collateral shall not include (1) any Capital Securities or equivalent equity interests in Trex Wood-Polymer Espana, S.L., or (2) the Olive Branch Property (collectively, the "Excluded Property").

SECTION 3 – OBLIGATIONS SECURED

The security interests granted to the Collateral Agent herein for the ratable benefit of the Secured Parties shall secure: (a) the payment and performance of the Obligations and the Additional Secured Obligations; and (b) all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the Collateral Agent or any other Secured Party for taxes and/or insurance relating to, or maintenance or preservation of, the Collateral or any part thereof, or incurred by the Collateral Agent or any other Secured Party arising from or in connection with the modification, workout, collection or enforcement of any of the Obligations or Additional Secured Obligations, including, without limitation, any such collection or enforcement of the Obligations or Additional Secured Obligations by any action or participation in, or in connection with a case or proceeding under, Chapter 7 or Chapter 11 of the U.S. Bankruptcy Code or any successor statute (collectively, the "Secured Obligations").

SECTION 4 – REPRESENTATIONS

The Debtor represents and warrants to the Collateral Agent and each of the other Secured Parties (which representations and warranties will survive the execution of the Notes and the making of Advances) that:

4.1 Ownership of Collateral. The Debtor has rights (within the meaning of Section 9-203(b)(2) of the UCC) in the Collateral and has the unrestricted right to grant the Collateral Agent a security interest therein.

4.2 Location of Records. The chief executive office of the Debtor and the principal office where the Debtor maintains its books and records relating to the Collateral is located at the address listed next to the Debtor's name on Schedule 4.2 attached hereto and by this reference incorporated herein. The Debtor will not change the location of its chief executive office or the location of the principal office in which it maintains its books and records without giving the Collateral Agent at least thirty (30) days' prior written notice and unless, prior to such change, the Debtor shall have taken all action reasonably necessary or desirable, or that the Collateral Agent may otherwise reasonably request, to preserve, perfect, confirm and protect in the manner and to the extent provided for in this Security Agreement the security interests granted hereby.

4.3 Accounts. (a) Each existing Account represents, and each future Account will represent, a bona fide sale and delivery of Inventory by the Debtor, or rendition of services by the Debtor, in the ordinary course of the Debtor's business; (b) each existing Account is, and each future Account will be, for a liquidated amount payable by the account debtor thereon on the terms set forth in the invoice therefor, without any offset, deduction, defense, or counterclaim except those known to the Debtor and disclosed to the Collateral Agent pursuant to this Security Agreement; and (c) all Inventory described in any invoice representing a sale of Goods will have been delivered or be in transit to the account debtor and all services of the Debtor described in each invoice will have been performed.

4.4 Inventory. As of the date hereof, the Inventory is maintained at the locations specified on Schedule 4.4 attached hereto and by this reference incorporated herein. The Debtor will not permit any Inventory having an aggregate value of \$500,000 or greater to be maintained or stored in any location other than those listed on Schedule 4.4 without giving the Collateral Agent at least thirty (30) days' prior written notice and, unless prior to such change, the Debtor shall have taken all action reasonably necessary or desirable or that the Collateral Agent may reasonably request, to preserve, perfect, confirm and protect in the manner and to the extent provided for in this Security Agreement the security interests granted hereby. The Debtor does not store and will not store any Inventory on any real property that is not owned by the Debtor in fee simple, except for (a) Inventory in transit to manufacturing plants or warehouses owned or leased by the Debtor or to customers in the ordinary course of business, (b) Inventory on premises subject to a lease of real property under which the Debtor is the lessee (each such lease, a "Lease") for which the Collateral Agent has received an executed landlord waiver or subordination from the landlord (and any mortgagee) of such premises in form and substance satisfactory to the Collateral Agent (a "Lien Waiver"), (c) Inventory on premises subject to a Lease for which the Collateral Agent has not received a Lien Waiver, provided that the aggregate value of all such Inventory shall not exceed \$500,000, (d) Inventory in a warehouse or with a

bailee for which the Collateral Agent has received an executed warehouseman's or bailee's letter agreement in form and substance satisfactory to the Collateral Agent (a "Bailee Letter"), (e) Inventory in a warehouse or with a bailee for which the Collateral Agent has not received a Bailee Letter, provided that the aggregate value of all such Inventory shall not exceed \$500,000, (f) Inventory in The Home Depot distribution centers pursuant to The Home Depot Consignment Agreements, (g) Inventory in Lowe's distribution centers pursuant to the Lowe's Consignment Agreements, and (h) Lowe's "private label" Inventory held by certain distributors selected by Lowe's (each, a "Lowe's Distributor") in each case pursuant to a distributor and consignment agreement between Trex and such Lowe's Distributor (each a "Lowe's Distributor Agreement" and collectively, the "Lowe's Distributor Agreements"), provided that the Collateral Agent shall have received from each such Lowe's Distributor a consignee agreement in form and substance satisfactory to the Collateral Agent.

4.5 Location of Equipment. As of the date hereof, the Equipment is maintained at the locations specified on Schedule 4.5 attached hereto and by this reference incorporated herein. The Debtor will not permit any Equipment having an aggregate value of \$250,000 or greater to be stored in any location other than those listed on Schedule 4.5 without giving the Collateral Agent at least thirty (30) days' prior written notice and, unless prior to such change, the Debtor shall have taken all action reasonably necessary or desirable or that the Collateral Agent may reasonably request, to preserve, perfect, confirm and protect in the manner and to the extent provided for in this Security Agreement the security interests granted hereby. The Debtor does not store and will not store any Equipment on any real property which is not owned by the Debtor in fee simple, except for (a) Equipment on premises subject to a Lease for which the Collateral Agent has received an executed Lien Waiver, (b) Equipment on premises subject to a Lease for which the Collateral Agent has not received a Lien Waiver, provided that the aggregate value of all such Equipment shall not exceed \$200,000, (c) Equipment on the premises of any of the Debtor's vendors, suppliers or processors for which the Collateral Agent has received an executed Lien Waiver or comparable access agreement in form and substance satisfactory to the Collateral Agent, and (d) Equipment on the premises of any of the Debtor's vendors, suppliers or processors for which the Collateral Agent has not received an executed Lien Waiver or comparable access agreement in form and substance satisfactory to the Collateral Agent, provided that the value of the Equipment at any such location shall not exceed \$600,000, and the aggregate value of all such Equipment shall not exceed \$2,000,000.

4.6 Documents, Instruments and Chattel Paper. All Documents, Instruments and Chattel Paper are and will be owned by the Debtor, free and clear of all Liens other than Permitted Liens. If the Debtor retains possession of any Chattel Paper or Instruments with the Collateral Agent's consent, such Chattel Paper and Instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Branch Banking and Trust Company, as Collateral Agent, for the benefit of the Secured Parties under and pursuant to a Second Amended and Restated Security Agreement dated as of November 20, 2014."

4.7 Patents, Trademarks and Copyrights. The Debtor does not have any interest in, or title to, any registered United States patent, trademark or copyright, or any application therefor, except as set forth in Schedule 4.7 attached hereto and by this reference incorporated herein. The Debtor agrees to execute and deliver to the Collateral Agent one or more IP Security Agreements

and, at the request of the Collateral Agent, to cause (i) any such IP Security Agreement covering patents and/or patent applications, together with an appropriately completed Recordation Form Cover Sheet (Patents Only), to be recorded with the United States Patent and Trademark Office, Assignment Division (the "USPTO"), (ii) any such IP Security Agreement covering trademarks and/or trademark applications, together with an appropriately completed Recordation Form Cover Sheet (Trademarks Only), to be recorded with the USPTO, and (iii) any such IP Security Agreement covering copyrights, together with an appropriately completed Document Coversheet for Recordation of Documents, to be recorded with the Copyright Office of the Library of Congress.

4.8 Prior Encumbrances. There are no existing Liens of any kind upon, or any security interests in, any of the Collateral owned by the Debtor, except for Permitted Liens. The Debtor will defend the Collateral owned by the Debtor against all claims and demands of all Persons at any time claiming any interest therein, except for claims and demands relating to Permitted Liens.

4.9 Financing Statements. Except for financing statements specified on Schedule 4.9 attached hereto and by this reference incorporated herein, no financing statement which names the Debtor or any of its trade names or divisions as debtor is on file in the jurisdiction of the Debtor's organization, and the Debtor has not authorized any financing statement to be filed and the Debtor has not signed any security agreement authorizing any secured party thereunder to file any financing statements, except financing statements filed to perfect Permitted Liens.

4.10 Organizational Information. The jurisdiction of incorporation, the organizational identification number and the Federal Employer Identification Number of the Debtor are specified next to the Debtor's name on Schedule 4.10 attached hereto and by this reference incorporated herein. The Debtor has only one state of organization.

4.11 Commercial Tort Claims. Except as described on Schedule 4.11 attached hereto and by this reference incorporated herein, there are no ongoing commercial tort claims with an amount in dispute in excess of \$1,000,000 where the Debtor is the plaintiff.

SECTION 5 – COVENANTS

Until all of the Secured Obligations have been finally and indefeasibly paid and satisfied in full and the Revolving Commitment terminated, the Debtor covenants and agrees that:

5.1 Perfection and Protection of Security Interest.

(a) The Debtor shall, at its expense, perform all steps reasonably requested by the Collateral Agent at any time to perfect, maintain, protect, and enforce the Collateral Agent's Liens, including without limitation: (i) filing financing or continuation statements, and amendments thereof, in form and substance reasonably satisfactory to the Collateral Agent; (ii) delivering to the Collateral Agent warehouse receipts covering any portion of the Collateral located in warehouses and for which warehouse receipts are issued and certificates of title covering any portion of the Collateral for which certificates of title have been issued; (iii) when any Event of Default has occurred and is continuing, transferring Inventory to warehouses or other locations designated by the Collateral Agent; (iv) placing notations on the Debtor's books

of account to disclose the Collateral Agent's security interest; and (v) taking such other steps as are deemed reasonably necessary or desirable by the Collateral Agent to maintain and protect the Collateral Agent's Liens. Notwithstanding the foregoing, unless any Event of Default shall have occurred and be continuing, the Debtor shall not be required to take any action to perfect the Collateral Agent's Liens in (w) Investment Property with an aggregate value less than \$100,000, (x) any Letter-of-Credit Rights with respect to any letter of credit with a face amount of \$150,000 or less, but only to the extent that the aggregate face amount of all letters of credit does not exceed \$750,000, (y) any Deposit Account with a balance of \$150,000 or less at the close of any Business Day, but only to the extent that the aggregate number of Deposit Accounts does not exceed five (5) at any time, or (z) electronic Chattel Paper in an aggregate amount of less than \$100,000. The Debtor agrees that a carbon, photographic, photostatic, or other reproduction of this Security Agreement or of a financing statement is sufficient as a financing statement.

(b) Upon the Collateral Agent's request, the Debtor shall deliver to the Collateral Agent all Collateral consisting of negotiable or non-negotiable Documents, certificated securities (accompanied by stock powers executed in blank), Chattel Paper and Instruments promptly after the Debtor receives the same.

(c) Subject to Section 5.1(a), the Debtor shall take all steps necessary to grant the Collateral Agent control of all electronic Chattel Paper in accordance with the UCC.

(d) The Debtor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as "all personal property" or "all assets" of the Debtor (other than the Excluded Property), or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of the State of Delaware or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the UCC of the State of Delaware for the sufficiency or filing office acceptance of any financing statement or amendment, including (A) whether the Debtor is an organization, the type of organization and any organizational identification number issued to the Debtor, and (B) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Collateral relates. The Debtor agrees to furnish any such information to the Collateral Agent promptly upon request, and to pay on demand all fees, costs and expenses associated with all such filings. The Debtor also ratifies its authorization for the Collateral Agent to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(e) The Debtor shall promptly notify the Collateral Agent of any commercial tort claim (as defined in the UCC) in excess of \$1,000,000 acquired or owned by it and unless otherwise consented to by the Collateral Agent, the Debtor shall enter into a supplement to this Security Agreement, granting to the Collateral Agent a Lien in such commercial tort claim.

(f) Upon the Collateral Agent's request, but not more frequently than once during each calendar year, the Debtor shall provide to the Collateral Agent a certificate of good standing from its state of incorporation or organization.

(g) Without limiting the prohibitions on mergers involving the Debtor contained in the Credit Agreement, the Debtor will not change its name, operate under any assumed name, change its structure, reincorporate or reorganize itself, or change its jurisdiction of incorporation without giving the Collateral Agent at least thirty (30) days' prior written notice and, unless prior to such change, the Debtor shall have taken all action reasonably necessary or desirable or that the Collateral Agent may reasonably request, to preserve, perfect, confirm and protect in the manner and to the extent provided for in this Security Agreement the security interests granted hereby.

(h) The Debtor acknowledges that it is not authorized to file any financing statement with respect to any of the Collateral, or any amendment or termination statement with respect to any such financing statement, without the prior written consent of the Collateral Agent and agrees that it will not do so without the prior written consent of the Collateral Agent, subject to the Debtor's rights under Section 9-509(d)(2) of the UCC.

(i) The Debtor shall not, except in connection with any Permitted Lien, enter into any contract or agreement that restricts or prohibits the grant of a security interest in Accounts, Chattel Paper, Instruments or payment intangibles or the proceeds of the foregoing to the Collateral Agent.

5.2 Accounts.

(a) The Debtor shall not re-date any invoice, provided that the Debtor shall have the right, in the exercise of its reasonable business judgment, to re-date invoices that in the aggregate do not exceed at any one time \$250,000. Except as otherwise permitted by the Credit Agreement, the Debtor shall not make sales on extended terms dating beyond that customary in the Debtor's business (which customary terms include customer incentive terms) or extend or modify any Account except in the ordinary course of business.

(b) The Debtor shall not accept any note or other instrument (except a check or other instrument for the immediate payment of money) with respect to any Account without providing to the Collateral Agent prompt written notice thereof. Any such instrument shall be considered as evidence of proceeds of the Account and not payment thereof and the Debtor will promptly deliver such instrument to the Collateral Agent, endorsed without recourse by the Debtor to the Collateral Agent in a manner reasonably satisfactory in form and substance to the Collateral Agent.

(c) The Debtor shall notify the Collateral Agent promptly of all disputes and claims in excess of \$500,000 with any account debtor, and agrees to settle, contest, or adjust such dispute or claim at no expense to the Collateral Agent or any other Secured Party. No discount, credit or allowance shall be granted to any such account debtor without the Collateral Agent's prior written consent, except for discounts, credits and allowances made or given in the ordinary course of the Debtor's business when no Event of Default exists hereunder. The Debtor shall send the Collateral Agent a copy of each credit memorandum in excess of \$500,000 as soon as issued.

(d) If an account debtor returns any Inventory to the Debtor when no Event of Default exists, then the Debtor shall promptly determine the reason for such return and shall issue a credit memorandum to the account debtor in the appropriate amount. The Debtor shall immediately report to the Collateral Agent any return involving an amount in excess of \$500,000. Each such report shall indicate the reasons for the return and the locations and condition of the returned Inventory. In the event any account debtor returns Inventory to the Debtor when any Event of Default exists, the Debtor, upon the request of the Collateral Agent, shall: (i) hold the returned Inventory in trust for the Collateral Agent; (ii) segregate all returned Inventory from all of its other property; (iii) dispose of the returned Inventory solely according to the Collateral Agent's written instructions; and (iv) not issue any credits or allowances with respect thereto without the Collateral Agent's prior written consent. All returned Inventory shall be subject to the Collateral Agent's Liens thereon.

5.3 Inventory.

(a) The Debtor will keep its Inventory in good and marketable condition, except for damaged or defective Goods arising in the ordinary course of the Debtor's business. The Debtor agrees that all Inventory produced by the Debtor in the United States of America will be produced in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations, and orders thereunder. The Debtor will conduct a physical count of the Inventory at least once during each of its fiscal years, and after and during the continuation of any Event of Default, at such other times as the Collateral Agent requests. The Debtor will maintain a perpetual inventory reporting system at all times. The Debtor will not, without the Collateral Agent's written consent, sell any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment, or other repurchase or return basis, other than the sale of finished goods Inventory to The Home Depot, Lowe's and/or an Lowe's Distributor on consignment in accordance with The Home Depot Consignment Agreements, the Lowe's Consignment Agreements, the Lowe's Distributor Agreements and all other documents related to the consignment arrangements between the Debtor and each of The Home Depot, Lowe's and the Lowe's Distributors, true and complete copies of which on the date hereof have been provided to the Collateral Agent (collectively, the "Consignment Agreements"). The Debtor agrees that it (i) shall provide the Collateral Agent a copy of any material amendment, restatement, replacement, supplement or other modification of or to any of the Consignment Agreements not later than twenty (20) days after the effective date of any such amendment, restatement, replacement, supplement or other modification, (ii) shall immediately notify the Collateral Agent in writing of the occurrence of any default or event of default under or with respect to, or the termination of, any of the Consignment Agreements, (iii) unless prohibited by the Consignment Agreements, shall file and continuously maintain without any lapse in filing appropriate financing statements appropriately completed for filing under the Uniform Commercial Code of each jurisdiction in which the filing of a financing statement may be required, or reasonably requested by the Collateral Agent naming each of The Home Depot, Lowe's and each Lowe's Distributor as debtor, the Debtor as secured party and the Collateral Agent as assignee with respect to the Inventory that has been sold to each of The Home Depot, Lowe's and the Lowe's Distributors on consignment, (iv) upon request of the Collateral Agent, shall deliver to the Collateral Agent copies of reports, and updates of such reports as the Collateral Agent shall reasonably request, from an independent search service reasonably satisfactory to the Collateral Agent listing all effective financing statements that name The Home

Depot, Lowe's or any Lowe's Distributor as debtor that are filed in the appropriate jurisdictions, together with copies of such financing statements, and the Debtor shall deliver to the Collateral Agent copies of all notices that the Debtor has sent to secured parties of record disclosed by such reports that have filed financing statements covering inventory of The Home Depot, Lowe's or any Lowe's Distributor manufactured by the Debtor, which notices shall be in form and substance satisfactory to the Collateral Agent, and (v) upon request of the Collateral Agent, shall deliver to the Collateral Agent all reports, lists, certificates and other papers required to be delivered by The Home Depot, Lowe's or any Lowe's Distributor under the applicable Consignment Agreements.

(b) In connection with any Inventory financed by a Letter of Credit with a face amount in excess of \$500,000, the Debtor will, at the Collateral Agent's request, instruct all suppliers, carriers, forwarders, customs brokers, warehouses or others receiving or holding cash, checks, Inventory, Documents or Instruments in which the Collateral Agent holds a security interest to deliver them to the Collateral Agent and/or subject to the Collateral Agent's order, and if they shall come into the Debtor's possession, to deliver them, upon request, to the Collateral Agent in their original form. The Debtor shall also, at the Collateral Agent's request, designate the Collateral Agent as the consignee on all bills of lading and other negotiable and non-negotiable Documents.

5.4 Equipment. The Debtor shall keep and maintain its Equipment in good operating condition and repair (ordinary wear and tear excepted) and shall make all necessary replacements thereof. The Debtor shall not permit any Equipment that is part of the Collateral to become a fixture with respect to real property or to become an accession with respect to other personal property with respect to which real or personal property the Collateral Agent does not have a Lien. The Debtor will not, without the Collateral Agent's prior written consent, alter or remove any identifying symbol or number on any of the Debtor's Equipment constituting Collateral. Except to the extent permitted by the Credit Agreement, the Debtor shall not, without the Collateral Agent's prior written consent, sell, license, lease as a lessor, or otherwise dispose of any of the Equipment. The Debtor will not use the Equipment or any of the other Collateral illegally.

5.5 Patents, Trademarks and Copyrights.

(a) Concurrently with the delivery of each Compliance Certificate by the Borrower pursuant to Section 5.01(d) of the Credit Agreement, the Debtor shall provide to the Collateral Agent a report with respect to the Debtor's patents, trademarks and copyrights, which report shall include (i) a listing of any new applications that have been filed by or on behalf of the Debtor for the registration of any patent, trademark or copyright with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, (ii) a listing of any new registrations that have been issued to the Debtor for any patent, trademark or copyright by the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency, and (iii) a listing of (A) any application or registration relating to any United States patent, trademark or copyright which the Debtor has decided to abandon, (B) any material adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court) regarding the Debtor's ownership of any

United States patent, trademark or copyright, its right to register the same, or to keep and maintain the same, and (C) any known infringement, misappropriation or dilution by a third party of any United States patent, trademark or copyright of the Debtor.

(b) With respect to any new applications or registrations for any United States patent, trademark or copyright, upon request of the Collateral Agent, (i) the Debtor shall execute and deliver to the Collateral Agent an IP Security Agreement relating to the same, and (ii) cause such IP Security Agreement, together with an appropriately completed coversheet, to be recorded with the USPTO or the Copyright Office of the Library of Congress, as applicable.

(c) The Debtor shall take all actions necessary or advisable, in the exercise of its prudent business judgment, to maintain and pursue (or abandon) any application for any patent, trademark or copyright, to obtain the relevant registration and to maintain (or abandon) the registration of each of its patents, trademarks and copyrights (now or hereafter existing), including, if applicable, the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(d) In the event that any of the Debtor's patents, trademarks or copyrights is infringed upon, or misappropriated or diluted by a third party, the Debtor shall, in the exercise of its prudent business judgment, take such actions (or inactions) as the Debtor shall deem appropriate to protect (or abandon) such patent, trademark or copyright.

5.6 Maintenance of Records. The Debtor will keep and maintain, at its own cost and expense, in a manner consistent with past practice, complete and current records of the Collateral owned by it, including, but not limited to, a record of all shipments received, deliveries made, contracts performed, payments received, credits granted thereon and other dealings therewith. The Debtor shall timely provide the Collateral Agent with all such collateral reports as are required by the Credit Agreement, and all such additional reports as the Collateral Agent shall reasonably require. These reports shall be in the form previously provided to the Collateral Agent for their review or in form and detail as is reasonably satisfactory to the Collateral Agent. The Debtor will use all reasonable efforts to protect its records and books pertaining to any Collateral against fire, theft, loss or any other manner of destruction or loss. Such protection will consist of such protective means and devices as from time to time reasonably deemed necessary by the Collateral Agent. If the Debtor maintains its records of Accounts on a computer, it will maintain backup copies of such records, updated at reasonable intervals.

5.7 Inspection and Delivery of Collateral, Books and Records. The Collateral Agent, any other Secured Party or their respective agents, may at any reasonable time and from time to time and, if no Event of Default has occurred, upon reasonable prior notice, inspect the Collateral, and the books and records of the Debtor pertaining thereto. With the frequency and as provided in the Credit Agreement if no Event of Default has occurred and is continuing (there being no limitation on the frequency if any Event of Default has occurred and is continuing), the Debtor shall, at its own expense and cost, deliver or make available, at the Collateral Agent's election, books and records pertaining to the Accounts (including Chattel Paper) to the Collateral Agent, or any designated agent of the Collateral Agent, at such time and place as the Collateral Agent may reasonably request.

5.8 Expenses. The Debtor shall be liable for, and agrees to pay the Collateral Agent on demand, any and all reasonable expenses incurred or paid by the Collateral Agent or any other Secured Party in protecting or enforcing their respective rights under this Security Agreement, including, without limitation, reasonable attorneys' fees, whether incurred in collecting specific Accounts or otherwise. If the Debtor shall fail, in violation of the terms of the Credit Agreement, to discharge taxes, liens, security interests or other encumbrances on the Collateral, other than Permitted Liens, or to repair any damage to the Collateral, or to maintain or preserve the Collateral or to maintain adequate insurance on the Collateral, in each case within twenty (20) days after written notice from the Collateral Agent, the Collateral Agent may, at its option, discharge such taxes, liens, security interests or other encumbrances on or in the Collateral, pay for the repair or damage to the Collateral, pay for the maintenance and preservation of the Collateral, and/or pay for insurance on the Collateral. The Debtor agrees to reimburse the Collateral Agent on demand for any payments so made and, until such reimbursement, to pay interest thereon at a fluctuating rate of interest equal to the Default Rate applicable to the Revolving Loans from the date of the payment until reimbursement therefor, which reimbursement and interest shall be a part of the Secured Obligations. Any payment made or other action taken by the Collateral Agent under this Section 5.8 shall be without prejudice to any right to assert an Event of Default hereunder and to proceed thereafter as herein provided.

5.9 Insurance. The Debtor will continuously insure the Collateral with financially sound and reputable insurance companies against fire (with extended coverage) in the full insurable value of the Collateral, and against such other casualties and in such amounts and with such deductibles as are usually carried by owners of similar businesses and properties in the same general areas in which the Debtor operates. The insurance policy (or policies) shall have attached thereto a standard loss payable clause, without contribution, in favor of the Collateral Agent as agent for the Secured Parties, as its interest may appear, and shall otherwise be in form reasonably acceptable to the Collateral Agent, and the Debtor will cause such policy (or policies) to provide that it (they) may not be canceled without thirty (30) days' prior written notice to the Collateral Agent. The Debtor will deliver to the Collateral Agent evidence of the renewal or continuation of insurance at least ten (10) days before the expiration of the existing insurance. The Debtor hereby assigns to the Collateral Agent, for the ratable benefit of the Secured Parties, any return of unearned premiums which may be due upon cancellation of any such policy or policies for any reason whatsoever and, upon the occurrence of any Event of Default and during the continuance thereof, directs the insurer(s) to pay to the Collateral Agent as agent for the Secured Parties any amounts so due.

5.10 Damage or Loss and Replacement.

(a) The Debtor shall promptly notify the Collateral Agent of any fire, theft, water damage, vandalism or other damage to or loss of any Inventory or Equipment to the extent that the uninsured portion of such damaged or lost Inventory or Equipment is in excess of \$200,000. In the case of any loss, damage to or destruction of the Inventory or Equipment or any part thereof, the Debtor, whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for that purpose, at the Debtor's cost and expense, will promptly repair or replace the Inventory or Equipment so lost, damaged or destroyed.

(b) In the event that the Debtor or the Collateral Agent shall receive any proceeds of insurance with respect to Inventory in excess of \$250,000 in the aggregate in any fiscal year of the Debtor, provided no Default or Event of Default then exists, (a) the Debtor shall pay to the Collateral Agent, or the Collateral Agent shall retain, as applicable, an amount of such proceeds equal to the balance then outstanding under the Obligations, which amount the Collateral Agent shall promptly pay to the Secured Parties for application to the Obligations as provided in the Credit Agreement, and the Debtor shall be entitled to retain, or the Collateral Agent shall pay to the Debtor, as applicable, any such excess insurance proceeds or (b) if there is no balance then outstanding under the Obligations, then the Debtor shall be entitled to retain, or the Collateral Agent shall pay to the Debtor, as applicable, all such proceeds of insurance with respect to Inventory.

(c) In the event the Debtor shall receive any proceeds of insurance with respect to the Equipment in excess of \$250,000 in the aggregate in any fiscal year of the Debtor, the Debtor shall immediately pay over such proceeds in excess of \$250,000 to the Collateral Agent. Insurance proceeds received by the Collateral Agent under the provisions hereof or under any policy or policies of insurance covering the Equipment or any part thereof pursuant to the terms hereof in excess of \$250,000 in the aggregate in any fiscal year of the Debtor shall be applied to the reduction of, or otherwise held as security for, the Secured Obligations (whether or not then due); provided, however, that the Collateral Agent agrees to release such insurance proceeds to the Debtor for the replacement, repair or restoration of the portion of the Equipment lost, damaged or destroyed if, but only if, (i) at the time of release no Default or Event of Default exists, (ii) a written request for such release is received from the Debtor within thirty (30) calendar days of receipt of, or in the event received by the Collateral Agent notice of the Collateral Agent's receipt of, such insurance proceeds and (iii) the Debtor provides the Collateral Agent purchase orders or invoices for replacement property for, or for the repair or restoration of, the Equipment that was lost, damaged or destroyed giving rise to the payment of such insurance proceeds within 210 days of the occurrence of such loss, damage or destruction. Notwithstanding the foregoing, if, following the application of insurance proceeds to replace, repair or restore Equipment as provided in this Section 5.10(c), there is an amount of such proceeds which is less than \$50,000 remaining, provided that no Default or Event of Default shall have occurred and be continuing, the Collateral Agent shall return such amount to the Debtor.

5.11 Further Assurances. Subject to the provisions of Section 5.1(a), the Debtor will from time to time, at the sole expense of the Debtor, promptly execute, deliver, file and record (as appropriate) all further instruments and documents, and take all further action as the Collateral Agent or any other Secured Party may reasonably deem necessary or prudent in order to perfect, continue and protect the security interests granted hereby or to enable the Collateral Agent or any other Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral or any part thereof.

SECTION 6 – SALES AND COLLECTIONS

6.1 Processing and Sales of Inventory. So long as no Event of Default shall have occurred and be continuing, the Debtor shall have the right in the regular course of its business to process and sell the Inventory. The security interests granted hereunder to the Collateral Agent as agent for the Secured Parties shall attach to all proceeds of all sales, leases, or other dispositions of the Inventory.

6.2 Inventory Controls. Upon the occurrence and during the continuation of any Event of Default, the Collateral Agent or its agent may secure all entrances to those parts of the premises of the Debtor in which any Inventory is stored and keep such entrances locked or otherwise sealed or institute such other control measures with respect to the movement of Inventory as the Collateral Agent may deem necessary or prudent, subject to the rights of third parties under any Lease.

6.3 Collection of Accounts. The Debtor shall, upon receipt of all checks, drafts, cash, and other remittances in payment of or on account of the Accounts, cause the same to be deposited to one or more Deposit Accounts maintained by the Debtor.

SECTION 7 – POWER OF ATTORNEY

The Debtor hereby appoints the Collateral Agent and the Collateral Agent's designee as the Debtor's attorney-in-fact, with full power of substitution: (a) effective upon the occurrence and during the continuance of any Event of Default, to endorse the Debtor's name on any checks, notes, acceptances, money orders, or other forms of payment or security constituting Collateral that come into the Collateral Agent's or any other Secured Party's possession; (b) effective upon the occurrence and during the continuance of any Event of Default, to sign the Debtor's name on any invoice, bill of lading, warehouse receipt or other negotiable or non-negotiable Document constituting Collateral, on drafts against customers, on assignments of Accounts, on notices of assignment, financing statements and other public records and to file any such financing statements by electronic means with or without a signature as authorized or required by applicable law or filing procedure; (c) to execute loss claims and other applications for payment of benefits under any insurance policy covering any of the Collateral in the name of the Debtor or the Collateral Agent, to receive all monies and endorse drafts, checks, and other instruments for the payment of any proceeds of any insurance covering any of the Collateral, (d) effective upon the occurrence and during the continuance of any Event of Default, to notify the post office authorities to change the address for delivery of the Debtor's mail to an address designated by the Collateral Agent and to receive, open and dispose of all mail addressed to the Debtor; (e) to send requests for verification of Accounts to customers or account debtors; (f) effective upon the occurrence and during the continuance of any Event of Default, to complete, in the Debtor's name or the Collateral Agent's name, any order, sale or transaction, obtain the necessary Documents in connection therewith, and collect the proceeds thereof; (g) effective upon the occurrence and during the continuance of any Event of Default, to clear Inventory through customs in the Debtor's name, the Collateral Agent's name or the name of the Collateral Agent's designee, and to sign and deliver to customs officials powers of attorney in the Debtor's name for such purpose; (h) effective upon the occurrence and during the continuance of any Event of Default, to the extent that the Debtor's authorization given in Section 5.1(d) of this Security Agreement is not sufficient (which authorization in Section 5.1(d) is effective, and which powers under Section 5.1(d) may be exercised by the Collateral Agent, before the occurrence of an Event of Default), to file such financing statements with respect to this Security Agreement (including without limitation financing statements in favor of the Debtor in connection with any consigned goods) as the Collateral Agent may deem appropriate; and (i) to do all other things

necessary to carry out the terms of this Security Agreement. The Collateral Agent shall not be obligated to do any of the acts or exercise any of the powers hereinabove authorized, but, if the Collateral Agent elects to do any such act or exercise any such power, unless the Collateral Agent is guilty of gross negligence or willful misconduct in the exercise of such power, it shall not be accountable to the Debtor for more than it actually receives as a result of such exercise of power, and, in any event, none of the Collateral Agent, any other Secured Party nor any of their respective attorneys, will be liable for any acts or omissions or for any error of judgment or mistake of fact or law except for their gross negligence or willful misconduct. This appointment shall be deemed a power coupled with an interest, shall be irrevocable, and shall not terminate until the Secured Obligations have been fully satisfied, the Credit Agreement has been terminated. The Debtor hereby ratifies and approves all acts of such attorney-in-fact.

SECTION 8 – NO LIABILITY

(a) The Debtor assumes all responsibility and liability arising from or relating to the use, sale, license or other disposition of the Collateral. The Secured Obligations shall not be affected by any failure of the Collateral Agent or any other Secured Party to take any steps to perfect the Collateral Agent's Liens or to collect or realize upon the Collateral, nor shall loss of or damage to the Collateral release the Debtor from any of the Secured Obligations. Following the occurrence and during the continuation of any Event of Default, the Collateral Agent may (but shall not be required to), without notice to or consent from the Debtor, sue upon or otherwise collect, extend the time for payment of, modify or amend the terms of, compromise or settle for cash, credit, or otherwise upon any terms, grant other indulgences, extensions, renewals, compositions, or releases, and take or omit to take any other action with respect to the Collateral, any security therefor, any agreement relating thereto, any insurance applicable thereto, or any Person liable directly or indirectly in connection with any of the foregoing, without discharging or otherwise affecting the liability of the Debtor for the Secured Obligations, or any other agreement now or hereafter existing between the Collateral Agent and/or any other Secured Party and the Debtor.

(b) It is expressly agreed by the Debtor that, anything herein to the contrary notwithstanding, the Debtor shall remain liable under each of its contracts and each of its licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Neither the Collateral Agent nor any other Secured Party shall have any obligation or liability under any contract or license by reason of or arising out of this Security Agreement or the granting herein of a Lien thereon or the receipt by the Collateral Agent or any other Secured Party of any payment relating to any contract or license pursuant hereto. Neither the Collateral Agent nor any other Secured Party shall be required or obligated in any manner to perform or fulfill any of the obligations of the Debtor under or pursuant to any contract or license, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any contract or license, or to present or file any claims, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) The Collateral Agent may at any time after any Event of Default shall have occurred and be continuing (or if any rights of set-off (other than set-offs against an Account

arising under the contract giving rise to the same Account) or contra accounts may be asserted with respect to the following), without prior notice to the Debtor, notify account debtors, and other Persons obligated on the Collateral that the Collateral Agent has a security interest therein, and that payments shall be made directly to the Collateral Agent, for the ratable benefit of the Secured Parties. Upon the request of the Collateral Agent, the Debtor shall so notify account debtors, and other Persons obligated on Collateral. Once any such notice has been given to any account debtor or other Person obligated on the Collateral, the Debtor shall not give any contrary instructions to such account debtor or other Person without the Collateral Agent's prior written consent.

(d) After the occurrence and during the continuance of any Event of Default, the Collateral Agent may at any time in the Collateral Agent's own name or in the name of the Debtor communicate with account debtors, parties to contracts and agreements to which the Debtor is a party, and obligors in respect of Instruments, to verify with such Persons, to the Collateral Agent's satisfaction, the existence, amount and terms of Accounts, contracts and agreements, payment intangibles, Instruments and Chattel Paper. If any Event of Default shall have occurred and be continuing, the Debtor, at its own expense, shall cause the independent certified public accountants then engaged by the Debtor to prepare and deliver to the Collateral Agent at any time and from time to time promptly upon the Collateral Agent's request the following reports with respect to the Debtor: (i) a reconciliation of all Accounts; (ii) an aging of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts as the Collateral Agent may request. The Debtor, at its own expense, shall deliver to the Collateral Agent the results of each physical verification, if any, which the Debtor may in its discretion have made, or caused any other Person to have made on its behalf, of all or any portion of its Inventory.

(e) The Collateral Agent shall use reasonable care with respect to the Collateral in its possession or under its control. The Collateral Agent shall not have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Agent, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

SECTION 9 – DEFAULT AND REMEDIES

(a) In addition to all other rights and remedies granted to it under this Security Agreement, the Credit Agreement, the other Loan Documents, and under any other instrument or agreement securing, evidencing or relating to any of the Secured Obligations, upon the occurrence and during the continuance of any Event of Default, the Collateral Agent, as agent for the Secured Parties, may, subject to the provisions of the Credit Agreement, exercise all rights and remedies of a secured party under the UCC. Without limiting the generality of the foregoing, the Debtor expressly agrees that in any such event the Collateral Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Debtor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may forthwith enter upon the premises of the Debtor where any Collateral is located through self-help, without judicial process, without first obtaining a final judgment or giving the Debtor or any other Person notice and opportunity for a hearing on the Collateral Agent's claim or action and may collect,

receive, assemble, process, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, license, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver the Collateral (or contract to do so), or any part thereof, in one or more parcels at a public or private sale or sales, at any exchange at such prices as it may deem acceptable, for cash or on credit or for future delivery without assumption of any credit risk. The Collateral Agent and each other Secured Party shall have the right, upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption, which equity of redemption the Debtor hereby releases. Such sales may be adjourned and continued from time to time with or without notice. The Collateral Agent shall have the right to conduct such sales on the Debtor's premises or elsewhere and shall have the right to use the Debtor's premises without charge for such time or times as the Collateral Agent deems necessary or advisable. Expenses of retaking, holding, preparing for sale, selling and the like shall include the reasonable attorneys' fees and legal expenses of the Collateral Agent and the other Secured Parties, and each of them.

(b) After the occurrence and during the continuance of any Event of Default, the Debtor further agrees, at the Collateral Agent's request, to assemble the Collateral and make it available to the Collateral Agent at a place or places designated by the Collateral Agent which are reasonably convenient to the Collateral Agent and the Debtor, whether at the Debtor's premises or elsewhere. Until the Collateral Agent is able to effect a sale, lease, or other disposition of Collateral, the Collateral Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by the Collateral Agent. The Collateral Agent shall have no obligation to the Debtor to maintain or preserve the rights of the Debtor as against third parties with respect to Collateral while Collateral is in the possession of the Collateral Agent. The Collateral Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Collateral Agent's remedies (for the benefit of the Collateral Agent and the other Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. The Collateral Agent shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale to the Secured Obligations in such order of application as is required by the Credit Agreement, and only after so paying over such net proceeds, and after the payment by the Collateral Agent of any other amount required by any provision of law, need the Collateral Agent account for the surplus, if any, to the Debtor. To the maximum extent permitted by applicable law, the Debtor waives all claims, damages and demands against the Collateral Agent or any other Secured Party arising out of the repossession, retention or sale of the Collateral except such as arise solely out of the gross negligence or willful misconduct of the Collateral Agent or any other Secured Party as finally determined by a court of competent jurisdiction. The Collateral Agent will give the Debtor reasonable notice of the time and place of any public sale of the Collateral or any part thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The Debtor and the Collateral Agent agree that the requirements of reasonable notice shall be met if such notice is given to the Debtor at the address of the Debtor specified in Section 10.2 of this Security Agreement (or such other address that the Debtor may provide to the Collateral Agent in writing) at least ten (10) days before the time of the sale or disposition, but nothing contained herein shall be construed to mean that any other notice or a shorter period of time does not constitute reasonable notice for the sale of the

Collateral or any part thereof. The Debtor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all Secured Obligations, including any reasonable attorneys' fees or other expenses incurred by the Collateral Agent or any other Secured Party to collect such deficiency.

(c) After the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right to enter upon the premises of the Debtor at any time for the purpose of reducing to possession the Accounts (including Chattel Paper) and all cash or non-cash proceeds thereof, for the purpose of taking possession of and using the current version of the Debtor's accounts receivable computer software, and/or for the purpose of inspecting the Inventory and Equipment and inspecting and/or auditing the books, records and procedures of the Debtor. The Collateral Agent may deduct its expenses in collecting the Accounts from the proceeds applicable to the Secured Obligations. Such expenses shall include, without limitation, the costs of posting transactions to the books of the Debtor and performing such other bookkeeping and accounting tasks as the Collateral Agent may deem appropriate to collect any Account.

(d) Except as otherwise specifically provided herein or in the Credit Agreement, the Debtor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(e) For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Section 9 (including, without limiting the terms of this Section, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of Collateral) at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, the Debtor hereby grants to the Collateral Agent, for the benefit of itself and the other Secured Parties, an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to the Debtor) to use, license or sublicense any Proprietary Rights now owned or hereafter acquired by the Debtor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

SECTION 10 – MISCELLANEOUS

10.1 Cumulative Rights and No Waiver. Except as otherwise expressly provided herein, in the Credit Agreement, or in any other Loan Document, each and every right granted to the Collateral Agent or any other Secured Party hereunder or under any other document delivered under or in connection with the Credit Agreement, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of the Collateral Agent or any other Secured Party to exercise, and no delay in exercising any right, shall operate as a waiver thereof, nor shall any single or partial exercise by the Collateral Agent or any other Secured Party of any right preclude any other or future exercise thereof or the exercise of any other right.

10.2 Notices. Unless otherwise specified herein, all notices, requests and other communications to a party hereunder shall be in writing and shall be delivered in manner and at the address specified in Section 9.01 of the Credit Agreement. Rejection or refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not affect the validity of notice given in accordance with this Section.

10.3 Applicable Law. This Security Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than Virginia are governed by the laws of such jurisdiction.

10.4 WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION. EACH OF THE DEBTOR AND THE COLLATERAL AGENT (1) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THIS SECURITY AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, (2) SUBMITS TO PERSONAL JURISDICTION IN THE COMMONWEALTH OF VIRGINIA, THE COURTS THEREOF AND THE UNITED STATES DISTRICT COURTS SITTING THEREIN, FOR THE ENFORCEMENT OF THIS SECURITY AGREEMENT, (3) WAIVES ANY AND ALL PERSONAL RIGHTS UNDER THE LAW OF ANY JURISDICTION TO OBJECT ON ANY BASIS (INCLUDING, WITHOUT LIMITATION, INCONVENIENCE OF FORUM) TO JURISDICTION OR VENUE WITHIN THE COMMONWEALTH OF VIRGINIA FOR THE PURPOSE OF LITIGATION TO ENFORCE THIS SECURITY AGREEMENT, AND (4) AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN THE MANNER PRESCRIBED IN SECTION 10.2 FOR THE GIVING OF NOTICE. NOTHING HEREIN CONTAINED, HOWEVER, SHALL: (I) PREVENT THE COLLATERAL AGENT FROM BRINGING ANY ACTION OR EXERCISING ANY RIGHTS AGAINST ANY COLLATERAL AND AGAINST THE DEBTOR OR ANY OTHER LOAN PARTY PERSONALLY, AND AGAINST ANY ASSETS OF THE DEBTOR OR ANY OTHER LOAN PARTY, WITHIN ANY OTHER STATE OR JURISDICTION; OR (II) AFFECT THE RIGHT TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

10.5 Severability; Modification. If any provision hereof is invalid or unenforceable in any jurisdictions, then, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction; and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provisions in any other jurisdiction. No modification, amendment or waiver of any provision of this Security Agreement, nor consent to any departure by the Debtor therefrom, shall in any event be effective unless the same shall be in writing, made in accordance with the Credit Agreement, and signed by the Collateral Agent and the Debtor, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand upon the Debtor in any case shall entitle the Debtor to any other or further notice or demand in the same or similar circumstances.

10.6 Execution in Counterparts. This Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

10.7 Amendment and Restatement; No Novation. This Security Agreement amends and restates in its entirety the Prior Security Agreement. This Security Agreement shall not be construed to constitute a novation with respect to the obligations described in the Prior Security Agreement or, except as otherwise expressly provided herein, in the Credit Agreement, or in any other Loan Document, any of the security interests and Liens created thereby or in connection therewith, the priority of each of which shall continue to date from the date of the original perfection thereof in connection with filings and other actions taken prior to the date hereof in connection with the Prior Security Agreement.

10.8 Successors and Assigns. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Debtor may not assign or otherwise transfer any of its rights or obligations hereunder.

[Signatures begin on following page]

IN WITNESS WHEREOF, the Debtor and the Collateral Agent have caused this Security Agreement to be duly executed by their duly authorized officers, under seal, all as of the date first above written.

TREX COMPANY, INC.

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

[Signatures continue on following page]

[Signature Page to Second Amended and Restated Security Agreement]

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent and Collateral Agent

By: /s/ Matthew W. Rush (SEAL)

Name: Matthew W. Rush

Title: Senior Vice President

[Signature Page to Second Amended and Restated Security Agreement]

[SCHEDULES ATTACHED SEPARATELY]

FORM OF
IP SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "IP Security Agreement") is dated as of the day of , 20 , by and between TREX COMPANY, INC., a Delaware corporation (the "Debtor"); and BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation ("BB&T"), in its capacity as Administrative Agent under the Credit Agreement referenced below, and acting as agent for itself and the other Secured Parties (as defined in the Security Agreement, defined below) (in such capacities, together with its successors and assigns, including any successor Administrative Agent under the Credit Agreement, the "Administrative Agent" or the "Collateral Agent").

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Credit Agreement date as of November 20, 2014 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Debtor, the Lenders from time to time party thereto (collectively, the "Lenders"), BB&T, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. The Debtor and the Collateral Agent are also parties to a Second Amended and Restated Security Agreement dated as of November , 2014 (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Security Agreement").

Subject to the terms of the Security Agreement, the Debtor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a continuing security interest in, lien on, assignment of and right of set-off against, all of the Debtor's right, title and interest in and to the United States patents, patent applications, trademarks, trademark applications and copyrights described on Schedule 1 attached hereto and made a part hereof, to secure the payment and performance of the Secured Obligations (as defined in the Security Agreement).

This IP Security Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than Virginia are governed by the laws of such jurisdiction.

This IP Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

The provisions of this IP Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Debtor may not assign or otherwise transfer any of its rights or obligations hereunder. In the event of any conflict between the terms of this IP Security Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall control.

IN WITNESS WHEREOF, the Debtor and the Collateral Agent have caused this IP Security Agreement to be duly executed by their duly authorized officers, all as of the date first above written.

TREX COMPANY, INC.

By: _____ (SEAL)
Name: _____
Title: _____

[Signatures continue on following page]

BRANCH BANKING AND TRUST COMPANY,
as Collateral Agent

By: _____ (SEAL)
Name: _____
Title: _____

This Instrument Prepared By:
Christopher E. Vinyard
Troutman Sanders LLP
Post Office Box 1122
Richmond, Virginia 23218-1122

GPIN: Frederick County Tax Map Number 63-A-110
City of Winchester Tax Map Number 371-01-1

Note to Clerk: The purpose of this Modification is to modify the terms and provisions of that certain Amended and Restated Credit Line Deed of Trust dated as of November 4, 2009, recorded on November 4, 2009, in the Clerk’s Office of the Circuit Court of Frederick County, Virginia, as Instrument No. 090012178, and recorded on November 4, 2009, in the Clerk’s Office of the Circuit Court of the City of Winchester, Virginia, as Instrument No. 090002943, as modified by that certain Modification to Amended and Restated Credit Line Deed of Trust dated as of January 6, 2012, recorded on January 6, 2012, in the Clerk’s Office of the Circuit Court of Frederick County, Virginia, as Instrument No. 120000146, and recorded on January 6, 2012, in the Clerk’s Office of the Circuit Court of the City of Winchester, Virginia, as Instrument No. 120000040, upon which the recordation tax has been paid in full to the extent of the maximum principal amount of \$16,350,000 secured thereby, and to increase the maximum principal amount secured thereby to \$16,500,000 Pursuant to Virginia Code § 58.1-803(D), this Deed of Trust is exempt from recordation taxes to the extent of \$16,350,000 of principal, and is recordable with additional recordation tax applicable only to the \$150,000 increase in the maximum principal amount secured hereby. This certifies that the amount of the original indebtedness secured by the Amended and Restated Credit Line Deed of Trust is \$16,350,000.

SECOND MODIFICATION TO
AMENDED AND RESTATED CREDIT LINE DEED OF TRUST

dated as of November , 2014,

by and among

TREX COMPANY, INC. (successor to TREX COMPANY, LLC),
as Grantor,

BB&T-VA COLLATERAL SERVICE CORPORATION,
as Trustee,

and

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent and Collateral Agent,
as Beneficiary

THIS IS A MODIFICATION TO A CREDIT LINE DEED OF TRUST within the meaning of Section 55-58.2 of the Code of Virginia (1950), as amended. For the purposes of and to the extent required by such Section, (i) the name of the noteholder/beneficiary secured by this Deed of Trust is Branch Banking and Trust Company, as Collateral Agent, (ii) the address at which communications may be mailed or delivered to such noteholder is 200 West Second Street, Winston-Salem, North Carolina 27101, Attention: Matthew W. Rush, and (iii) the maximum aggregate amount of principal to be secured at any one time is \$16,500,000.

SECOND MODIFICATION TO
AMENDED AND RESTATED CREDIT LINE DEED OF TRUST

THIS MODIFICATION TO AMENDED AND RESTATED CREDIT LINE DEED OF TRUST (this "Modification") was executed on the dates set forth on the signature pages hereto and is dated and effective as of the 20 day of November, 2014, by and among TREX COMPANY, INC. (successor to TREX COMPANY, LLC), a Delaware corporation whose address is 160 Exeter Drive, Winchester, Virginia 22603, Attn: Chief Financial Officer (the "Grantor"), grantor for indexing purposes; BB&T-VA COLLATERAL SERVICE CORPORATION, a Virginia corporation whose address is 901 East Byrd Street, Suite 600, Richmond, Virginia 23219, as trustee (the "Trustee"), grantee and trustee for indexing purposes; and BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation ("BB&T") whose address is as set forth below, in its capacity as Administrative Agent under the Second Amended and Restated Credit Agreement referenced below, and acting as agent for itself and the other Secured Parties (as hereinafter defined) (in such capacities, together with its successors and assigns, including any successor Administrative Agent under the Second Amended and Restated Credit Agreement referenced below, the "Administrative Agent" or the "Collateral Agent"), grantee and beneficiary for indexing purposes;

The Administrative Agent's address to which any notice or communication permitted to be given pursuant to the provisions of § 55-58.2 of the Code of Virginia of 1950, as amended, may be mailed or delivered is Branch Banking and Trust Company, 200 West Second Street, Winston-Salem, North Carolina 27101, Attention: Matthew. W. Rush.

W I T N E S S E T H:

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Credit Agreement of even date herewith (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Second Amended and Restated Credit Agreement"), among the Grantor, the lenders from time to time party thereto (collectively, the "Lenders"), BB&T, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

The Grantor, the Trustee and BB&T are parties to an Amended and Restated Credit Line Deed of Trust dated as of November 4, 2009, recorded on November 4, 2009, in the Clerk's Office of the Circuit Court of Frederick County, Virginia, as Instrument No. 090012178, and recorded on November 4, 2009, in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia, as Instrument No. 090002943, as modified by that certain Modification to Amended and Restated Credit Line Deed of Trust dated as of January 6, 2012, recorded on January 6, 2012, in the Clerk's Office of the Circuit Court of Frederick County, Virginia, as Instrument No 120000146, and recorded on January 6, 2012, in the Clerk's Office of the Circuit Court of the City of Winchester, Virginia, as Instrument No. 120000040 (as so amended, the "Deed of Trust"), pursuant to which the Grantor granted to the Trustee for the benefit of the Administrative Agent a lien on the Property (as defined in the Deed of Trust).

In connection with the Second Amended and Restated Credit Agreement, the Lenders have required that the Grantor enter into this Modification to amend certain terms of the Deed of Trust.

Accordingly, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor, the Trustee and the Collateral Agent hereby agree as follows:

1. Increase in Secured Amount. The Deed of Trust shall secure to the Collateral Agent for the benefit of the Secured Parties the payment and performance in full of all Secured Obligations (as defined in the Deed of Trust), not to exceed the aggregate principal amount of \$16,500,000, together with interest at the rate or rates specified in the documents evidencing such Secured Obligations, which maximum aggregate principal amount is an increase of \$150,000 in the maximum aggregate principal amount previously secured by the Deed of Trust.

2. Definitions; References.

(a) The term "Secured Parties" as used herein and in the Deed of Trust shall mean, collectively: (1) the Administrative Agent (including in its capacity as Collateral Agent), (2) each Lender (including in such Lender's capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable), (3) each Affiliate of a Lender in such Affiliate's capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable, (4) the Swing Line Lender, (5) the Letter of Credit Issuer, and (6) the respective successors and assigns of each of the foregoing.

(b) All references to the "Credit Agreement" in the Deed of Trust are amended to be references to the Second Amended and Restated Credit Agreement, as such Second Amended and Restated Credit Agreement may hereafter be amended, restated, extended, supplemented, or otherwise modified from time to time.

(c) The term "Secured Obligations" shall include all of the following indebtedness, liabilities, obligations, covenants, duties and conditions:

(A) (i) the payment and performance of all indebtedness, liabilities and obligations of the Loan Parties, or any of them, to the Secured Parties arising under the Credit Agreement, the other Loan Documents or in connection with any Bank Products, Cash Management Services or Hedging Agreements, including without limitation all Obligations and all Additional Secured Obligations and all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Loan Party, whether or not allowed or allowable as a claim in any such proceeding) on the indebtedness represented by the Notes, and all future advances and readvances made thereunder;

(ii) all other amounts now or hereafter payable by the Loan Parties and all other obligations or liabilities now existing or hereafter arising or incurred (including, without limitation, any amounts which accrue after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization

of any Loan Party, whether or not allowed or allowable as a claim in any such proceeding) on the part of the Loan Parties pursuant to the Obligations or the Additional Secured Obligations;

(iii) all renewals, modifications, consolidations or extensions of or to each of the obligations described in clauses (a)(i) and (ii) above; and

(iv) all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the Administrative Agent for taxes and/or insurance relating to, or maintenance or preservation of, the Property and any other collateral securing the Obligations and the Additional Secured Obligations or incurred by the Administrative Agent in the collection or enforcement of the Obligations and the Additional Secured Obligations, including, without limitation, any such collection or enforcement of the Obligations and the Additional Secured Obligations owing to the Administrative Agent by any action or participation in, or in connection with, a case or proceeding under Chapter 7 or Chapter 11 of the U.S. Bankruptcy Code or any successor statute; and

(B) the performance of, and compliance with, all of the covenants, duties, obligations and conditions of the Grantor contained in the Deed of Trust.

3. Schedule B. Schedule B attached to the Deed of Trust is replaced in its entirety with Schedule B attached hereto.

4. Confirmation of Existing Terms of Trust. In all other respects the Deed of Trust shall remain unaffected, unchanged and unimpaired, and the Grantor ratifies and reaffirms its indebtedness, duties and obligations thereunder. The execution and delivery of this Modification shall not constitute a novation of the indebtedness secured by the Deed of Trust. In confirmation of the foregoing, the Grantor does hereby re-grant and re-convey, unto the Trustee, in accordance with the terms and conditions set forth in the Deed of Trust, all right, title and interest of the Grantor in and to the Property, in trust to secure to the Collateral Agent, for the ratable benefit of the Secured Parties, the payment and performance of the Secured Obligations, all as modified hereby.

5. Joinder of Trustee. At the request and direction of the Collateral Agent and the Grantor, the Trustee joins herein for the sole purpose of evidencing its consent as Trustee under the Deed of Trust to the foregoing and to modify the Deed of Trust.

6. Successors and Assigns. This Modification shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and assigns.

7. Counterparts. This Modification may be executed in two or more counterparts which, when taken together, shall constitute but one and the same document.

[Signatures begin on following page]

IN WITNESS WHEREOF, the Grantor, the Trustee and the Collateral Agent have caused this Modification to be duly executed by their duly authorized officers, under seal, all as of the day and year first above written.

GRANTOR:

TREX COMPANY, INC.,
a Delaware corporation

By: /s/ James E. Cline (Seal)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

STATE/Commonwealth of Virginia)
) to-wit:
CITY/COUNTY OF Frederick)

The foregoing instrument was acknowledged before me this 18 day of November, 2014, by James E. Cline, who is Senior Vice President and Chief Financial Officer of TREX COMPANY, INC., a Delaware corporation, on behalf of the corporation.

Gloria E. Breeden
Notary Public

My Commission Expires: 5/31/2016
Registration Number: 342749

[SEAL]

[Signatures continue on following page]

TRUSTEE:

BB&T-VA COLLATERAL SERVICE CORPORATION,
as Trustee

By: /s/ Matthew W. Rush (Seal)
Name: Matthew W. Rush
Title: Vice President

STATE/Commonwealth of North Carolina)
) to-wit:
CITY/COUNTY OF Mecklenburg)

The foregoing instrument was acknowledged before me this _____ day of November, 2014, by _____, who is of BB&T-VA COLLATERAL SERVICE CORPORATION, a Virginia corporation, as Trustee, on behalf of the corporation, as Trustee.

E. Carter
Notary Public

My Commission Expires: 11/6/16
Registration Number: _____

[SEAL]

[Signatures continue on following page]

AGENT:

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent and Collateral Agent

By: /s/ Matthew W. Rush (Seal)

Name: Matthew W. Rush

Title: Senior Vice President

STATE/Commonwealth of North Carolina)
) to-wit:
CITY/COUNTY OF Mecklenburg)

The foregoing instrument was acknowledged before me this _____ day of November, 2014, by Matthew W. Rush, who is a Senior Vice President of BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation, as Administrative Agent, on behalf of the bank, as Administrative Agent.

E. Carter
Notary Public

My Commission Expires: 11/6/16
Registration Number: _____

[SEAL]

PERMITTED TITLE EXCEPTIONS

- Electric pole line easement granted Northern Virginia Power Company by instrument dated September 25, 1941 and recorded in Deed Book 184 at page 277, (noted as “cannot be plotted” on the plat of survey by Marsh & Legge Land Surveyors, P.L.C. entitled “ALTA/ACSM Land Title Survey of the Land of TREX COMPANY, INC., dated October 16, 2009.” (the “Survey”).
- Reservation of a ten (10) foot easement for underground sewer and drainage lines along southwest property line for the benefit of adjoining property, as set forth in the Deed dated April 5, 1968 and recorded in Deed Book 341 at page 579, and as shown on the Survey.
- Easement and right of way in Wallachs Road, Livingston Place and Lawhon Lane for the construction and maintenance of sanitary sewer and water mains granted the City of Winchester by instrument dated May 8, 1969 and recorded in Deed Book 406 at page 518 in the Land Records of Frederick County, Virginia, and as shown on the Survey.
- Possible easement rights referenced in instrument and shown on plat attached thereto recorded in Deed Book 438, Page 488 of the Land Records of Frederick County, Virginia, and as shown on the Survey, as to Power Easement and 20’ Gas Easement.
- Easement located along the west/northwest property line, granted The Potomac Edison Company by instrument dated July 25, 1975 and recorded in Deed Book 448 at page 122 of the Frederick County, Virginia Land Records, and as shown on the Survey.
- Easement granted The Potomac Edison Company by instrument dated September 18, 1984 and recorded in the Land Records of Frederick County, Virginia in Deed Book 588 at page 416, and noted as “cannot be plotted” on the Survey.
- Terms and conditions of Right-of-Way Agreement by and between Capitol Records, Inc. and The Potomac Edison Company as set forth in Deed Book 593, page 394.
- Easement along southern property line granted The Potomac Edison Company by instrument dated April 4, 1985 and recorded in the Land Records of Frederick County, Virginia in Deed Book 593 at page 395, and as shown on the Survey
- Easement located in the southernmost corner of the property, granted Shenandoah Gas Company by Deed of Easement dated December 7, 1999 and recorded in Deed Book 954 at page 645 of the Land Records of Frederick County, Virginia, and as shown on the Survey.
- 20’ sanitary sewer easement located in northeastern and southernmost corner of the property, granted Frederick County Sanitation Authority by Deed of Easement dated May 5, 1999 and recorded in Deed Book 936 at page 1582 of the Land Records of Frederick County, Virginia, and as shown on the Survey.
- Easement granted from Trex Company, LLC to Bell Atlantic-Virginia, Inc. by instrument dated May 21, 1999, recorded in Deed Book 942, page 123.

- Possible easement rights of the railroad company servicing the railroad siding located on insured premises in and to the ties, rails and other properties constituting said railroad siding or in and to the use thereof. The location of the spur line is as shown on the Survey.
- Possible easement rights due to overhead power lines, power poles, underground gas mains, underground telephone lines and existing water mains, all as shown on the Survey.
- Riparian rights of others in and to Hoge Run located in the eastern portion of the insured premises.
- Possible rights of others in and to the use of the drainage easements described in Exhibit A.
- Twenty-five foot and seventy-five foot building restriction lines shown on the plat recorded in Deed Book 976 at page 405 (Frederick County) and as Instrument Number 000002334 (City of Winchester), as shown on the Survey.
- Rights, if any, of property owners adjoining on the northwest and south, in and to that portion of insured premises lying between the northwestern and southern property line and the fence inside said line, as shown on plat of survey by Marsh & Legge Land Surveyors, PLC dated 10/16/09.
- Easement from American Woodmark Corporation to The Trex Company, LLC by instrument dated 10/20/98, recorded in Deed Book 919, page 1367.
- Easement from The Henkel-Harris Company, Inc. to The Frederick County Sanitation Authority by instrument dated 11/05/98, recorded in Deed Book 921, page 562.
- Easement from American Woodmark Corporation to The Trex Company, LLC by instrument dated 11/16/00, recorded as Instrument No. 000012444.
- Easement granted from Trex Company, Inc. to Washington Gas Light Company by instrument dated 8/24/2012, recorded as Instrument No. 120009829.
- Easement granted from Trex Company, Inc. to Washington Gas Light Company by instrument dated 1/16/2013, recorded as Instrument No. 130001009.
- Easement granted from Trex Company, Inc. to Washington Gas Light Company by instrument dated 5/27/2014, recorded as Instrument No. 140006319.

Assessor's Parcel No. 021-241-08

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Troutman Sanders LLP
P.O. Box 1122
Richmond, Virginia 23218
Attn: Christopher E. Vinyard

Space above for Recorder's Use

Title of Document: MODIFICATION TO DEED OF TRUST

Please complete Affirmation Statement below:

I, the undersigned, hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the personal information (as defined in NRS 603A.040) of any person or persons. (Per NRS 239B.030)

BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent and Collateral Agent

By: /s/ Matthew W. Rush
Name: Matthew W. Rush
Title: Senior Vice President

MODIFICATION TO DEED OF TRUST

THIS MODIFICATION TO DEED OF TRUST (this “Modification”) was executed on the dates set forth on the signature page hereto and is dated and effective as of the 20 day of November, 2014, by and among **TREX COMPANY, INC.**, a Delaware corporation whose address is 160 Exeter Drive, Winchester, Virginia 22603, Attn: Chief Financial Officer (the “Grantor”), as grantor, the first party; and **BRANCH BANKING AND TRUST COMPANY**, a North Carolina banking corporation (“BB&T”) whose address is Branch Banking and Trust Company, 200 West Second Street, Winston-Salem, North Carolina 27101, Attention: Matthew W. Rush, in its capacity as Administrative Agent under the Second Amended and Restated Credit Agreement referenced below, and acting as agent for itself and the other Secured Parties (as hereinafter defined) (in such capacities, together with its successors and assigns, including any successor Administrative Agent under the Second Amended and Restated Credit Agreement referenced below, the “Administrative Agent” or the “Collateral Agent”), as beneficiary, the second party. **FIRST AMERICAN TITLE INSURANCE COMPANY**, a California corporation whose address is 2490 Paseo Verde Parkway, Suite 100, Henderson, NV 89074, as trustee (the “Trustee”), is a party hereto as grantee, the third party.

W I T N E S S E T H:

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Credit Agreement of even date herewith (as amended, restated, extended, supplemented or otherwise modified from time to time, the “Second Amended and Restated Credit Agreement”), among the Grantor, the lenders from time to time party thereto (collectively, the “Lenders”), BB&T, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger.

The Grantor, the Trustee and BB&T are parties to a Deed of Trust dated as of January 6, 2012, recorded on January 9, 2012, in the Official Records of Lyon County, Nevada, as Document No. 486083 (the “Deed of Trust”), pursuant to which the Grantor granted to the Trustee for the benefit of the Administrative Agent a lien on the Property (as defined in the Deed of Trust).

In connection with the Second Amended and Restated Credit Agreement, the Lenders have required that the Grantor enter into this Modification to amend certain terms of the Deed of Trust.

Accordingly, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor and the Collateral Agent hereby agree as follows:

1. **Definitions; References.**

(a) The term “Secured Parties” as used herein and in the Deed of Trust shall mean, collectively: (1) the Administrative Agent (including in its capacity as Collateral Agent), (2) each Lender (including in such Lender’s capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable), (3) each Affiliate of a Lender in

such Affiliate's capacity as a Hedge Counterparty or as a provider of Bank Products or Cash Management Services, as applicable, (4) the Swing Line Lender, (5) the Letter of Credit Issuer, and (6) the respective successors and assigns of each of the foregoing.

(b) All references to the "Credit Agreement" in the Deed of Trust are amended to be references to the Second Amended and Restated Credit Agreement, as such Second Amended and Restated Credit Agreement may hereafter be amended, restated, extended, supplemented, or otherwise modified from time to time.

(c) The term "Secured Obligations" shall include all of the following indebtedness, liabilities, obligations, covenants, duties and conditions:

(A) (i) the payment and performance of all indebtedness, liabilities and obligations of the Loan Parties, or any of them, to the Secured Parties arising under the Credit Agreement, the other Loan Documents or in connection with any Bank Products, Cash Management Services or Hedging Agreements, including without limitation all Obligations and all Additional Secured Obligations and all principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Loan Party, whether or not allowed or allowable as a claim in any such proceeding) on the indebtedness represented by the Notes, and all future advances and readvances made thereunder;

(ii) all other amounts now or hereafter payable by the Loan Parties and all other obligations or liabilities now existing or hereafter arising or incurred (including, without limitation, any amounts which accrue after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Loan Party, whether or not allowed or allowable as a claim in any such proceeding) on the part of the Loan Parties pursuant to the Obligations or the Additional Secured Obligations;

(iii) all renewals, modifications, consolidations or extensions of or to each of the obligations described in clauses (a)(i) and (ii) above; and

(iv) all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees incurred by the Administrative Agent for taxes and/or insurance relating to, or maintenance or preservation of, the Property and any other collateral securing the Obligations and the Additional Secured Obligations or incurred by the Administrative Agent in the collection or enforcement of the Obligations and the Additional Secured Obligations, including, without limitation, any such collection or enforcement of the Obligations and the Additional Secured Obligations owing to the Administrative Agent by any action or participation in, or in connection with, a case or proceeding under Chapter 7 or Chapter 11 of the U.S. Bankruptcy Code or any successor statute; and

(B) the performance of, and compliance with, all of the covenants, duties, obligations and conditions of the Grantor contained in the Deed of Trust.

2. Confirmation of Existing Terms of Trust. In all other respects the Deed of Trust shall remain unaffected, unchanged and unimpaired, and the Grantor ratifies and reaffirms its indebtedness, duties and obligations thereunder. The execution and delivery of this Modification shall not constitute a novation of the indebtedness secured by the Deed of Trust. In confirmation of the foregoing, the Grantor does hereby re-grant and re-convey, unto the Trustee, in accordance with the terms and conditions set forth in the Deed of Trust, all right, title and interest of the Grantor in and to the Property, in trust to secure to the Collateral Agent, for the ratable benefit of the Secured Parties, the payment and performance of the Secured Obligations, all as modified hereby.

3. Successors and Assigns. This Modification shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and assigns.

4. Counterparts. This Modification may be executed in two or more counterparts which, when taken together, shall constitute but one and the same document.

[Signatures begin on following page]

IN WITNESS WHEREOF, the Grantor and the Collateral Agent have caused this Modification to be duly executed by their duly authorized officers, under seal, all as of the day and year first above written.

GRANTOR:

TREX COMPANY, INC.,
a Delaware corporation

By: /s/ James E. Cline (Seal)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

STATE/Commonwealth of Virginia)
) to-wit:
CITY/COUNTY OF Frederick)

The foregoing instrument was acknowledged before me this 18 day of November, 2014, by James E. Cline, who is Senior Vice President and Chief Financial Officer of TREX COMPANY, INC., a Delaware corporation, on behalf of the corporation.

Gloria E. Breeden
Notary Public

My Commission Expires: 05/31/2016
Registration Number: 342749

[SEAL]

[Signatures continue on following page]

AGENT:
BRANCH BANKING AND TRUST COMPANY,
as Administrative Agent and Collateral Agent

By: /s/ Matthew W. Rush (Seal)
Name: Matthew W. Rush
Title: Senior Vice President

STATE/Commonwealth of North Carolina

)

CITY/COUNTY OF Mecklenburg

) to-wit:

)

The foregoing instrument was acknowledged before me this 17 day of November, 2014, by Matthew W. Rush, who is a Senior Vice President of BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation, as Administrative Agent and Collateral Agent, on behalf of the bank, as Administrative Agent.

E. Carter
Notary Public

My Commission Expires: 11/6/16

Registration Number: _____

[SEAL]

IP SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "IP Security Agreement") is dated as of the 20th day of November, 2014, by and between TREX COMPANY, INC., a Delaware corporation (the "Debtor"); and BRANCH BANKING AND TRUST COMPANY, a North Carolina banking corporation ("BB&T"), in its capacity as Administrative Agent under the Credit Agreement referenced below, and acting as agent for itself and the other Secured Parties (as defined in the Security Agreement, defined below) (in such capacities, together with its successors and assigns, including any successor Administrative Agent under the Credit Agreement, the "Administrative Agent" or the "Collateral Agent").

Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Second Amended and Restated Credit Agreement date as of even date herewith (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Debtor, the Lenders from time to time party thereto (collectively, the "Lenders"), BB&T, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and BB&T Capital Markets, as Lead Arranger. The Debtor and the Collateral Agent are also parties to a Second Amended and Restated Security Agreement dated as of even date herewith (as amended, restated, extended, supplemented or otherwise modified from time to time, the "Security Agreement").

Subject to the terms of the Security Agreement, the Debtor hereby grants to the Collateral Agent, for the ratable benefit of the Secured Parties, a continuing security interest in, lien on, assignment of and right of set-off against, all of the Debtor's right, title and interest in and to the United States patents, patent applications, trademarks, trademark applications and copyrights described on Schedule 1 attached hereto and made a part hereof, to secure the payment and performance of the Secured Obligations (as defined in the Security Agreement).

This IP Security Agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Virginia, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than Virginia are governed by the laws of such jurisdiction.

This IP Security Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

The provisions of this IP Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Debtor may not assign or otherwise transfer any of its rights or obligations hereunder. In the event of any conflict between the terms of this IP Security Agreement and the terms of the Security Agreement, the terms of the Security Agreement shall control.

IN WITNESS WHEREOF, the Debtor and the Collateral Agent have caused this IP Security Agreement to be duly executed by their duly authorized officers, all as of the date first above written.

TREX COMPANY, INC.

By: /s/ James E. Cline (SEAL)
Name: James E. Cline
Title: Senior Vice President and
Chief Financial Officer

[Signatures continue on following page]

BRANCH BANKING AND TRUST
COMPANY,
as Administrative Agent and Collateral Agent

By: /s/ Matthew W. Rush (SEAL)
Name: Matthew W. Rush
Title: Senior Vice President

SCHEDULE 1 TO IP SECURITY AGREEMENT

Registered Trademarks

<u>Trademark</u>	<u>Country</u>	<u>Registration Number</u>
Lighthub	US	4557709
Reveal	US	4389534

Trademark Applications

<u>Trademark</u>	<u>Country</u>	<u>Serial Number</u>
TREX	US	86306284
TREX	US	86306281



FOR IMMEDIATE RELEASE

Contact: James Cline
SVP & Chief Financial Officer
540-542-6300

Harriet Fried
LHA 212-838-3777

Trex Company Completes Debt Refinancing

New Credit Facility Strengthens Company's Capital Structure

WINCHESTER, Va. – Nov. 25, 2014 – Trex Company, Inc. (NYSE: TREX), the world's largest manufacturer of wood-alternative decking and railing products, has completed an amendment to its senior secured credit facility. The amended cash flow lending facility, obtained through Branch, Banking and Trust Company (BB&T), Citibank, N.A. and Bank of America, N.A., is a seasonal facility providing for a maximum principal amount of \$150 million from January through June and \$100 million from July through December. With more favorable borrowing rates and a maturity of November 2019, the new facility strengthens the Company's capital structure.

Trex Chairman, President and CEO Ronald W. Kaplan remarked, "Our new credit facility will reduce our overall borrowing costs, give us additional borrowing capacity and provide the optimal capital structure to execute our strategic objectives. We view our financial profile as a competitive strength. In addition to enabling us to capitalize on positive debt market conditions, the larger credit facility will allow us to be more capable and nimble as we pursue strategic opportunities."

About Trex Company

Trex Company is the world's largest manufacturer of wood-alternative decking and railing, with more than 20 years of product experience. Stocked in more than 6,700 retail locations throughout the world, Trex® outdoor living products offer a wide range of style options with fewer ongoing maintenance requirements than wood, as well as a truly environmentally responsible choice. For more information, visit trex.com.