As filed with the Securities and Exchange Commission on March 24, 1999
Registration No. 333-63287

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TREX COMPANY, INC.
(exact name of registrant as specified in its charter)

Delaware	3089	54-1910453
(State or other jurisdictionof incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

20 South Cameron Street
Winchester, VA 22601
(540) 678-4070
(Address, including zip code and telephone number, including area code, of registrant's principal executive offices)

Anthony J. Cavanna
Executive Vice President and
Chief Financial Officer
Trex Company, Inc.
20 South Cameron Street
Winchester, VA 22601
(540) 678-4070
(Name, address, including zip code and telephone number, including area code, of agent for service)

Copies to:

Richard J. Parrino, Esq.	Brian Hoffmann, Esq.	Dov Schwell, Esq.
Hogan & Hartson L.L.P.	Cadwalader, Wickersham & Taft	McDermott, Will & Emery
555 13th Street, N.W.	100 Maiden Lane	50 Rockefeller Plaza, 11th floor
Washington, DC 20004-1190	New York, NY 10038	New York, NY 10020-1605
(202) 637-5600	(212) 504-6000	(212) 547-5400

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

This Amendment No. 4 is being filed solely for the purpose of filing the exhibits indicated in Part II.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses expected to be incurred in connection with the sale and distribution of the securities being registered hereby. All amounts except the SEC Registration Fee, the NASD Filing Fee and the NYSE Listing Fee are estimated.

SEC Registration Fee	$16,959.06
NASD Filing Fee	6,284.00
NYSE Listing Fee	*
Blue Sky Fees and Expenses	*
Accounting Fees and Expenses	*
Legal Fees and Expenses	*
TriCapital Corporation Fee	*
Printing and Engraving Expenses	*
Transfer Agent Fees and Expenses	*
Miscellaneous	*
Total	$ *

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* To be filed by amendment.

Item 14. Indemnification of Directors and Officers

Delaware General Corporation Law. Section 145(a) of the Delaware General Corporation Law provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law states that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which the person

shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 145(c) of the Delaware General Corporation Law provides that to the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection therewith.

Section 145(d) of the Delaware General Corporation Law states that any indemnification under subsections (a) and (b) of Section 145 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of Section 145. Such determination shall be made with respect to a person who is a director or officer at the time of such determination (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (iv) by the stockholders.

Section 145(f) of the Delaware General Corporation Law states that the indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

Section 145(g) of the Delaware General Corporation Law provides that a corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of Section 145.

Section 145(j) of the Delaware General Corporation Law states that the indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Certificate of Incorporation. Article XI of the Certificate of Incorporation provides that, to the fullest extent permitted by the Delaware General Corporation Law, the Company's directors will not be personally liable to the registrant or its stockholders for monetary damages resulting from a breach of their fiduciary duties as directors. However, nothing contained in such Article XII will eliminate or limit the liability of directors (i) for any breach of the director's duty of loyalty to the Company or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit.

Bylaws. The Bylaws provide for the indemnification of the officers and directors of the Company to the fullest extent permitted by the Delaware General Corporation Law. Article XII of the Bylaws provides that each person who was or is made a party to (or is threatened to be made a party to) any civil or criminal action, suit or proceeding by reason of the fact that such person is or was a director or officer of the Company shall be indemnified and held harmless by the Company to the fullest extent authorized by the Delaware General Corporation Law against all expenses, liability and loss (including, without limitation, attorneys' fees) incurred by such person in connection therewith, if such person acted in good faith and in a manner such person reasonably believed to be or not opposed to the best interests of the Company and had no reason to believe that such person's conduct was illegal.

Insurance. The directors and officers of the Company are covered by insurance policies indemnifying against certain liabilities, including certain liabilities arising under the Securities Act, which might be incurred by them in such capacities and against which they cannot be indemnified by the Company.

Underwriting Agreement. The Underwriting Agreement will provide for the indemnification against certain liabilities of the directors and officers of the Company and certain controlling persons under certain circumstances, including certain liabilities under the Securities Act.

Registration Rights Agreement. In the registration rights agreement with the Company pursuant to which the shares offered by the Selling Stockholders are being registered, the Selling Stockholders have agreed to indemnify the Company, its directors, officers and agents and each person, if any, who controls the Company against certain liabilities, including certain liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities

On September 10, 1998, in connection with the incorporation and organization of Trex Company, Inc., Trex Company, Inc. issued 100 shares of Common Stock to TREX Company, LLC for cash consideration of $1,000. Such issuance was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

***1.1	Form of Underwriting Agreement.
***3.1	Restated Certificate of Incorporation of the Company.
***3.2	Amended and Restated By-Laws of the Company.
***4.1	Specimen certificate representing the Common Stock.
**5.1	Opinion by Hogan & Hartson L.L.P. regarding the validity of the Common Stock.
*10.1	Credit Agreement, dated as of December 10, 1996, between the Company and First Union National Bank of Virginia, as amended.
*10.2	Form of 1999 Stock Option and Incentive Plan.
*10.3	Form of 1999 Incentive Plan for Outside Directors.
*10.4	Members' Agreement, dated as of August 29, 1996, among TREX Company, LLC and each of the persons named on the schedules thereto, as amended.
***10.5	Contribution and Exchange Agreement, dated as of March 19, 1999, among Trex Company, Inc., TREX Company, LLC, certain members of TREX Company, LLC and the other persons named on the signature pages thereof.
*10.6	Form of Distributor Agreement of the Company.
*10.7	$3,780,000 Promissory Note, dated June 15, 1998, made by TREX Company, LLC payable to First Union National Bank of Virginia.

*10.8 $1,035,000 Promissory Note, dated November 20, 1998, made by TREX Company, LLC payable to First Union National Bank of Virginia.

*10.9 Business Loan Agreement, dated December 2, 1998, between TREX Company, LLC and Pioneer Citizens Bank of Nevada.

*10.10 Construction Loan Agreement, dated February 5, 1999, between TREX Company, LLC and Pioneer Citizens Bank of Nevada.

***10.11 Preferred Units Exchange Agreement, dated as of March 19, 1999, among Trex Company, Inc., TREX Company, LLC and Mobil Oil Corporation.

***10.12 Form of Registration Rights Agreement among Trex Company, Inc. and each of the persons named on the schedules thereto, to be effective upon consummation of the Offering.

***10.13 Consent and Amendment to Members' Agreement, dated as of March 19, 1999, among TREX Company, LLC and each of the persons named on the signature pages thereof.

***10.14 Amended and Restated Credit Agreement, dated as of March 23, 1999, between the Company and First Union National Bank of Virginia.

**21 Subsidiary of the Company.

***23.1 Consent of Ernst & Young LLP, independent accountants.

**23.2 Consent of Hogan & Hartson L.L.P. (included in Exhibit 5.1).

*23.3 Consent of William H. Martin, III.

*23.4 Consent of William F. Andrews.

*24.1 Power of Attorney (included in signature page).

*27.1 Financial Data Schedule.

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* Previously filed.
**To be filed by amendment.
***Filed herewith.

Item 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities, the information omitted from the form of Prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of Prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of Prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel

the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this amendment to Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Winchester, Commonwealth of Virginia, on this 23rd day of March 1999.

Trex Company, Inc.

By: /s/ Robert G. Matheny
Robert G. Matheny
President
(Duly Authorized Representative)

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ Robert G. Matheny Robert G. Matheny	President and Director (Principal Executive Officer)	March 23, 1999
/s/ Anthony J. Cavanna Anthony J. Cavanna	Executive Vice President and Chief Financial Officer and Director (Principal Financial and Accounting Officer)	March 23, 1999
/s/ Andrew U. Ferrari Andrew U. Ferrari	Director	March 23, 1999
/s/ Roger A. Wittenberg Roger A. Wittenberg	Director	March 23, 1999

EXHIBIT INDEX

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*24.1	Power of Attorney (included in signature page).
*27.1	Financial Data Schedule.

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**To be filed by amendment.
***Filed herewith.

EXHIBIT 1.1

TREX COMPANY, INC.
Common Stock

_____

UNDERWRITING AGREEMENT

New York, New York
March __, 1999

SCHRODER & CO. INC.
As Representative of the
Underwriters
named in Schedule I hereto
c/o Schroder & Co. Inc.
Equitable Center
787 Seventh Avenue
New York, New York 10019-6016

Ladies and Gentlemen:

Trex Company, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), an aggregate of 3,250,000 shares (the "Company Firm Securities") of Common Stock, par value $.01 per share ("Common Stock"), and the persons listed on Schedule II (the "Selling Stockholders") (who, as set forth on Schedule II comprise all of the record and beneficial owners of the Selling Stockholder Securities (as defined below)) propose, subject to the terms and conditions stated herein, to sell to the Underwriters, an aggregate of 103,000 shares of Common Stock (the "Selling Stockholder Securities" and collectively with the Company Firm Securities, the "Firm Securities"). In addition, the Company proposes to grant to the Underwriters an option to purchase up to an additional 502,950 shares of Common Stock (the "Option Securities"), on the terms and for the purposes set forth in Section 3 hereof. The Firm Securities and the Option Securities are herein collectively referred to as the "Securities." Except as may be expressly set forth

below, any reference to you in this Agreement shall be solely in your capacity as the representative of the Underwriters (in such capacity, the "Representative").

It is understood that the Securities will be offered and sold in the United States and, subject to applicable law, may be offered and sold outside the United States.

1. The Company represents and warrants to, and agrees with each of the Underwriters and the Selling Stockholders that:

(a) A registration statement on Form S-1 (File No. 333-63287) as amended by Amendment Nos. 1 through 4 thereto (the "Initial Registration Statement"), and as a part thereof a preliminary prospectus, in respect of the Securities, has been filed with the U.S. Securities and Exchange Commission (the "Commission") in the form heretofore delivered to the Representative for each of the other Underwriters; if the Initial Registration Statement has not become effective, an amendment to the Initial Registration Statement, including a form of final prospectus, necessary to permit the Initial Registration Statement to become effective, will promptly be filed by the Company with the Commission; if the Initial Registration Statement has become effective and any post-effective amendment to the Initial Registration Statement has been filed with the Commission prior to the execution and delivery of this Agreement, which amendment or amendments shall be in form acceptable to the Representative, the most recent such amendment has been declared effective by the Commission; if the Initial Registration Statement has become effective, a final prospectus relating to the Securities containing information permitted to be omitted at the time of effectiveness by Rule 430A of the rules and regulations of the Commission under the Securities Act of 1933, as amended (the "Act"), will timely be filed by the Company pursuant to Rule 424(b) of the rules and regulations of the Commission under the Act and, if applicable, a new registration statement increasing the size of the offering pursuant to Rule 462(b) of the rules and regulations of the Commission under the Act (the "Rule 462(b) Registration Statement") will timely be filed by the Company pursuant to Rule 462(b) of the rules and regulations of the Commission under the Act (any preliminary prospectus filed as part of the Initial Registration Statement being herein called a "Preliminary Prospectus," the Initial Registration Statement as amended at the time that it becomes or became effective, or, if applicable, as amended at the time the most recent post-effective amendment to such registration statement filed with the Commission prior to the execution and delivery of this Agreement became effective (the "Effective Date"), including all exhibits thereto and all information deemed to be a part thereof at such time pursuant to Rule 430A of the rules and regulations of the Commission under the Act, together with all parts of the Rule 462(b) Registration Statement and all exhibits thereto, being herein called the "Registration Statement," and the final prospectus relating to the Securities in the form first filed pursuant to Rule 424(b) of the rules and regulations of the Commission under the Act or, if no such filing is required, the form of final prospectus included in the Registration Statement, being herein called the "Prospectus");

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and any Preliminary Prospectus distributed to potential investors did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and
warranty to the Underwriters shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Representative or another Underwriter through the Representative expressly for use therein, and this representation and warranty to any Selling Stockholder shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished to the Underwriters or the Company by such Selling Stockholder expressly for use therein;

(c) On the Effective Date and the date the Prospectus was or is filed with the Commission, and when any further amendments to the Registration Statement become effective or any further amendments or supplements to the Prospectus are filed with the Commission, as the case may be, (i) the Registration Statement, the Prospectus and such amendments or supplements did and will conform in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, (ii) the Registration Statement and such amendments did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) the Prospectus and such amendments or supplements did not and will not contain an untrue statement of a material fact or fail to state a material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation
and warranty to the Underwriters shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by the Representative or another Underwriter through the Representative expressly for use therein, and this representation and warranty to any Selling Stockholder shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished to the Underwriters or the Company by such Selling Stockholder expressly for use therein;

(d) Upon consummation of the Reorganization (as defined below), TREX Company, LLC (the "Subsidiary") will become a wholly-owned subsidiary of the Company;

(e) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with all requisite power and corporate or similar authority to own its properties and to conduct its business as described in the Prospectus, and, where applicable, has been

duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business, so as to require such qualification (except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, or the business affairs or prospects of the Company and the Subsidiary taken as a whole (a "Material Adverse Effect"));

(f) The Subsidiary has been duly organized and is validly existing as a limited liability company in good standing under the laws of the State of Delaware, with all requisite power and authority as a limited liability company to own its properties and to conduct its business as described in the Prospectus, and has been duly qualified for the transaction of business and is in good standing as a limited liability company under the laws of each other jurisdiction in which it owns or leases property, or conducts any business, so as to require such qualification (except where the failure to so qualify would not have a Material Adverse Effect);

(g) All the issued equity interests in the Subsidiary have been duly and validly authorized and issued, are fully paid and non-assessable and, upon consummation of the Reorganization, will be owned by the Company free and clear of all liens, encumbrances, equities, security interests or claims; and there are no outstanding options, warrants or other rights calling for the issuance or redemption of, and there are no commitments, plans or arrangements to issue or redeem, any equity interests in the Subsidiary or any security convertible or exchangeable or exercisable for equity interests in the Subsidiary; except for the equity interests in the Subsidiary owned by the Company, neither the Company nor the Subsidiary owns, directly or indirectly, any shares of capital stock of any corporation or has any equity interest in any limited liability company, partnership, joint venture, association or other entity; and except as disclosed in the Prospectus, neither the Company nor the Subsidiary has any agreement or understanding with respect to the acquisition or purchase of the securities of, or securities owned by, any person or entity or with respect to the acquisition of the business, assets or liabilities of any person or entity, and neither the Company nor the Subsidiary has any agreement or understanding with respect to the disposition or sale of its business, assets or properties;

(h) The Company has all requisite power and authority to execute, deliver and perform its obligations under this Agreement; the execution and delivery of this Agreement and performance by the Company of its obligations under this Agreement have been duly and validly authorized by all requisite corporate action of the Company; and this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and subject to the availability of equitable remedies;

(i) Neither the Company nor the Subsidiary has, since the date of the latest audited financial statements included in the Prospectus, sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether

or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, which loss or interference is material to the Company and the Subsidiary taken as a whole; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, and, except as set forth or contemplated in the Registration Statement and the Prospectus, there has not been, and prior to the Time of Delivery (as defined below) there will not be, any change in the shares of capital stock of the Company or equity interests in the Subsidiary or change in the debt of the Company or the Subsidiary, any dividend or distribution of any kind declared, paid or made on the shares of capital stock of the Company or equity interests in the Subsidiary, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the stockholders' equity of the Company or the management, financial condition, or results of operations of the Company and the Subsidiary taken as a whole, and neither Company nor the Subsidiary has entered into any material transactions not in the ordinary course of business other than as set forth or contemplated in the Registration Statement and the Prospectus;

(j) The Company and the Subsidiary have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by each of them, in each case free and clear of all liens, prior claims, encumbrances and defects except such as are described in or contemplated by the Prospectus, or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or the Subsidiary, as the case may be, or do not have a Material Adverse Effect, and any real property and buildings held under lease by the Company or the Subsidiary are held by them under valid, subsisting and enforceable leases of record with such exceptions as are not material and do not interfere with the use made and proposed to be made of such real property and buildings by the Company or the Subsidiary, as the case may be, or do not have a Material Adverse Effect;

(k) The Company has an authorized, issued and outstanding capitalization as set forth in the Registration Statement and the Prospectus, and all the issued shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable, are free of any preemptive rights, rights of first refusal or similar rights, were issued and sold in compliance with the applicable U.S. federal and state securities laws, were issued without violation of any preemptive rights, rights of first refusal or similar rights, and conform in all material respects to the description thereof in the Prospectus; except as described in the Prospectus, there are no outstanding options, warrants or other rights calling for the issuance or redemption of, and there are no commitments, plans or arrangements to issue or redeem, any shares of capital stock of the Company or any security convertible or exchangeable or exercisable for shares of capital stock of the Company; there are no holders of securities of the Company who, by reason of the filing of the Registration Statement or the Prospectus or the offering or sale of the Securities have the right (and have not waived such right) to request the Company to include in the Registration Statement or the Prospectus securities owned by them;

(l) The Securities have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and non-assessable, and will conform in all material respects to the description thereof in the Prospectus; and the Securities have been duly authorized for listing on the New York Stock Exchange, Inc. (the "NYSE") upon official notice of issuance, and a
registration statement has been timely filed on Form 8-A pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which registration statement complies in all material respects with the Exchange Act and the rules and regulations promulgated thereunder;

(m) The execution and delivery of this Agreement, the performance of the obligations of the Company under this Agreement, the consummation of the transactions herein contemplated, the issuance and sale of the Securities, the compliance by the Company with all the provisions of this Agreement and the application of the net proceeds from the offering and sale of the Securities in the manner set forth in Prospectus under the heading "Use of Proceeds" do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim, prior claim or encumbrance upon, any of the property or assets of the Company or the Subsidiary, pursuant to any indenture, mortgage, deed of trust, loan agreement or other contract, agreement, license or instrument to which the Company or the Subsidiary is a party or by which the Company or the Subsidiary is bound or to which any of the property or assets of the Company or the Subsidiary is subject (any of the foregoing constituting a "Conflict"), nor do or will any such actions result in any violation of the provisions of the Certificate of Incorporation or Bylaws of the Company or the Certificate of Formation or Limited Liability Company Agreement of the Subsidiary, in each case as amended through the date hereof and each Closing Date, or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or the Subsidiary or any of their respective properties (any of the foregoing constituting a "Violation"); and no consent, approval, authorization, filing, order, registration or qualification of or with any court or governmental agency or body is required (all of the foregoing constituting a "Consent") for the issue and sale of the Securities or the consummation of the other transactions contemplated by this Agreement, except the registration under the Act of the Securities, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws or by the by-laws and rules of the National Association of Securities Dealers, Inc. (the "NASD") in connection with the purchase and distribution of the Securities by the Underwriters, except for any such Conflict or Violation which would not, or any such Consent, which the failure to obtain would not, individually or in the aggregate, result in a Material Adverse Effect or that would not, individually or in the aggregate, impair the Company's ability to consummate the transactions herein contemplated;

(n) Except as disclosed in the Registration Statement and the Prospectus, there are no legal or governmental proceedings pending to which the Company, the

Subsidiary or any of their respective officers or directors is a party or of which any property of the Company or the Subsidiary is subject that could prevent consummation of the transactions contemplated by this Agreement or that is required to be disclosed in the Registration Statement or the Prospectus or any other such proceedings, other than litigation or proceedings incident to the business conducted by the Company and the Subsidiary that will not individually or in the aggregate have a Material Adverse Effect; to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened or contemplated by others; and neither the Company nor the Subsidiary is involved in any employee or labor dispute, nor, to the best of the Company's knowledge, is any employee or labor dispute threatened, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of the suppliers, distributors or contractors of the Company or the Subsidiary, that would have a Material Adverse Effect;

(o) The Company is not aware of any threatened or pending litigation or any dispute between it or the Subsidiary, on the one hand, and any of their executive officers or key employees, on the other hand, which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, and has no reason to believe that any executive officers or key employees will not remain in the employment of the Company or the Subsidiary, as the case may be, for the foreseeable future;

(p) The Company and the Subsidiary have all material licenses, permits and other approvals or authorizations of and from governmental or regulatory authorities ("Permits") as are necessary under applicable law to
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own or lease their properties, and to otherwise conduct their businesses in the manner now being conducted and as described in the Prospectus; and the Company and the Subsidiary have fulfilled and performed all of their respective obligations with respect to such Permits, and no event has occurred which allows, or after notice or lapse of time or both would allow, revocation or termination thereof or result in any other material impairment of the rights of the holder of any such Permits; except, in any of the above cases, where any failure to have such Permits, failure to fulfill and perform such obligations or an occurrence of any such event would not reasonably be expected to have a Material Adverse Effect;

(q) Ernst & Young, LLP, who have certified certain financial statements and delivered their reports with respect to audited consolidated financial statements and schedules included in the Registration Statement and the Prospectus, are independent public accountants as required by the Act;

(r) The financial statements included in the Registration Statement and the Prospectus present fairly (i) the financial position of the Company as at December 31, 1998, (ii) the financial position of the Subsidiary as at December 31, 1997 and 1998 and the results of operations, the undistributed income, the cash flows and changes in members' equity of the Subsidiary for the period from July 1, 1996 through December 31, 1996 and for the years ended December 31, 1997 and

1998, and (iii) the results of operations, divisional operating equity deficit and cash flows of the Composite Products Division of Mobil Oil Corporation (the "Predecessor") for the year ended December 31, 1995 and for the period from January 1, 1996 through August 28, 1996, in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as otherwise stated therein, and include all adjustments necessary for a fair presentation of the results for such periods; the other financial data set forth in the Registration Statement and the Prospectus are accurately presented and, to the extent such data are derived from the financial statements and books and records of the Company, the Subsidiary and the Predecessor, are prepared on a basis consistent with such financial statements and the books and records of the Company, the Subsidiary and the Predecessor; the pro forma financial information included in the Registration Statement and the Prospectus has been properly compiled and complies in all material respects with the applicable accounting requirements of Rule 11-01 and Rule 11-02 of Regulation S-X of the Commission, and includes all adjustments necessary for a fair presentation of the results for such periods; the assumptions described in the notes to the pro forma statement of operations data and pro forma balance sheet data contained in the Prospectus provide or will provide, as the case may be, a reasonable basis for presenting the significant direct effects of the transactions contemplated therein, and the pro forma adjustments made therein give appropriate effect to those assumptions; and no other financial statements or schedules are required to be included in the Registration Statement and the Prospectus;

(s) There are no statutes or governmental regulations, or any contracts or other documents that are required to be described in the Prospectus or filed as exhibits to the Registration Statement which are not described therein accurately in all material respects or filed as exhibits thereto; and all such contracts to which the Company or the Subsidiary is a party have been duly authorized, executed and delivered by the Company or the Subsidiary, constitute valid and binding agreements of the Company and are enforceable against the Company or such Subsidiary in accordance with the terms thereof;

(t) The Company and the Subsidiary own or possess adequate patent rights or licenses or other rights to use patent rights, inventions, trademarks, service marks, trade names, copyrights, technology and know-how necessary to conduct the business now or proposed to be operated by them as described in the Prospectus; except as set forth in the Prospectus, neither the Company nor the Subsidiary has received any notice of infringement of or conflict with asserted rights of others with respect to any patent, patent rights, inventions, trademarks, service marks, trade names, copyrights, technology or know-how which, individually or in the aggregate, could have a Material Adverse Effect; and, the discoveries, inventions, products or processes of the Company and the Subsidiary referred to in the Prospectus do not, to the Company's knowledge, infringe or conflict with any patent or right of any third party, or any discovery, invention, product or process which is the subject of a patent application filed by any third party known to the Company;

(u) Neither the Company nor the Subsidiary is in violation of any term or provision of its Certificate of Incorporation or Bylaws (in the case of the Company) or Certificate of Formation or Limited Liability Company Agreement (in the case of the Subsidiary), in each case as amended through the date hereof and each Closing Date, or any law, ordinance, administrative or governmental rule or regulation applicable to the Company or the Subsidiary, or of any decree of any court or governmental agency or body having jurisdiction over the Company or the Subsidiary where the consequences of such violation could reasonably be expected to have a Material Adverse Effect;

(v) No default exists, and no event has occurred which with notice or lapse of time, or both, would constitute a default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, bank loan or credit agreement, lease or other contract, agreement, license or instrument to which the Company or the Subsidiary is a party or by which the Company or the Subsidiary or the Company's or the Subsidiary's properties is bound or may be affected, where such default could reasonably be expected to have a Material Adverse Effect;

(w) The Company and the Subsidiary have timely filed all necessary tax returns and notices (except where the failure to file such returns or notices could not reasonably be expected to have a Material Adverse Effect) and have paid or made provision for all federal, state, county, local and foreign taxes of any nature whatsoever for all tax years through December 31, 1998, and have paid or made provision for all federal, state, county, local and foreign taxes for any later periods to the extent such taxes have become due; except as may be set forth or adequately reserved for in the financial statements included in the Registration Statement and the Prospectus, the Company has no knowledge, or any reasonable grounds to know, of any tax deficiencies (including interest or penalties accrued or accruing) which would have a Material Adverse Effect; the Company and the Subsidiary have paid all taxes which have become due, whether pursuant to any assessment or reassessment or otherwise, and there is no further liability (whether or not disclosed on such returns) or assessment or reassessment for any such taxes, and no interest or penalties accrued or accruing with respect thereto; neither the Company nor the Subsidiary has granted or agreed to any extensions of the periods provided for under applicable law for the issuance of tax assessments or reassessments; the amounts currently set up as provisions for taxes or otherwise by the Company and the Subsidiary on their books and records are sufficient for the payment of all its unpaid federal, state, county, local and foreign taxes accrued through the dates as of which they speak, and for which the Company or the Subsidiary may be liable in its own right, or as a transferee of the assets of, or as successor to any other corporation, association, partnership, joint venture or other entity;

(x) The Company and the Subsidiary maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial

statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) access to material assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

(y) Neither the Company nor the Subsidiary is in violation of, nor has either of them received any outstanding notice of a violation of, any applicable federal, state, county, local or foreign law or regulation relating to equal opportunity or discrimination in the hiring, promotion or compensation or civil rights generally of employees, or any applicable federal, provincial or state wages and hours laws, or any provisions of the Employee Retirement Income Security Act of 1974, as amended, or the rules and regulations promulgated thereunder, or any legislation relating to labor standards or antitrust or trade regulation matters, where such violation could reasonably be expected to have a Material Adverse Effect. The Company and the Subsidiary (i) are in compliance with any and all applicable federal, state and local laws and regulations relating to the protection of human health and safety, the environment, hazardous or toxic substances or waste, pollutants or contaminants or the collection of water for human consumption ("Environmental Laws"), (ii) have received all Permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and are in compliance with all terms and conditions of any such Permit, license or approval; there has been no storage, disposal, generation, transportation, handling or treatment of hazardous substances or solid wastes by the Company or the Subsidiary (or to the knowledge of the Company, any of their predecessors in interest) at, upon or from any of the property now or previously owned or leased by the Company or the Subsidiary or in violation of any applicable law, ordinance, rule, regulation, order, judgment, decree or Permit or which would require remedial action by the Company or the Subsidiary under any applicable law, ordinance, rule, regulation, order, judgment, decree or Permit; there has been no spill, discharge, leak, emission, injection, escape, dumping or release of any kind onto such property or into the environment surrounding such property of any solid wastes or hazardous substances due to or caused by the Company or any Subsidiary; and the terms "hazardous substances" and "solid wastes" shall
have the meanings specified in any applicable local, state and federal Environmental Laws or regulations; except for such failures to comply, failure to receive Permits, licenses or approvals, violations or other action, inaction or occurrence that could not reasonably be expected to have a Material Adverse Effect;

(z) Neither the Company nor the Subsidiary, nor any of their respective officers, directors, employees or agents, has used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, or made any unlawful payment of funds of the Company or the Subsidiary or received or retained any funds in violation of any law, rule or regulation; none of the Company, the Subsidiary, nor, to the Company's best knowledge, any of their respective directors, officers, employees, consultants or agents (in the course of such person's actions for, or on behalf of, the Company or

the Subsidiary) has violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or has made any bribe, rebate, payoff, influence, payment, kickback or other unlawful payment;

(aa) Neither the Company nor the Subsidiary, nor any of their respective officers, directors, employees or agents, have taken or will take, directly or indirectly, any action designed to or which has constituted or that might be reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company or that operates or would operate as a fraud or deceipt or any conspiracy with respect thereto, in which the Company or the Subsidiary shall participate, in connection with the issuance or sale of any security of the Company;

(bb) Other than with respect to the Underwriters or TriCapital Corporation as described in the Prospectus, the Company has not incurred any liability for finder's or broker's fees or agent's commissions in connection with the execution, delivery or performance of this Agreement, the offer and sale of the Securities or the transactions contemplated hereby;

(cc) The Company has furnished to the Representative true, accurate and complete copies of letters from each of the executive officers, directors, employees and current stockholders of the Company listed on Appendix A (collectively, the "Lock-Up Agreements") pursuant to which such
persons have agreed that for a period of 180 days after the Time of Delivery (the "Lock-Up Period"), except pursuant to this Agreement or as specified in the Lock-Up Agreements, such persons will not offer, sell, contract to sell, issue or grant an option or other right for the purchase or sale of, assign, transfer, make a distribution of, pledge hypothecate or otherwise encumber or dispose of, or grant any rights with respect to (collectively, a "Disposition"), any shares of the Company or any securities, instruments or other rights convertible into or exercisable or exchangeable for, or evidencing any right to purchase or subscribe for, any shares of capital stock of the Company (collectively, the "Company Securities"), directly or indirectly, without the prior written consent of Schroder & Co. Inc.;

The foregoing restrictions have been expressly agreed to preclude a holder of Company Securities from engaging in any hedging or other transaction which is designed to or reasonably expected to lead to or result in a Disposition of Company Securities during the Lock-Up Period, even if such Company Securities would be disposed of by someone other than such holder. Such prohibited hedging or other transactions would include, without limitation, any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any Company Securities or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from Company Securities. Furthermore, each such person has also agreed and consented to the entry of stop transfer instructions with the Company's transfer agent against the

transfer of the Company Securities held by such person except in compliance with this restriction.

(dd) The Company is not an "investment company," an entity "controlled" by an "investment company," or an "affiliated person" of, or "promoter", or "principal underwriter", for, an "investment company," nor, immediately after giving effect to the offering and sale of the Securities and the application of the net proceeds therefrom as set forth in the Prospectus, will the Company be an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended;

(ee) Except as disclosed in the Prospectus, no holder of any security of the Company has any right to require registration of Common Stock or any other security of the Company;

(ff) The Company and the Subsidiary maintain insurance for themselves of the types and in the amounts which they believe are reasonably adequate for their respective businesses, all of which insurance is in full force and effect;

(gg) There are no affiliations with the NASD among the Company's officers, directors or, to the Company's best knowledge, any five percent or greater security holder of the Company, except as disclosed in writing to the Representative;

(hh) The Company has not distributed and, prior to the last to occur of (i) the Time of Delivery, (ii) the Option Securities Delivery Date (as defined below) or (iii) completion of the distribution of the Securities, will not distribute any securities without the Representative's prior written consent in connection with the offering and sale of the Securities.

(ii) The statements set forth in the Prospectus under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the Common Stock, and under the captions "Risk Factors - Impact of Government Regulation," "Business - Governmental Regulation," "Risk Factors - Shares Eligible for Future Sale; Registration Rights" and "Underwriting," as well as under the caption "Indemnification of Directors and Officers" in Item 14 of Part II of the Registration Statement, to the extent they constitute summaries of U.S. federal statutes, rules and regulations, or portions thereof, or insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair.

2. Each Selling Stockholder, severally and not jointly, represents and warrants to, and agrees with, each of the Underwriters that:

(a) Such Selling Stockholder has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization;

(b) Such Selling Stockholder has all requisite power and authority to execute, deliver and perform its obligations under this Agreement; the execution and delivery of this Agreement and the performance by such Selling Stockholder of its obligations under this Agreement have been duly and validly authorized by all requisite action on the part of such Selling Stockholder, and this Agreement constitutes the legal, valid and binding obligation of such Selling Stockholder, enforceable against such Selling Stockholder in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and subject to the availability of equitable remedies;

(c) Such Selling Stockholder has, and at the Time of Delivery will have, good and valid title to the Securities to be sold by such Selling Stockholder hereunder, free and clear of any liens, encumbrances, equities, security interests, prior claims, claims and other restrictions of any nature whatsoever, and such Selling Stockholder has the full legal right, power and authority, and any approval required by law, to enter into this Agreement and to sell, assign, transfer and deliver the Securities being sold by it hereunder and to make the representations, warranties, covenants and agreements made by such Selling Stockholder in this Agreement; and upon the delivery of and payment for such Securities as herein provided, the several Underwriters will acquire good and valid title thereto (assuming the Underwriters are without notice of any "adverse claim" (as such term is defined in the New York Uniform Commercial Code) and are otherwise bona fide purchasers for purposes of the New York Uniform Commercial Code), free and clear of all liens, encumbrances, equities, security interests, prior claims, claims and other restrictions of any nature whatsoever. The foregoing representation shall apply to CIG & Co., as the record holder, and each of Connecticut General Life Insurance Company ("CIGNA") and Life Insurance Company of North America ("LICNA"), as the beneficial owners, respectively, of the Selling Stockholder Securities to be sold by CIGNA and LICNA, as set forth on Schedule II, in each case as to their respective
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interests in such Selling Stockholder Securities;

(d) Such Selling Stockholder has duly executed and delivered an agreement and power of attorney with respect to such Selling Stockholder (the "Agreement and Power-of-Attorney") in the form heretofore delivered to
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the Representative, appointing [_____] such Selling Stockholder's attorney-in-fact (the "Attorney-in-Fact") with authority to
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execute, deliver and perform this Agreement on behalf of such Selling Stockholder and appointing ChaseMellon Shareholder Services, L.L.C., as custodian thereunder (the "Custodian"). Certificates in negotiable form,
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endorsed in blank or accompanied by blank stock powers duly executed, with signatures appropriately guaranteed, representing the Securities to be sold by such Selling Stockholder hereunder have been deposited with the Custodian pursuant to the Agreement and Power-of-Attorney for the purpose of delivery pursuant to this Agreement. Such Selling Stockholder has full power and authority to enter into the Agreement and Power-of-Attorney and to perform its obligations thereunder. The execution and delivery of the Agreement and Power-of-Attorney

have been duly authorized by all necessary corporate action of such Selling Stockholder; the Agreement and Power-of-Attorney has been duly executed and delivered by such Selling Stockholder and, assuming due authorization, execution and delivery by the Custodian, is the legal, valid, binding instrument of such Selling Stockholder, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally, now or hereafter in effect, and subject to the availability of equitable remedies. Such Selling Stockholder agrees that each of the Securities represented by the certificates on deposit with the Custodian is subject to the interests of the Underwriters, the Company and the other Selling Stockholders hereunder, that the arrangements made for such custody, the appointment of the Attorney-in-Fact and the right, power and authority of the Attorney-in-Fact to execute and deliver this Agreement and to carry out the terms of this Agreement are to that extent irrevocable and that the obligations of such Selling Stockholder hereunder shall not be terminated, except as provided in this Agreement or the Agreement and Power-of-Attorney, by any act of such Selling Stockholder, by operation of law, or otherwise, whether by its liquidation or dissolution. If any Selling Stockholder shall liquidate or dissolve or if any other event should occur, before the delivery of such Securities hereunder, the certificates for such Securities deposited with the Custodian shall be delivered by the Custodian in accordance with the respective terms and conditions of this Agreement as if such liquidation or dissolution or other event had not occurred, regardless of whether or not the Custodian or the Attorney-in-Fact shall have received notice thereof;

(e) Neither the execution and delivery or performance of this Agreement or the Agreement and Power-of-Attorney or the consummation of the transactions herein or therein contemplated nor the compliance with the terms hereof or thereof by such Selling Stockholder will conflict with, or result in a breach or violation of any of the terms and provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, claim or encumbrance on any property of such Selling Stockholder under any indenture, mortgage, deed of trust, lease or other contract, agreement, license or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder's property is bound, or the certificate of incorporation, bylaws or other organizational or governing instruments of such Selling Stockholder, or any statute, ruling, judgment, decree, order, or regulation of any court or other governmental authority or any arbitrator applicable to such Selling Stockholder; and no consent, approval, authorization, order, registration or qualification of or with any governmental authority is required, except such as have been obtained, such as may be required under federal, state or foreign securities or Blue Sky laws or by the by-laws and rules of the NASD and, if the registration statement filed with respect to the Securities is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act;

(f) Such Selling Stockholder has not taken, and will not take, directly or indirectly, any action designed to cause or result in, or that has constituted or which

might reasonably be expected to constitute, the stabilization (within the meaning of Regulation M promulgated under the Act) or manipulation of the price of any security of the Company;

(g) The sale by such Selling Stockholder of Securities pursuant hereto is not prompted by any adverse information concerning the Company that, to the knowledge of such Selling Stockholder (without any independent investigation), is not set forth in the Registration Statement or the Prospectus;

(h) The information regarding such Selling Stockholder set forth therein under the caption "Principal and Selling Stockholders" is complete and accurate;

(i) At the Time of Delivery, all stock transfer or other taxes (other than income taxes) which are required to be paid in connection with the sale and transfer of the Securities to be sold by such Selling Stockholder to the several Underwriters hereunder will have been fully paid or provided for by such Selling Stockholder and all laws imposing such taxes will have been fully complied with;

(j) The Selling Stockholder has not distributed and, prior to the last to occur of (i) the Time of Delivery, (ii) the Option Securities Delivery Date or (iii) completion of the distribution of the Securities, will not distribute without the prior written consent of the Representative any offering material directly or indirectly in connection with the offering and sale of the Securities; and

(k) None of the Company, counsel to the Company, the Underwriters, or counsel to the Underwriters has made any representations or warranties or provided any information to such Selling Stockholder with respect to the tax consequences of the sale of the Securities.

3. Subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the several Underwriters an aggregate of 3,250,000 Company Firm Securities, each Selling Stockholder agrees to sell to the several Underwriters the number of Selling Stockholder Securities set forth on Schedule II opposite the name of such Selling Stockholder, and each of the Underwriters agrees to purchase from the Company and the Selling Stockholders, at a purchase price of $_____ per share (the "per share purchase price"), the respective aggregate number of Firm Securities determined in the manner set forth below. The obligation of each Underwriter to the Company shall be to purchase that portion of the number of shares of Common Stock to be sold by the Company or such Selling Stockholders pursuant to this Agreement as the number of Firm Securities set forth opposite the name of such Underwriter on Schedule I bears to the total number of Firm Securities to be purchased by the Underwriters pursuant to this Agreement, in each case adjusted by the Representative such that no Underwriter shall be obligated to purchase Firm Securities other than in 100 share blocks. In making this Agreement, each Underwriter is contracting severally and not jointly.

In addition, subject to the terms and conditions herein set forth, the Company agrees to issue and sell to the several Underwriters, as required (for the sole purpose of covering over-allotments in the sale of the Firm Securities), up to 502,950 Option Securities at the per share purchase price as stated in the preceding paragraph. The right to purchase the Option Securities may be exercised by the Representative giving 48 hours' prior written or telephonic notice (subsequently confirmed in writing) to the Company of the Underwriters' determination to purchase all or a portion of the Option Securities. Such notice may be given at any time within a period of 30 days following the Time of Delivery. Option Securities shall be purchased severally for the account of each Underwriter in proportion to the number of Firm Securities set forth opposite the name of such Underwriter in Schedule I hereto.

No Option Securities shall be delivered to or for the accounts of the Underwriters unless the Firm Securities shall be simultaneously delivered or shall theretofore have been delivered as herein provided. The respective purchase obligations of each Underwriter shall be adjusted by the Representative so that no Underwriter shall be obligated to purchase Option Securities other than in 100 share blocks.

It is agreed that 162,500 shares of Common Stock (the "Reserved Shares") initially will be reserved by the Underwriters for offer and sale to certain individuals, including directors and employees of the Company, members of their families or friends, and other persons having business relationships with the Company, at the per share purchase price. Any allocation of such Reserved Shares among such persons will be made in accordance with directions received by the Representative from the Company not less than ____ days prior to the Time of Delivery, provided that under no circumstances will the Representative or any Underwriter be liable to the Company or any such person for any action taken or omitted in good faith in connection with such allocation of Reserved Shares to such persons. As a condition to the purchase of Reserved Shares, any purchaser thereof will be required to execute and deliver to the Representative a Lock-Up Agreement. It is further understood that any such Reserved Shares which are not purchased by such persons will be offered by the Underwriters for sale to the public upon the terms and conditions set forth in the Prospectus.

4. The Underwriters propose to offer the Securities for sale upon the terms and conditions set forth in the Prospectus.

5. Certificates in definitive form for the Firm Securities to be purchased by each Underwriter hereunder shall be delivered by or on behalf of the Company and the Selling Stockholders to the Representative for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price therefor by wire transfer of immediately available funds to the account of the Company in the amount of the purchase price of the Company Firm Securities as specified on Schedule III hereto, and by wire transfer of
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immediately available funds to the account of each Selling Stockholder, as specified on Schedule III hereto, in the amount specified thereon for the
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purchase price of the Selling Stockholder Securities being sold by such Selling Stockholder as specified on Schedule III hereto, at the offices of the
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Representative at Equitable Center, 787 Seventh Avenue, New York, New York, at 9:30 A.M., New York City time, on _____, 1999,

or at such other time, date and place as the Representative and the Company may agree upon in writing, such time and date being herein called the "Time of Delivery."

Certificates in definitive form for the Option Securities to be purchased by each Underwriter hereunder shall be delivered by or on behalf of the Company to the Representative for the account of such Underwriter, against payment by such Underwriter or on its behalf of the purchase price thereof by wire transfer of immediately available funds to the account of the Company as specified on Schedule III hereto, in New York, New York, at such time and on such date (not earlier than the Time of Delivery nor later than ten business days after giving of the notice delivered by the Representative to the Company) and in such denominations and registered in such names as shall be specified in the notice delivered by the Representative to the Company with respect to the purchase of such Option Securities. The date and time of such delivery and payment are herein sometimes referred to as the "Option Securities Delivery Date."

Certificates for the Firm Securities and the Option Securities so to be delivered will be in good delivery form, and in such denominations and registered in such names as the Representative may request not less than 48 hours prior to the Time of Delivery and the Option Securities Delivery Date, respectively. Such certificates will be made available for checking and packaging in New York, New York, at least 24 hours prior to the Time of Delivery or Option Securities Delivery Date, as applicable.

In lieu of delivering certificates in definitive form for the Securities to be delivered by the Company and the Selling Stockholders hereunder, the Company and the Selling Stockholders may make electronic delivery of such Securities through the facilities of The Depository Trust Company under arrangements satisfactory to the Company, the Selling Stockholders, the transfer agent for the Securities and the Representative.

6. The Company covenants and agrees with each of the Underwriters:

(a) If the Registration Statement has not become effective, to file promptly any required amendment to the Registration Statement with the Commission and use its best efforts to cause the Registration Statement to become effective; if the Registration Statement has become effective, to timely file the Prospectus with the Commission as required under Rule 424(b) under the Act; to make no further amendment to the Registration Statement or any amendment or supplement to the Prospectus which shall be disapproved by the Representative after reasonable notice thereof; to advise the Representative, promptly after it receives notice thereof of the time when the Registration Statement or any amended Registration Statement has become effective or any amendment or supplement to the Prospectus has been filed, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending of the Registration Statement or the amending or supplementing of the Prospectus or for additional information; and in the event of the issuance of any stop order or of any order

preventing or suspending the use of any Preliminary Prospectus or the Prospectus or suspending any such qualification, promptly to use its best efforts to obtain withdrawal of any such order;

(b) Promptly from time to time to take such action as the Representative may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions (within or without the United States) as the Representative may reasonably request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction or to take any other action which would subject it to taxation, other than as to matters and transactions relating to the offer and sale of the Securities in each jurisdiction in which the Securities have been qualified as provided above;

(c) To furnish each of the Representative and counsel for the Underwriters, without charge, three signed copies of the Initial Registration Statement filed with respect to the Securities and each amendment thereto (including all exhibits thereto) and to each other Underwriter, without charge, a conformed copy of such Registration Statement and each amendment thereto (without exhibits thereto) and, so long as a prospectus relating to the Securities is required to be delivered under the Act, as many printed copies of each Preliminary Prospectus, the Prospectus, and all amendments or supplements thereto as the Representative may from time to time reasonably request. If at any time when the delivery of a prospectus is required under the Act an event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make statements therein, in the light of the circumstances under which they were made when such Prospectuses are delivered, not misleading, or would contain any misrepresentation or omission likely to affect the market price of the Securities, or if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Act, the Company will forthwith prepare and, subject to the provisions of Section 6(a) hereof, file with the Commission, an appropriate supplement or amendment thereto, and will furnish to each Underwriter and to any dealer in securities, without charge, signed and conformed copies and as many printed copies as the Representative may from time to time reasonably request of amendments or supplements to the Prospectus;

(d) To make generally available to the Company's stockholders, as soon as practicable, but not later than 60 days after the end of the twelve-month period beginning on the first day of the Company's first fiscal quarter immediately succeeding the Company's fiscal quarter during which the Effective Date occurs, an earnings statement of the Company covering such twelve-month period that satisfies the provisions of Section 11(a) of the Act and the rules and regulations of the Commission thereunder;

(e) To file promptly all documents required to be filed with the Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act subsequent to the Effective Date and during any period when the Prospectus is required to be delivered;

(f) For a period of five years from the Effective Date, to furnish to its stockholders, within the time periods prescribed by the rules and regulations promulgated pursuant to the Exchange Act or such shorter time periods prescribed by the rules of the NYSE, after the end of each fiscal year an annual report (including consolidated balance sheets and statements of operations, retained earnings and cash flows of the Company certified by independent certified public accountants) and, as soon as reasonably practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the Effective Date), consolidated summary financial information of the Company for such quarter in reasonable detail;

(g) During a period of five years from the Effective Date, to furnish to the Representative copies of all reports or other communications (financial or other) generally furnished to its stockholders, and deliver to the Representative (A) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission, the NYSE and any other national securities exchange on which any class of securities of the Company is listed; and (B) such additional information as the Representative may from time to time reasonably request concerning the business and financial condition of the Company and its consolidated subsidiaries;

(h) To apply the net proceeds from the sale of the Securities in the manner set forth in the Prospectus under the caption "Use of Proceeds";

(i) That it will not, and will cause the Subsidiary and their respective officers, directors, employees, agents and affiliates not to, take, directly or indirectly, any action designed to cause or result in, or that might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities;

(j) That prior to the Time of Delivery there will not be any change in the shares of capital stock of the Company or equity interests in the Subsidiary or material change in the debt of the Company or the Subsidiary, otherwise than as set forth or contemplated in the Registration Statement and the Prospectus;

(k) That it will not, during the period of 180 days after the Time of Delivery (other than pursuant to or as provided in this Agreement), offer, sell, pledge, contract to sell, sell any option to purchase, purchase any option to sell, grant any option right or warrant or otherwise dispose of (or register for sale under the Act) any shares of capital stock of the Company (or securities convertible into, or exchangeable for, shares of the Company), directly or indirectly, without the prior written consent of Schroder & Co. Inc., or enter into any swap or any other

agreement, or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of shares of capital stock of the Company to be settled by delivery, in cash or otherwise; provided, however, that, notwithstanding the foregoing, the Company may, as described in the Prospectus, (i) consummate the Reorganization, (ii) issue options or other awards under its 1999 Stock Option and Incentive Plan in the form of such plan filed as an exhibit to the Registration Statement, (iii) issue options under its 1999 Incentive Plan for Outside Directors in the form of such plan furnished to the Representative prior to the date hereof, (iv) issue shares of Common Stock under its 1999 Employee Stock Purchase Plan in the form of such plan filed as an exhibit to the Registration Statement, (v) issue up to 135,000 shares of Common Stock upon exercise of options granted by the Company effective as of the Time of Delivery pursuant to the plans referred to in clauses (ii) and (iii) above and as described in the Prospectus and (vi) file one or more Registration Statements on Form S-8 registering the offer and sale of Common Stock under the plans referred to in clauses (ii), (iii) and (iv) above;

(l) To use its best efforts to cause the Securities to be listed on the NYSE, at all times from the Effective Date until such time as the Representative notifies the Company that the distribution of the Securities has been completed and to complete the listing conditions of the NYSE; and

(m) To consummate the Reorganization (as defined in the Prospectus) as described in the Prospectus as soon as practicable following execution hereof (other than payments with respect to the LLC Distribution (as defined in the Prospectus) which may be made after the Time of Delivery).

7. Each Selling Stockholder, severally and not jointly, covenants and agrees with each of the Underwriters that:

(a) Such Selling Stockholder will not, during the period of 180 days after the Time of Delivery, except pursuant to this Agreement, offer, sell, contract to sell, or otherwise dispose of any shares of capital stock of the Company (or securities convertible into, or exchangeable for, shares in the shares of the Company), directly or indirectly, , other than transfers to affiliates of such Selling Stockholder who are wholly-owned direct or indirect subsidiaries of the corporate parent of such Selling Stockholder and who agree to be bound by the terms of this Section 7(a), without the prior written consent of Schroder & Co. Inc. or enter into any swap or any other agreement, or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of shares in the Company to be settled by delivery, in cash or otherwise;

(b) Such Selling Stockholder will not, directly or indirectly, take any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute, the stabilization (within the meaning of Regulation M promulgated under the Act) or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities;

(c) Each Selling Stockholder will advise the Representative and confirm such advice in writing promptly after (i) such Selling Stockholder or any representative or agent of such Selling Stockholder receives any written communication from the Commission relating to the Registration Statement, the Prospectus or any Preliminary Prospectus, or any notice or order of the Commission relating to the Company or any of the Selling Stockholders in connection with the transactions contemplated by this Agreement or (ii) such Selling Stockholder is advised in writing that (A) any statement made in the Registration Statement, the Prospectus or any Preliminary Prospectus is or becomes untrue in any material respect or (B) any change is required in the Registration Statement, the Prospectus or any Preliminary Prospectus, as the case may be, in order to make such statement (with regard to the Prospectus or Preliminary Prospectus, in the light of the circumstances in which it was made) not misleading; and

(d) Such Selling Stockholder will deliver to the Representative prior to the Time of Delivery a properly completed and executed U.S. Treasury Department Form W-9 or Substitute Form W-9.

8. The Company covenants and agrees with the several Underwriters and, without affecting any other agreement between the Company or the Subsidiary and any Selling Stockholder, the Selling Stockholders that the Company will pay or cause to be paid, whether or not the transactions contemplated hereby are consummated or this Agreement is terminated: (i) the fees, disbursements and expenses of counsel and accountants for the Company, and all other expenses of the Company, incurred in connection with the preparation, printing and filing of the Registration Statement and the Prospectus and amendments and supplements thereto and the furnishing of copies thereof, including charges for mailing, air freight and delivery and counting and packaging thereof and of any Preliminary Prospectus and related offering documents to the Underwriters and dealers; (ii) the cost of printing or duplicating this Agreement, any Blue Sky Memorandum and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses incurred in connection with the qualification of the Securities for offering and sale under securities laws as provided in Sections 6(a) and 6(b) hereof, including filing and registration fees and the fees, disbursements and expenses for counsel for the Underwriters in connection with such qualification and in connection with Blue Sky surveys or similar advice with respect to sales; (iv) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the NASD of the terms of the sale of the Securities; (v) all fees and expenses incurred in connection with the listing of the Securities on the NYSE; and (vi) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section 8, including the fees of the Company's transfer agent and registrar, the cost of any share issue or transfer taxes on sale of the Securities to the Underwriters, the cost of the Company's personnel and other internal costs, the cost of printing and engraving the certificates representing the Securities and all expenses and transfer taxes incident to the sale and delivery of the Securities to be sold by the Company to the Underwriters hereunder.

It is understood, however, that, except as provided in this Section 8, Section 10 hereof and Section 13 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, share transfer taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

9. The obligations of the Underwriters hereunder shall be subject, in their discretion, to the condition that (i) all representations and warranties and other statements of the Company and the Selling Stockholder herein are true and correct at and as of the Time of Delivery and all representations and warranties and other statements of the Company herein are true and correct at and as of the Option Securities Closing Date, and (ii) the Company and the Selling Stockholders shall have performed all their respective obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Registration Statement shall have become effective, and the Representative shall have received notice thereof not later than [10:00] a.m., New York City time, on the date immediately following the date of execution of this Agreement, or at such other time as the Representative and the Company may agree; if required, the Prospectus shall have been filed with the Commission in the manner and within the time period required by Rule 424(b); if the Representative and the Company have elected to rely upon Rule 430A, the price of the Securities and any price related to or other information previously omitted from the Registration Statement pursuant to such Rule 430A shall have been transmitted to the Commission for filing pursuant to Rule 424(b) within the prescribed time period, and on or prior to the Time of Delivery the Company shall have provided evidence satisfactory to the Representative of such timely filing, or a post-effective amendment providing such information shall have been promptly filed and declared effective in accordance with the requirements of Rule 430A; no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representative's reasonable satisfaction;

(b) No action shall have been taken and no statute, rule or regulation or order shall have been enacted, adopted or issued by any governmental agency which would, as of the Time of Delivery, prevent the issuance of the Securities; no injunction, restraining order or order of any nature by a federal, state or provincial court of competent jurisdiction shall have been issued as of the Time of Delivery which would prevent the issuance of the Securities; at the Time of Delivery, no action, suit or proceeding shall be pending against, or, to the knowledge of the Company, threatened against, the Company or the Subsidiary or before any court or arbitrator or any governmental body, agency or official which, if adversely determined, would interfere with or adversely affect the issuance of the Securities or could reasonably be expected to have a Material Adverse Effect, or in any manner invalidate this Agreement or the issuance of the Securities.

(c) All corporate proceedings and related legal and other matters in connection with the organization of the Company and the Subsidiary and the registration, authorization, issue, sale and delivery of the Securities shall have been reasonably satisfactory to McDermott, Will & Emery, counsel to the Underwriters, and McDermott, Will & Emery shall have been timely furnished with such documents and information as they may reasonably have requested to enable them to pass upon the matters referred to in this Section 9(c);

(d) The Representative shall not have advised the Company or any Selling Stockholder that the Registration Statement or the Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact or omits to state a fact which in the Representative's judgment is in either case material and in the case of an omission is required to be stated therein or is necessary to make the statements therein (with regard to the Prospectus, in the light of the circumstances under which they were made) not misleading;

(e) Hogan & Hartson L.L.P., as special counsel to the Company, shall have furnished to the Representative their written opinion (in the form attached as Appendix C hereto), dated the Time of Delivery or the Option Securities Closing Date, as applicable, in form and substance satisfactory to the Representative and to McDermott, Will & Emery;

(f) With respect to each of CIGNA, LICNA and CIG & Co., Choate, Hall & Stewart, as counsel to such Selling Stockholders, shall have furnished to the Representative their written opinion (in the form attached as Appendix D hereto), dated the Time of Delivery, in form and substance satisfactory to the Representative and to McDermott, Will & Emery;

(g) With respect to The Lincoln National Life Insurance Company, Choate, Hall & Stewart, as counsel to such Selling Stockholder, shall have furnished to the Representative their written opinion (in the form attached as Appendix E hereto), dated the Time of Delivery, in form and substance satisfactory to the Representative and to McDermott, Will & Emery;

(h) With respect to The Lincoln National Life Insurance Company, inside counsel to such Selling Stockholder shall have furnished to the Representative their written opinion (in the form attached as Appendix F hereto), dated the Time of Delivery, in form and substance satisfactory to the Representative and to McDermott, Will & Emery;

(i) Woodcock Washburn Kurtz Mackiewicz & Norris LLP, as patent counsel to the Company, shall have furnished to the Representative their written opinion (in the form attached as Appendix G hereto), dated the Time of Delivery, in form and substance satisfactory to the Representative and McDermott, Will & Emery;

(j) McDermott, Will & Emery, counsel to the Underwriters, shall have furnished to the Representative its written opinion or opinions, dated the Time of Delivery or the Option Securities Closing Date, as applicable, in form and substance satisfactory to the Representative, with respect to the incorporation of the Company, the validity of the Securities, the Registration Statement, the Prospectus and other related matters as the Representative may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(k) At the effective time of this Agreement and also at the Time of Delivery or the Option Securities Closing Date, as applicable, Ernst & Young, LLP shall have furnished to the Representative a letter or letters, dated as of the effective time of this Agreement, and the Time of Delivery, as applicable, or the Option Securities Closing Date, as applicable, in form and substance satisfactory to the Representative in its sole discretion, which letters shall include, but not be limited to, determinations based on those specified procedures set forth or described in Ernst & Young, LLP's comfort letter dated _____, 1999, which specified procedures shall be performed to and including a date within three days of the date of the applicable letter;

(l) Neither the Company nor the Subsidiary shall have, since the date of the latest audited financial statements included in the Prospectus, sustained any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree; and since the respective dates as of which information is given in the Registration Statement and the Prospectus, and, except as set forth or contemplated in the Registration Statement and the Prospectus, there has not been, and prior to the Time of Delivery there will not be, any change in the shares of capital stock of the Company or equity interests in the Subsidiary or change in the debt of the Company or the Subsidiary, any dividend or distribution of any kind declared, paid or made on the shares of capital stock of the Company or equity interest in the Subsidiary, nor any change or any development involving a prospective change, in or affecting the general affairs, management, financial condition, stockholders' or members' equity or results of operations of the Company or the Subsidiary, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case is in the Representative's judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated in the Prospectus;

(m) The Company shall have consummated the Reorganization on the terms described in the Prospectus, other than payments with respect to the LLC Distribution, which may be made after the Time of Delivery;

(n) Between the date hereof and the Time of Delivery or the Option Securities Closing Date, as applicable, there shall have been no declaration of war by the Government of the United States; at the Time of Delivery or the Option

Securities Closing Date, as applicable, there shall not have occurred any material adverse change in the financial or securities markets in the United States or in political, financial or economic conditions in the United States or any outbreak or material escalation of hostilities or other calamity or crisis, the effect of which is such as to make it, in the judgment of the Representative, impracticable or inadvisable to market the Securities or to enforce contracts for the resale of Securities and no event shall have occurred resulting in (i) trading in securities generally on the NYSE, or in the Common Stock on the NYSE, being suspended or limited or minimum or maximum prices being generally established on such exchange, or (ii) additional material restrictions, not in force on the date of this Agreement, being imposed upon trading in securities generally (or the Common Stock specifically) by the NYSE, or by order of the Commission or any court or other governmental authority or (iii) a general banking moratorium being declared by federal or New York authorities; between the date hereof and the Time of Delivery or the Option Securities Closing Date, as applicable, (a) there shall not have been any inquiry, action, suit, investigation or other proceeding (whether formal or informal) instituted or threatened or any order made by any federal, municipal or other governmental department, commission, board, bureau, agency or instrumentality in the United States, including without limitation, the NYSE or any securities commission or other regulatory authority which, in the opinion of the Underwriters or any of them, acting reasonably, operates to or would prevent or restrict the distribution of the Securities in the United States or prevents or materially restricts trading in the Securities and (b) there shall not have developed, occurred or come into effect (i) any occurrence of national or international consequence, (ii) any action, governmental law or regulation or inquiry or (iii) any other occurrence of any other nature whatsoever which, in the opinion of the Underwriters or any of them, acting reasonably, seriously affects or may seriously affect the financial markets or the business of the Company or the Subsidiary, on a consolidated basis, or would be likely to prejudice materially the success of the proposed issue, sale and distribution of the Securities, and (c) the state of the financial markets shall not be or have become such that the Securities cannot, in the reasonable opinion of the Underwriters, or any of them, be profitably marketed.

(o) The Company and the Selling Stockholders shall have furnished to the Representative at the Time of Delivery or the Option Securities Closing Date, as applicable, certificates signed by the chief operating officer and the chief financial officer of the Company and by each Selling Stockholder, as applicable, satisfactory to the Representative as to such matters as the Representative may reasonably request and as to (i) the accuracy of its and their respective representations and warranties herein at and as of the Time of Delivery or the Option Securities Closing Date, as applicable, and (ii) the performance by the Company and each Selling Stockholder of all their respective obligations hereunder to be performed at or prior to the Time of Delivery or the Option Securities Closing Date, as applicable; the Company and the Selling Stockholders shall have furnished or caused to be furnished to the Representative at the Time of Delivery or the Option Securities Closing Date, as applicable, certificates signed by the chief operating officer and the chief financial officer of the Company and each Selling Stockholder, as

applicable, as to (i) the fact that each has carefully examined the Registration Statement and Prospectus (in the case of each Selling Stockholder, only the information regarding such Selling Stockholder) and, (a) as of the Effective Date, the statements contained in the Registration Statement and the Prospectus were true and correct and neither the Registration Statement nor the Prospectus omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus or any amendment or supplement thereto, in the light of the circumstances under which they were made), except that each Selling Stockholder shall be responsible only for information relating to it or required to be disclosed by it, and (b) in the case of certificates delivered by officers of the Company, since the Effective Date, no event has occurred that is required by the Act or the rules and regulations of the Commission thereunder to be set forth in an amendment of, or a supplement to, the Prospectus that has not been set forth in such an amendment or supplement and (ii) in the case of certificates delivered by officers of the Company, the matters set forth in Sections 9(a) and 9(b) hereof;

(p) Each person or entity listed on Appendix A shall have delivered to the Representative a Lock-Up Agreement as provided in Section 2(cc) hereof;

(q) The Company shall have delivered to the Representative evidence that the Securities have been duly authorized for listing on the NYSE upon official notice of issuance as of the Effective Date; and

(r) The Company shall have delivered to the Representative written evidence that the documents or matters set forth on Appendix B hereto have been delivered, satisfied or fulfilled, as the case may be, in each case in a manner satisfactory to the Representative and McDermott, Will & Emery.

10. (a) The Company will indemnify, defend and hold harmless each Underwriter and (without limiting any obligation of the Company under any other agreement with any Selling Shareholder) each Selling Stockholder against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or such Selling Stockholder (and their respective officers, directors, agents and affiliates and each person, if any, who controls such Underwriter or such Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) (each, an "Indemnitee") may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading (in the case of the Prospectus or any amendment or supplement thereto, in the light of the circumstances under which they were made), or (ii) any breach by the Company of any representation or warranty made by the Company in Section 1 hereof, and will reimburse each Indemnitee for legal or other expenses reasonably incurred by

such Indemnitee in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim; provided, however, that the Company shall not be liable
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(i) to any Underwriter to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Prospectus, the Registration Statement, the Prospectus or such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representative expressly for use therein or (ii) to any Selling Stockholder to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Prospectus, the Registration Statement, the Prospectus or such amendment or supplement in reliance upon and in conformity with written information furnished to the Underwriters or the Company by such Selling Stockholder in writing expressly for use therein; provided, further, that the indemnity agreement contained in this Section
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10(a) with respect to any Preliminary Prospectus shall not inure to the benefit of any Underwriter (or any persons controlling such Underwriter) on account of any losses, claims, damages, liabilities or litigation arising from the sale of Securities to any person, if such Underwriter fails to send or give a copy of the Prospectus as the same may be then supplemented or amended, to such person, within the time required by the Act and the untrue statement or alleged untrue statement or omission or alleged omission of a material fact contained in such Preliminary Prospectus was corrected in the Prospectus, unless such failure is the result of noncompliance by the Company with Section 6(a) hereof.

The indemnity agreement in this Section 10(a) shall be in addition to any liability which the company may otherwise have.

(b) Each Selling Stockholder, severally and not jointly, will indemnify, defend and hold harmless each Underwriter and (without limiting any obligation of any Selling Stockholder under any other agreement between such Selling Stockholder and the Company) the Company against any losses, claims, damages or liabilities to which such Underwriter or the Company (and their respective officers, directors, agents and affiliates and each person who controls such Underwriter or the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading (in the case of the Prospectus or any amendment or supplement thereto, in the light of the circumstances under which they were made), in each case to the extent, but only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Preliminary Prospectus, the Registration Statement, the Prospectus or such

amendment or supplement in reliance upon and in conformity with information furnished to the Underwriters or the Company by such Selling Stockholder in writing expressly for use therein, or (ii) any untrue statement or alleged untrue statement made by such Selling Stockholder in Section 2 hereof, and will reimburse such Underwriter or the Company for any legal or other expenses incurred by such Underwriter or the Company (and their respective officers, directors, agents and affiliates and each person who controls such Underwriter or the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim; provided, however, that the
indemnity agreement contained in this Section 10(b) with respect to any Preliminary Prospectus shall not inure to the benefit of any Underwriter (or its officers, directors, agents, affiliates or person who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) on account of any losses, claims, damages, liabilities or litigation arising from the sale of Securities to any person, if such Underwriter fails to send or give a copy of the Prospectus, as the same may be then supplemented or amended, to such person within the time required by the Act and the untrue statement or alleged untrue statement or omission or alleged omission of a material fact contained in such Preliminary Prospectus was corrected in the Prospectus, unless such failure is the result of noncompliance by the Company with Section 6(a) hereof; provided, further, that no Selling Stockholder against whom a claim for indemnity is made on the basis of the provisions of this Section 10(b) shall be required to indemnify, hold harmless or reimburse the Company or any Underwriter (and their respective officers, directors, agents and affiliates and each person who controls such Underwriter or the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) in an aggregate amount in excess of the proceeds received by such Selling Stockholder from the sale of Selling Stockholder Security hereunder in connection herewith.

(c) In addition to any obligations of the Company under Section 10(a) hereof, the Company agrees that it shall perform its indemnification obligations under Section 10(a) hereof with respect to counsel fees and expenses and other expenses reasonably incurred by any Underwriter by making payments within 30 days to such Underwriter in the amount of the statements of such Underwriter's counsel or other statements which shall be forwarded by such Underwriter, and that they shall make such payments notwithstanding the absence of a judicial determination as to the propriety and enforceability of the obligation to reimburse the Underwriters for such expenses and the possibility that such payments might later be held to have been improper by a court until such time as a court orders return of such payments.

(d) Each Underwriter will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject under the Act, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue

statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of the Prospectus or any amendment or supplement thereto, in the light of the circumstances under which they were made), in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement, the Prospectus or such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter relating to such Underwriter through the Representative expressly for use therein, and will reimburse the Company and each such Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim.

The indemnity agreement in this Section 10(d) shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and each Selling Stockholder and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act.

(e) Promptly after receipt by an indemnified party under Section 10(a), 10(b) or 10(d) hereof of notice of the commencement of any action (including any governmental investigation), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under any such section, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party under Section 10(a), 10(b) or 10(d) hereof except to the extent it was unaware of such action and has been prejudiced in any material respect by such failure or from any liability which it may have to any indemnified party otherwise than under such Section 10(a), 10(b) or 10(d) hereof. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. If, however, (i) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party or (ii) an indemnified party shall have reasonably concluded that representation of such indemnified party and the indemnifying party by the

same counsel would be inappropriate under applicable standards of professional conduct due to actual or potential differing interests between them and the indemnified party so notifies the indemnifying party, then the indemnified party shall be entitled to employ counsel different from counsel for the indemnifying party at the expense of the indemnifying party and the indemnifying party shall not have the right to assume the defense of such indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to local counsel) for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same set of allegations or circumstances. The counsel, if any, with respect to which fees and expenses shall be reimbursed pursuant to the two immediately preceding sentences shall (i) be designated in writing by Schroder & Co. Inc. in the case of parties indemnified pursuant to Sections 10(a) and 10(b) hereof, (ii) in the case of parties indemnified pursuant to Section 10(d), and (iii) be designated (A) by the Company if it is the only indemnified party named in any such action, (B) by the Selling Stockholders if they are the only indemnified parties named in any such action, and (C) jointly by the Company and the Selling Stockholder if the Company and one or more Selling Stockholders shall be named in any such action. If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 10(c) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action, claim or proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, claim or proceeding and does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party. If an indemnifying party has agreed to assume the defense of any claim against an indemnified party, the indemnified party shall provide the indemnifying party with prior written notice of any proposed settlement and shall not complete any settlement without the prior written consent of the indemnifying party.

(f) In order to provide for just and equitable contribution under the Act in any case in which (i) any Underwriter (or any person who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) makes claim for indemnification pursuant to Section 10(a) or 10(b) hereof, but is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that Section 10(a) or 10(b) hereof provides for

indemnification in such case or (ii) contribution under the Act may be required on the part of any Underwriter or any such controlling person in circumstances for which indemnification is provided under Section 10(d) hereof, then, and in each such case, each indemnifying party shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject as an indemnifying party hereunder (after contribution from others) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 10(e) hereof, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters with respect to the Securities purchased under this Agreement, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company and the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 10(f) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 10(f). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 10(f) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim. Notwithstanding the provisions of this Section 10(f), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Selling Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this Section 10(f), no Selling Stockholder shall

be required to contribute any amount in excess of the amount by which the total proceeds received by such Selling Stockholder from the sale of Selling Stockholder Securities hereunder exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 10(f) to contribute are several in proportion to their respective underwriting obligations and not joint. The Selling Stockholders' obligations in this Agreement, including, without limitation, obligations under this Section 10 to indemnify and/or contribute, are several and not joint, and no Selling Stockholder shall be liable for any act or omission of any other Selling Stockholder.

(g) In order to provide for just and equitable contribution under the Act in any case in which (i) any Selling Stockholder or the Company makes a claim for indemnification pursuant to Section 10(a) or 10(b) hereof, but is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that Section 10(a) or 10(b) hereof provides for indemnification in such case or (ii) the Company and any Selling Stockholder are required to contribute any amounts to any Underwriter (or any person who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act) pursuant to Section 10(f) hereof, then, and in each such case, each indemnifying party shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject as an indemnifying or contributing party hereunder (after contribution from others) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Selling Stockholders on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 10(e) hereof, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Selling Stockholders on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Selling Stockholders on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by the Company bear to the total net proceeds from the offering of the Securities purchased under this Agreement (before deducting expenses) received by the Selling Stockholders, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to

information supplied by the Company on the one hand or the Selling Stockholders on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Selling Stockholders agree that it would not be just and equitable if contributions pursuant to this Section 10(g) were determined by pro rata allocation (even if the Selling Stockholders were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 10(g). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 10(g) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating, preparing to defend, defending or appearing as a third-party witness in connection with any such action or claim. Notwithstanding the provisions of this Section 10(g), no Selling Stockholder shall be required to contribute any amount in excess of the amount by which the total proceeds received by such Selling Stockholder from the sale of Selling Stockholder Securities hereunder exceeds the amount of any damages which such Selling Stockholder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Selling Stockholders' obligations in this Agreement, including, without limitation, obligations under this Section 10 to indemnify and/or contribute, are several and not joint, and no Selling Stockholder shall be liable for any act or omission of any other Selling Stockholder.

(h) Promptly after receipt by any party to this Agreement of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (the "contributing party"), notify the contributing party of the commencement thereof, but the omission so to notify the contributing party will not relieve it from any liability which it may have to any other party for contribution under the Act except to the extent it was unaware of such action and has been prejudiced in any material respect by such failure or from any liability which it may have to any other party other than for contribution under the Act. Notice given pursuant to Section 10(e) hereof shall constitute notice under this Section 10(h). In case any such action, suit or proceeding is brought against any party, and such party notifies a contributing party of the commencement thereof, the contributing party will be entitled to participate therein with the notifying party and any other contributing party similarly notified on the same terms and subject to the same conditions contained in Section 10(e) hereof.

11. (a) If any Underwriter shall default on its obligation to purchase the Firm Securities which it has agreed to purchase hereunder, the Representative may in its discretion arrange for it or another party or other parties to purchase such Firm Securities on the terms contained herein. If the aggregate number of Firm Securities as to which Underwriters default is more than one-eleventh of the

aggregate number of all the Firm Securities and within 36 hours after such default by any Underwriter the Representative does not arrange for the purchase of such Firm Securities, then the Company and the Selling Stockholders shall be entitled to a further period of 36 hours within which to procure another party or other parties satisfactory to the Representative to purchase such Firm Securities on such terms. In the event that, within the respective prescribed periods, the Representative notifies the Company and the Selling Stockholders that it has so arranged for the purchase of such Firm Securities, or the Company notifies the Representative and the Selling Stockholders that it has so arranged for the purchase of such Firm Securities, the Representative or the Company shall have the right to postpone the Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in the Representative's opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Firm Securities.

(b) If, after giving effect to any arrangements for the purchase of the Firm Securities of such defaulting Underwriter or Underwriters by the Representative or the Company and the Selling Stockholders as provided in Section 11(a) hereof, the aggregate number of such Firm Securities which remain unpurchased does not exceed one-eleventh of the aggregate number of all the Firm Securities, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of the Firm Securities which such Underwriter agreed to purchase hereunder and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Firm Securities which such Underwriter agreed to purchase hereunder) of the Firm Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Firm Securities of a defaulting Underwriter or Underwriters by the Representative or the Company or any Selling Stockholders as provided in Section 11(a) hereof, the aggregate number of such Firm Securities which remain unpurchased exceeds one-eleventh of the aggregate number of all the Firm Securities, or if the Company or any Selling Stockholders shall not exercise the right described in Section 11(b) hereof to require non-defaulting Underwriters to purchase Firm Securities of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate without liability on the part of any non-defaulting Underwriter, the Company or any Selling Stockholder, except for the expenses to be borne by the Company, the Selling Stockholders and the Underwriters as provided in Section 8 hereof and the indemnity agreements in Section 10 hereof, but nothing herein shall relieve a defaulting Underwriter from liability for its default.

12. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company or any Selling Stockholder, or an officer or director or controlling person of the Company or any Selling Stockholder and shall survive delivery of and payment for the Securities.

13. This Agreement shall become effective (a) if the Registration Statement has not heretofore become effective, at the earlier of 12:00 Noon, New York City time, on the first full business day after the Registration Statement becomes effective, or at such time after the Registration Statement becomes effective as the Representative may authorize the sale of the Securities to the public by Underwriters or other securities dealers or (b) if the Registration Statement has heretofore become effective, at the earlier of 24 hours after the filing of the Prospectus with the Commission or at such time as the Representative may authorize the sale of the Securities to the public by Underwriters or securities dealers, unless, prior to any such time the Representative shall have received notice from the Company that it elects that this Agreement shall not become effective, or the Representative, or through the Representative such of the Underwriters as have agreed to purchase in the aggregate fifty percent or more of the Firm Securities hereunder, shall have given notice to the Company that the Representative or such Underwriters elect that this Agreement shall not become effective; provided, however, that the provisions of this Section and Sections 8 and 10 hereof shall at all times be effective.

If this Agreement shall be terminated pursuant to Section 11 hereof, or if this Agreement, by election of the Representative or the Underwriters, shall become effective pursuant to the provisions of this Section, neither the Company nor any Selling Stockholder shall then be under any liability to any Underwriter except as provided in Sections 8 and 10 hereof, but if this Agreement becomes effective and is not so terminated but the Securities are not delivered by or on behalf of the Company as provided herein because the Company has been unable for any reason beyond its control and not due to any default by it to comply with the terms and conditions hereof, the Company will reimburse the Underwriters through the Representative for all out-of-pocket expenses approved in writing, by the Representative, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Securities, but neither the Company nor any Selling Stockholder shall then be under any further liability to any Underwriter except as provided in Sections 8 and 10 hereof.

14. (a) The statements set forth under the caption "Underwriting" in the Prospectus constitute the only information furnished by any Underwriter through the Representative to the Company for purposes of Sections 1(b), 1(c), and 10 hereof.

(b) The statements relating to each Selling Stockholder set forth under the captions "Certain Transactions" and "Principal and Selling Stockholders" in the

Prospectus constitute the only information furnished by such Selling Stockholder to the Company for purposes of Sections 1(b), 1(c), and 10 hereof.

15. In all dealings hereunder, the Representative shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representative jointly with any such Underwriter or by the Representative.

All statements, requests, notices and agreements hereunder, unless otherwise specified in this Agreement, shall be in writing and, if to the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission (subsequently confirmed by delivery or by letter sent by mail) to the Representative in care of Schroder & Co. Inc., Equitable Center, 787 Seventh Avenue, New York, New York 10019, Attention: Syndicate Department, with a copy (which shall not constitute notice) to McDermott, Will & Emery, 50 Rockefeller Plaza, New York, New York 10020, Attention: Dov Schwell, Esq.; if to the Company, shall be delivered or sent by letter sent by mail or facsimile transmission (subsequently confirmed by delivery or by letter sent by mail) to the address of the Company set forth in the Registration Statement, Attention: Anthony J. Cavanna with a copy (which shall not constitute notice) to Hogan & Hartson, L.L.P., 555 Thirteenth Street, NW, Washington, D.C. 20004, Attention: Richard J. Parrino, Esq.; and if to the Selling Stockholders, to CIGNA, 900 Cottage Grove Road, S-215, Hartford, Connecticut 06152-2215, Attention: Linda M. Terry, Esq., Senior Counsel, Investment Law, with a copy (which shall not constitute notice) to Choate, Hall & Stewart, Exchange Place, 53 State Street, Boston, Massachusetts 02109, Attention: W. Brewster Lee, Esq.; provided, --------
however, that any notice to any Underwriter pursuant to Section 10(e) hereof - -------
shall be delivered or sent by mail or facsimile transmission (subsequently confirmed by delivery or by letter sent by mail) to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by the Representative upon request. Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

16. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Selling Stockholders and the Company and, to the extent provided in Sections 10 and 12 hereof, the officers, directors, agents, affiliates of the Company and each Underwriter and each Selling Stockholder and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

17. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

18. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

19. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us two counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and the Selling Stockholders. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement Among Underwriters, manually or facsimile executed counterparts of which, to the extent practicable and upon request, shall be submitted to the Company and the Selling Stockholders for examination, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

TREX COMPANY, INC.

By: _____
Name:
Title:

CIG & CO.

By: CIGNA Investments, Inc., authorized agent

By:_____
Name:
Title:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: CIGNA Investments, Inc., authorized agent

By:_____
Name:
Title:

LIFE INSURANCE COMPANY OF NORTH AMERICA

By: CIGNA Investments, Inc., authorized agent

By:_____
Name:
Title:

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Lincoln Investment Management Company,
attorney-in-fact

By:_____
Name:
Title:

Accepted as of the date hereof:

SCHRODER & CO. INC., as Representative of the several Underwriters

By: SCHRODER & CO. INC.

By:_____
Managing Director

SCHEDULE I

UNDERWRITER	NUMBER OF FIRM SECURITIES
Schroder & Co., Inc.	_____
J.C. Bradford & Co.	_____
Total	3,353,000

SCHEDULE II

STOCKHOLDER SECURITIES	Number of Selling Stockholder
Connecticut General Life Insurance Company	57,062/1/
Life Insurance Company of North America	11,639/1/
The Lincoln National Life Insurance Company	34,299

_____

/1/ Such shares are held of record by CIG & Co.

SCHEDULE III

Selling Party	Address	Wire Transfer Information	Expected Proceeds

APPENDIX A

Persons and Entities Who Are To Execute Lock-Up Agreements

Anthony Cavanna
Robert Matheny
Andrew Ferrari
Roger Wittenberg
CIG & Co.
Connecticut General Life Insurance Company
Life Insurance Company of North America
The Lincoln National Life Insurance Company
Purchasers of Reserved Shares

APPENDIX B

Following is a listing of additional required deliveries:

1. Contribution and Exchange Agreement dated as of March 19, 1999

2. Preferred Units Exchange Agreement dated as of March 19, 1999

3. Agreement to Terminate Class A Members' Agreement

4. Agreements to Terminate Employment Agreements of Robert G. Matheny, Anthony J. Cavanna, Andrew U. Ferrari, and Roger A. Wittenberg, each dated as of March 19, 1999

APPENDIX C

SUBSTANCE OF OPINION
IN CONNECTION WITH PUBLIC OFFERING OF
TREX COMPANY, INC.

The following is the substance of an opinion only. Hogan & Hartson, L.L.P. should incorporate the substance of this Appendix C in their opinion.

1. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own, lease and operate its properties and conduct its business as described in the Prospectus.

2. The Company has an authorized capitalization as of June 30, 1998 as set forth in the Prospectus, and all of the issued shares of Common Shares of the Company have been duly and validly authorized and issued and are fully paid and nonassessable; and the Common Shares conform to the description of the Common Shares contained in the Prospectus.

3. The Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of failure to be so qualified in any such jurisdiction (such counsel being entitled to rely in respect of the opinion in this clause upon opinions of local counsel and in respect of matters of fact upon certificates of officers of the Company, provided that such counsel shall state that they believe that both you and they are justified in relying upon such opinions and certificates).

4. The Company has the corporate power and authority to execute, deliver and perform all of its obligations under the Underwriting Agreement and to issue, sell and deliver the Common Shares; the Underwriting Agreement has been duly and validly authorized by all necessary corporate action by the Company, and has been duly executed and delivered by the Company.

5. The Common Shares have been duly authorized for issuance and sale to the Underwriters pursuant to the Underwriting Agreement and, when issued and delivered by the Company pursuant to the Underwriting Agreement against payment of the consideration set forth therein, will be validly issued and fully paid and nonassessable, and to the best of such counsel's knowledge, the issuance of such Common Shares is not subject to any preemptive or similar rights.

6. The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

7. The issuance and sale of the Common Shares by the Company and the compliance by the Company with all of the provisions of the Underwriting Agreement and the consummation of the transactions therein contemplated will not conflict with or result in a breach or violation of any of

the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any statute or any order, rule or regulation, judgment, order or decree of any court, arbitrator, or governmental agency or body having jurisdiction over the Company or any of its properties.

8. The Company is not in violation of its Certificate of Incorporation or By-laws or in default in the performance or observance or any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound.

9. To such counsel's knowledge and except as described in the Prospectus, there are no legal or governmental proceedings pending or threatened against the Company to which any of its property is subject which, if determined adversely to the Company, is of a character required to be disclosed in the Prospectus which has not been properly disclosed by the Company.

10. No consent, approval, authorization or order of, or filing, registration or qualification with any Governmental Authorities (the "Governmental Approvals"), which has not been obtained, taken or made (other than pursuant to any state securities or Blue Sky laws or foreign securities laws, as to which such counsel need not express an opinion), is required for the issuance or sale of the Common Shares or the performance by the Company of its obligations under the Underwriting Agreement. For purposes of this opinion, the term "Governmental Authorities" means any executive, legislative, judicial, administrative or regulatory body of the United States of America, the States of Delaware and New York, or the Commonwealth of Virginia.

11. The statements in the Prospectus under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the Common Shares, and under the captions "Risk Factors Impact of Government Regulation," "Business Governmental Regulation," "Risk Factors Shares Eligible for Future Sale; Registration Rights," "Shares Eligible for Future Sale" and "Underwriting," as well as under the caption "Indemnification of Directors and Officers" in Item 14 of Part II of the Registration Statement, to the extent that they constitute summaries of United States federal statutes, rules and regulations, or portions thereof, or insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate in all material respects.

12. Any required filing of the Prospectus, and any supplements thereto pursuant to Rule 424(b), has been made in the manner and within the time period required by Rule 424(b).

13. Except as disclosed in the Prospectus, to the best of such counsel's knowledge, no holder of any security of the Company has any right to require registration of any shares of Common Shares or any other security of the Company.

14. The Company is not required to be registered as an investment company under the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission promulgated thereunder.

15. The Reorganization has been consummated, and Trex Company, Inc. is the successor to all of the obligations of Trex Company, LLC.

16. We do not know of any contract or other document which is required to be filed as an exhibit to the Registration Statement by the Securities Act or the rules and regulations of the Commission under the Act, and the rules promulgated thereunder, which have not been so filed.

17. Each of the Registration Statement and the Prospectus, as of their respective effective or issue dates, appears on its face to be appropriately responsive in all material respects to the requirements of the Securities Act and the rules and regulations of the Commission under the Securities Act, except for the financial statements and notes thereto, financial statement schedules and other financial, data or ratios included in or omitted from either of them, as to which such counsel need not express an opinion. For the purposes of the opinion in this paragraph 17, such counsel may assume that the statements made in the Registration Statement and Prospectus are complete and correct.

* * *

Such counsel has been advised orally by the staff of the Commission that no stop order suspending the effectiveness of the Registration has been issued and, to our knowledge, no proceedings for that purpose have been initiated or are pending or are threatened by the Commission.

Such counsel has participated in conferences with certain officers, employees and other representatives of the Company, at which the contents of the Registration Statement and the Prospectus and related matters were discussed and, although such counsel has not undertaken to investigate or verify independently, and does not assume responsibility for, the accuracy or completeness of the statements contained in either of them (other than as explicitly stated in paragraphs 9 and 13 above), based upon such participation (and relying, as to materiality, to the extent we deemed reasonable, on officers, employees and other representatives of the Company), no facts have come to such counsel's attention to lead it to believe that (a) the Registration Statement or any amendment (except for the financial statements or notes thereto, financial statement schedules and other financial data or ratios included in or omitted from those documents, as to which such counsel need not express any such belief), at the time it became effective or on the date of this letter, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (b) the Prospectus or any amendment or supplement (except for the financial statements and notes thereto, financial statement schedules and other financial data or ratios included in or omitted from those documents, as to which such counsel need not express any such belief), at the time the Prospectus was issued or on the date of this letter, included or includes an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

APPENDIX D

OPINION OF CHOATE, HALL & STEWART
(AS TO CIGNA PARTIES)

1. Each Selling Stockholder [CIGNA, LICNA AND CIG & CO.] has been duly organized and is validly and existing in good standing under the laws of the state of its organization.

2. Each Selling Stockholder has the power (corporate or otherwise) and authority to execute, deliver and perform all of its obligations under the Underwriting Agreement and the Agreement and Power of Attorney and to sell and deliver the Securities being sold by such Selling Stockholder; the Underwriting Agreement and the Agreement and Power of Attorney have been duly and validly authorized by all necessary action (corporate and other) by each Selling Stockholder, and have been duly executed and delivered by each Selling Stockholder.

3. The Underwriting Agreement and the Agreement and Power of Attorney are legal, valid and binding agreements of each Selling Stockholder, enforceable in accordance with their terms, except as enforcement of the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4. The sale of the Securities being sold by each Selling Stockholder and the compliance by each Selling Stockholder with all of the provisions of the Underwriting Agreement and the Agreement and Power of Attorney and the consummation of the transactions therein contemplated will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which any Selling Stockholder is a party or by which any Selling Stockholder is bound or to which any of the property or assets of any Selling Stockholder is subject, or (ii) result in any violation of the provisions of the certificate of incorporation or by-laws of any Selling Stockholder or any statute or any order, rule or regulation, judgment, order or decree of any court, arbitrator, or governmental agency or body having jurisdiction over any Selling Stockholder or any of their respective properties or assets.

5. No consent, approval, authorization or order of, or filing, registration or qualification with any governmental authority, which has not been obtained, taken or made (other than pursuant to the Securities Act of 1933, as amended, any state securities or Blue Sky laws or foreign securities laws or from the National Association of Securities Dealers or the New York Stock Exchange, as to all of which we express no opinion), is required for the sale of the Securities or the performance by the Selling Stockholders of their obligations under the Underwriting Agreement or the Agreement and Power of Attorney.

6. Upon delivery of and payment for the Securities being sold by each Selling Shareholder pursuant to the Underwriting Agreement and registration of Securities in the names of the Underwriters in the stock records of the Company, the several Underwriters will receive good and marketable title to such Securities, free and clear of any adverse claim (within the meaning of the Uniform Commercial Code), assuming at such time that the Underwriters acquire the Securities in good faith without notice of any adverse claim and are otherwise bona fide purchasers (within the meaning of the Uniform Commercial Code).

APPENDIX E

OPINION OF CHOATE, HALL & STEWART
(AS TO LINCOLN NATIONAL)

1. Each Selling Stockholder is validly existing in good standing under the laws of the state of its organization.

2. The Underwriting Agreement and the Agreement and Power of Attorney are legal, valid and binding agreements of each Selling Stockholder, enforceable in accordance with their terms, except as enforcement of the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

3. No consent, approval, authorization or order of, or filing, registration or qualification with any governmental authority, which has not been obtained, taken or made (other than pursuant to the Securities Act of 1933, as amended, any state securities or Blue Sky laws or foreign securities laws or from the National Association of Securities Dealers or the New York Stock Exchange, as to all of which we express no opinion), is required for the sale of the Securities or the performance by the Selling Stockholders of their obligations under the Underwriting Agreement or the Agreement and Power of Attorney.

4. Upon delivery of and payment for the Securities being sold by each Selling Shareholder pursuant to the Underwriting Agreement and registration of Securities in the names of the Underwriters in the stock records of the Company, the several Underwriters will receive good and marketable title to such Securities, free and clear of any adverse claim (within the meaning of the Uniform Commercial Code), assuming at such time that the Underwriters acquire the Securities in good faith without notice of any adverse claim and are otherwise bona fide purchasers (within the meaning of the Uniform Commercial Code).

APPENDIX F

OPINION OF INSIDE COUNSEL
TO LINCOLN NATIONAL

1. Each Selling Stockholder has been duly organized and is validly existing in good standing under the laws of the state of its organization.

2. Each Selling Stockholder has the power (corporate or otherwise) and authority to execute, deliver and perform all of its obligations under the Underwriting Agreement and the Agreement and Power of Attorney and to sell and deliver the Securities being sold by such Selling Stockholder; the Underwriting Agreement and the Agreement and Power of Attorney have been duly and validly authorized by all necessary action (corporate and other) by each Selling Stockholder, and have been duly executed and delivered by each Selling Stockholder.

3. The sale of the Securities being sold by each Selling Stockholder and the compliance by each Selling Stockholder with all of the provisions of the Underwriting Agreement and the Agreement and Power of Attorney and the consummation of the transactions therein contemplated will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument known to such counsel to which any Selling Stockholder is a party or by which any Selling Stockholder is bound or to which any of the property or assets of any Selling Stockholder is subject, or (ii) result in any violation of the provisions of the certificate of incorporation or by-laws of any Selling Stockholder or any statute or any order, rule or regulation, judgment, order or decree of any court, arbitrator, or governmental agency or body having jurisdiction over any Selling Stockholder or any of their respective properties or assets.

Exhibit 3.1

RESTATED
CERTIFICATE OF INCORPORATION
OF
TREX COMPANY, INC.

Trex Company, Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name under which the corporation was originally incorporated is Trex Company, Inc., and the original Certificate of Incorporation of the corporation was filed with the Secretary of State of the State of Delaware on September 4, 1998.

2. This Restated Certificate of Incorporation restates and integrates and further amends the provisions of the Certificate of Incorporation of the corporation.

3. This Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242, 245 and 228 of the General Corporation Law of the State of Delaware.

4. The text of the Certificate of Incorporation of the corporation is hereby restated and integrated to read in its entirety as follows:

ARTICLE I
NAME

The name of the corporation is Trex Company, Inc. (the "Corporation").

ARTICLE II
REGISTERED OFFICE AND REGISTERED AGENT

The address of the Corporation's registered office in the State of Delaware is 1013 Centre Road, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is Corporation Service Company.

ARTICLE III
PURPOSE

The purpose or purposes for which the Corporation is organized are to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware as from time to time amended (the "General Corporation Law").

ARTICLE IV
CAPITAL STOCK

The Corporation shall have the authority to issue a total of forty-three million (43,000,000) shares of capital stock, each with a par value of $0.01, consisting of forty million (40,000,000) shares of Common Stock and three million (3,000,000) shares of Preferred Stock.

ARTICLE V
COMMON STOCK

Except as required by law, all shares of Common Stock shall be identical in all respects and shall entitle the holders thereof to the same rights and privileges, subject to the same qualifications, limitations and restrictions. Except as otherwise provided by or pursuant to this Restated Certificate of Incorporation or as otherwise required by law, the holders of shares of Common Stock shall be entitled to one vote per share of Common Stock on all matters on which stockholders of the Corporation have the right to vote.

ARTICLE VI
PREFERRED STOCK

Section A. Preferred Stock. The Corporation is authorized to issue shares
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of Preferred Stock from time to time in one or more series as may from time to time be determined by the Board of Directors of the Corporation (the "Board"), each of such series to be distinctly designated. The voting powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, if any, of each such series may differ from those of any and all other series of Preferred Stock at any time outstanding, and the Board is hereby expressly granted authority to fix or alter, by resolution or resolutions, the designation, number, voting powers, preferences and relative, participating, optional, and other special rights, and the qualifications, limitations and restrictions, of each such series, including, but without limiting the generality of the foregoing, the following:

1. The distinctive designation of, and the number of shares of Preferred Stock that shall constitute, such series, which number (except where otherwise provided by the Board in the resolution establishing such series) may be increased (but not above the total number of shares of Preferred Stock) or decreased (but not below the number of shares of such series then outstanding) from time to time by like action of the Board.

2. The rights in respect of dividends, if any, of such series of Preferred Stock, the extent of the preference or relation, if any, of such dividends to the dividends payable on any other class or classes or any other series of the same or other class or classes of capital stock of the Corporation, and whether such dividends shall be cumulative or noncummualtive, and the dates at which any such dividends shall be payable.

3. The right, if any, of the holders of such series of Preferred Stock to convert the same into, or exchange the same for, shares of any other class or classes or of any other series of the same or any other class or classes of capital stock of the Corporation or any other corporation, and the terms and conditions of such conversion or exchange.

4. Whether or not shares of such series of Preferred Stock shall be subject to redemption, and the redemption price or prices and the times at which, and the terms and conditions on which, shares of such series of Preferred Stock may be redeemed.

5. The rights, if any, of the holders of such series of Preferred Stock upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation or in the event of any merger or consolidation of or sale of assets by the Corporation.

6. The terms and amount of any sinking fund or redemption or purchase account, if any, to be provided for shares of such series of the Preferred Stock.

7. The voting powers, if any, of the holders of any series of Preferred Stock generally or with respect to any particular matter, which may be less than, equal to or greater than one vote per share, and which may, without limiting the generality of the foregoing, include the right, voting as a series by itself or together with the holders of any other series of Preferred Stock or all series of Preferred Stock as a class, to elect one or more directors of the Corporation generally or under such specific circumstances and on such conditions as shall be provided in the resolution or resolutions of the Board adopted pursuant hereto, including, without limitation, in the event there shall have been a default in the payment of dividends on or redemption of any one or more series of Preferred Stock.

Section B. Rights of Preferred Stock.

1. After the provisions with respect to preferential dividends on any series of Preferred Stock (fixed in accordance with the provisions of Section (A) of this Article VI), if any, shall have been satisfied and after the Corporation shall have complied with all the requirements, if any, with respect to redemption of, or the setting aside of sums as sinking funds or redemption or purchase accounts with respect to, any series of Preferred Stock (fixed in accordance with the provisions of Section (A) of this Article VI), and subject further to any other conditions that may be fixed in accordance with the provisions of Section (A) of this Article VI, then and not otherwise the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board.

2. In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after distribution in full of the preferential amounts, if any (fixed in accordance with the provisions of Section (A) of this Article VI), to be distributed to the holders of Preferred Stock by reason thereof, the holders of Common Stock shall, subject to the additional rights, if any (fixed in accordance with the provisions of Section (A) of this Article VI), of the holders of any outstanding shares of Preferred Stock, be entitled to receive all of the remaining assets of the Corporation, tangible or intangible, of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock held by them respectively.

3. Except as may otherwise be required by law, and subject to the provisions of such resolution or resolutions as may be adopted by the Board pursuant to Section (A) of this Article VI granting the holders of one or more series of Preferred Stock exclusive voting powers with respect to any matter, each holder of Common Stock may have one vote in respect to each share of Common Stock held on all matters voted upon by the stockholders.

4. The number of authorized shares of Preferred Stock and each class of Common Stock may, without a class or series vote, be increased or decreased from time to time by the affirmative vote of the holders of shares having a majority of the total number of votes which may be cast in the election of directors of the Corporation by all stockholders entitled to vote in such an election, voting together as a single class.

ARTICLE VII
BY-LAWS

The Board is expressly authorized to adopt, amend or repeal the By-laws of the Corporation.

ARTICLE VIII
ELECTION OF DIRECTORS

The directors of the Corporation shall not be required to be elected by written ballots unless the By-laws of the Corporation so provide.

ARTICLE IX
BOARD OF DIRECTORS

Section A. Classified Board. The Board, other than those directors elected by the holders of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Article VI hereof, shall be divided into three classes, as nearly equal in number as the then-authorized number of directors constituting the Board permits, with the term of office of one class expiring each year and with each director serving for a term ending at the third annual meeting of stockholders of the Corporation following the annual meeting at which such director was elected. One class of directors shall be initially elected for a term expiring at the annual meeting of stockholders to be held in the year 2000, another class shall be initially elected for a term expiring at the annual meeting of stockholders to be held in the year 2001, and another class shall be initially elected for a term expiring at the annual meeting of stockholders to be held in the year 2002. Members of each class shall hold office until their successors are elected and qualified. At each succeeding annual meeting of the stockholders of the Corporation, the successors of the class of directors whose term expires at that meeting shall be elected by a plurality vote of all votes cast at such meeting to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election.

Section B. Vacancies. Except as otherwise provided for or fixed pursuant to the provisions of Article VI hereof relating to the rights of the holders of any series of Preferred Stock to elect additional directors, newly created directorships resulting from any increase in the authorized number of directors and any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause shall be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or in which the vacancy occurred and until such director's successor shall have been duly elected and qualified. No decrease in the number of directors constituting the Board shall shorten the term of any incumbent director.

Section C. Directors Elected by Holders of Preferred Stock. During any period when the holders of any series of Preferred Stock have the right to elect additional directors as provided for or fixed pursuant to the provisions of Article VI hereof, then upon commencement and for the duration of the period during which

such right continues (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to such provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to such provisions, whichever occurs earlier. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total and authorized number of directors of the Corporation shall be reduced accordingly. Notwithstanding the foregoing, whenever, pursuant to the provisions of Article VI hereof, the holders of any one or more series of Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation and the Certificate of Designation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article IX unless expressly provided by such terms.

Section D. Number of Directors Constituting the Board. Except as otherwise provided for or fixed pursuant to Article VI hereof relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors constituting the entire Board shall be not less than four(4) nor more than twenty (20), with the then-authorized number of directors being fixed from time to time by the Board.

ARTICLE X
NO ACTION BY WRITTEN CONSENT OF STOCKHOLDERS

Except as otherwise provided for or fixed pursuant to the provisions of Article VI hereof relating to the rights of the holders of any series of Preferred Stock, no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders, unless the action to be effected by written consent of stockholders and the taking of such action by such written consent have expressly been approved in advance by the Board.

ARTICLE XI
DIRECTOR LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law or (iv) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law is amended after the filing of this Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended. No modification or repeal of the provisions of this Article XI shall adversely affect any right or protection of any director of the Corporation existing at the date of such modification or repeal or create any liability or adversely affect any such right or protection for any acts or omissions of such director occurring prior to such modification or repeal.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of the Certificate of Incorporation of the Corporation as heretofore amended or supplemented and which has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law, as the Corporation has received payment for its capital stock, has been executed by its President this March 20, 1999.

TREX COMPANY, INC.

By:/s/ Robert G. Matheny

Name: Robert G. Matheny
Title: President

EXHIBIT 3.2

AMENDED AND RESTATED BY-LAWS OF TREX COMPANY, INC.

ARTICLE I
OFFICES

Section 1. Registered Office. The registered office of the Corporation in the State of Delaware is 1013 Centre Road, in the City of Wilmington, Delaware 19805, in the County of New Castle. The name of its registered agent at such address is Corporation Service Company.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II
STOCKHOLDERS MEETINGS

Section 1. Places of Meetings. All meetings of stockholders shall be held at such place or places in or outside of the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of meeting or waiver of notice thereof, subject to any provisions of the laws of the State of Delaware.

Section 2. Annual Meetings. Unless otherwise determined from time to time by the Board of Directors, the annual meeting of stockholders shall be held each year for the election of directors and the transaction of such other business as may properly come before the meeting at such date and time as may be designated by the Board of Directors. Written notice of the time and place of the annual meeting shall be given by mail to each stockholder entitled to vote at such meeting, at the stockholder's address as it appears on the records of the Corporation, not less than ten (10) nor more than sixty (60) days prior to the scheduled date thereof.

Section 3. Special Meetings. A special meeting of the stockholders of the Corporation may be called at any time by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies, but such special meeting may not be called by any other person or persons. Written notice of the date, time, place and specific purpose or purposes for which such meeting is called shall be given by mail to each stockholder entitled to vote thereat at such stockholder's address as it appears on the records of the Corporation not less

than ten (10) nor more than sixty (60) days prior to the scheduled date thereof. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 4. Voting. At all meetings of stockholders, each stockholder entitled to vote on the record date as determined under these By-Laws or, if not so determined, as prescribed under the laws of the State of Delaware, shall be entitled to one vote for each share of stock standing on record in such stockholder's name, subject to any voting powers, restrictions or qualifications set forth in the Restated Certificate of Incorporation of the Corporation or any amendment thereto (the "Restated Certificate of Incorporation").

Section 5. Quorum; Voting. At any stockholders meeting, a majority of the voting power of the shares of stock outstanding and entitled to vote thereat, present in person or by proxy, shall constitute a quorum, but a smaller interest may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice, subject to such limitations as may be imposed under the laws of the State of Delaware. When a quorum is present at any meeting, the affirmative vote of the holders of a majority of the voting power of the shares of stock entitled to vote thereon, present in person or by proxy, shall decide any question brought before such meeting unless such question is one upon which a different vote is required by express provision of the Restated Certificate of Incorporation, these By-Laws, the rules or regulations of the New York Stock Exchange, Inc. or any law or other rule or regulation applicable to the Corporation, in which case such express provision shall govern.

Section 6. Inspectors of Election; Opening and Closing the Polls. The Board of Directors may, by resolution, appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives of the Corporation, to act at a meeting of stockholders and make a written report thereof. One or more persons may be designated as alternative inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by the General Corporation Law of the State of Delaware.

The chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at the meeting.

Section 7. List of Stockholders. At least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address and the number of shares registered in the name of each stockholder, shall be prepared by the secretary or the transfer agent in charge of the stock ledger of the Corporation. Such list shall be open for examination by any stockholder as required by the laws of the State of Delaware. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine such list or the books of the Corporation or to vote in person or by proxy at such meeting.

Section 8. Written Consent in Lieu of Meeting. Except as otherwise provided for or fixed pursuant to the provisions of the Restated Certificate of Incorporation relating to the rights of the holders of any series of preferred stock, no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders, unless the action to be effected by written consent of the stockholders and the taking of such action by written consent have been expressly approved in advance by the Board of Directors.

Section 9. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may, to the extent not prohibited by law, adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may to the extent not prohibited by law include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 10. Notice of Stockholder Business and Nominations.

(a) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (i) pursuant to the Corporation's notice of meeting (or any supplement thereto), (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 10 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 10.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a) of this Section 10, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14a-11 thereunder (and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the By-Laws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (a) the

name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (b) the class and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (c) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear, in person or by proxy, at the meeting to propose such business or nomination and (d) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to (A) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (B) otherwise solicit proxies from stockholders in support of such proposal or nomination. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(c) Notwithstanding anything in the second sentence of paragraph (b) of this Section 10 to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation no later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(d) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the Board of Directors or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 10 is delivered to the Secretary of the Corporation, who shall be entitled to vote at the meeting and upon such election, and who complies with the notice procedures set forth in this Section 10. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position or positions as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (b) of this Section 10 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the

close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting, or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(e) Only such persons who are nominated in accordance with the procedures set forth in this Section 10 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 10. Except as otherwise provided by law or the Restated Certificate of Incorporation, the chairman of the meeting shall have the power and duty to (i) determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 10 and (ii) if any proposed nomination or business is not in compliance with this Section 10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicits (or is part of a group which solicits), or fails to so solicit (as the case may be), proxies in support of such stockholder's proposal in compliance with such stockholder's representation as required by clause (iii)(d) of paragraph (b) of this Section 10, to declare that such defective nomination shall be disregarded or that such proposed business shall not be transacted.

(f) For purposes of this Section 10, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(g) Notwithstanding the foregoing provisions of this Section 10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rule and regulations thereunder with respect to the matters set forth in this Section 10. Nothing in this Section 10 shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

ARTICLE III
BOARD OF DIRECTORS

Section 1. Number and Qualification. The authorized number of directors that shall constitute the full Board of Directors of the Corporation shall be fixed from time to time as provided in the Restated Certificate of Incorporation. Directors need not be stockholders of the Corporation.

Section 2. Powers. The business and affairs of the Corporation shall be carried on by or under the direction of the Board of Directors, which shall have all the powers authorized by the laws of the State of Delaware, subject to such limitations as may be provided by the Restated Certificate of Incorporation or these By-Laws. Except as otherwise expressly provided herein or in the Restated Certificate of Incorporation, the vote of the majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

The Chairman of the Board, when present, shall preside at all meetings of the stockholders and of the Board of Directors.

Section 3. Compensation. The Board of Directors may from time to time by resolution authorize the payment of fees or other compensation to the directors for services as such to the Corporation, including, but not limited to, fees for attendance at all meetings of the Board or of the executive or other committees, and determine the amount of such fees and compensation. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor in amounts authorized or otherwise approved from time to time by the Board.

Section 4. Meetings and Quorum. Meetings of the Board of Directors may be held either in or outside of the State of Delaware. At all meetings of the Board, a majority of the then authorized number of directors shall constitute a quorum. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

The first meeting of the Board of Directors after the election of a new class of directors shall be held immediately after the annual meeting of stockholders and at the same place, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held at such time and place, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all the directors.

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board. Notice of special meetings shall be given to each director on 24 hours notice to each director, either personally, by mail, telegram, facsimile, personal delivery or similar means. Special meetings may be called by the president or the Chairman of the Board of Directors and shall be called by the president or secretary in the manner and on the notice set forth above upon the written request of a majority of the total number of directors which the Corporation would have if there were no vacancies.

Notice of any meeting shall state the time and place of such meeting, but need not state the purposes thereof unless otherwise required by the laws of the State of Delaware, the Restated Certificate of Incorporation, these By-Laws or the Board of Directors.

Section 5. Executive Committee. The Board of Directors may designate an Executive Committee to exercise, subject to applicable provisions of law, all the powers of the Board in the management of the business and affairs of the Corporation when the Board is not in session, including without limitation the power to declare dividends and to authorize the issuance of the Corporation's capital stock, and may, by resolution similarly adopted, designate one or more other committees, including such committees specified in Section 6 of this Article III. The Executive Committee shall consist of two or more directors of the Corporation. The Board may designate one or more directors as alternate members of the Executive Committee, who may replace any absent member at any meeting of the Executive Committee. The members of the Executive Committee present at any meeting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent member. The Executive Committee shall keep written minutes of its proceedings and shall report such proceedings to the Board when required.

A majority of the Executive Committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of such meetings shall be given to each member of the Executive Committee in the manner provided for in Section 4 of this Article III. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve the Executive Committee.

Section 6. Other Committees.

(a) The Board may appoint the following standing committees, the members of which shall serve at the pleasure of the Board: a Nominating Committee, a Compensation Committee and an Audit Committee. The Board may appoint such other committees among the directors of the Corporation as it deems necessary and appropriate for the proper conduct of the Corporation's business and

may appoint such officers, agents or employees of the Corporation to assist the committees of the Board as it deems necessary and appropriate. Meetings of committees may be called by the chairman of the committee on 24 hours notice to each committee member, either personally, by mail, telegram, facsimile or similar means and shall be called by the chairman of the committee in like manner and on like notice on the written request of a committee member. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

(b) One or more directors of the Corporation shall be appointed to act as a Nominating Committee. The Nominating Committee shall be responsible for proposing to the Board nominees for election as directors and shall possess and may exercise such additional powers and authority as may be delegated to it by the Board from time to time. The Nominating Committee shall report its actions to the Board at the next meeting of the Board following such actions. Vacancies in the membership of the Nominating Committee shall be filled by the Board of Directors.

(c) One or more directors of the Corporation shall be appointed to act as a Compensation Committee, each of whom shall be directors who are not also officers or employees of the Corporation or its subsidiaries or any other individual having a relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director (each such director, an "Unaffiliated Director"). The Compensation Committee shall be responsible for establishing salaries, bonuses and other compensation for the executive officers of the Corporation and for administering the Corporation's benefit plans, and shall possess and may exercise such additional powers and authority as may be delegated to it by the Board from time to time. The Compensation Committee shall report its actions to the Board at the next meeting of the Board following such actions. Vacancies in the membership of the Compensation Committee shall be filled by the Board of Directors.

(d) One or more Unaffiliated Directors of the Corporation shall be appointed to act as an Audit Committee. The Audit Committee shall have general oversight responsibility with respect to the Corporation's financial reporting. In performing its oversight responsibility, the Audit Committee shall make recommendations to the Board of Directors as to the selection, retention, or change in the independent accountants of the Corporation, review with the independent accountants the scope of their examination and other matters (relating to both audit and non-audit activities), and review generally the internal auditing procedures of the Corporation. In undertaking the foregoing responsibilities, the Audit Committee shall have unrestricted access, if necessary, to personnel of the Corporation and documents and shall be provided with the resources and assistance necessary to discharge its responsibilities, including periodic reports from management assessing the impact of regulation, accounting, and reporting of other significant matters that may affect the Corporation. The Audit Committee shall

review the financial reporting and adequacy of internal controls of the Corporation, consult with the internal auditors and certified public accountants, and from time to time, but not less than annually, report to the Board. Vacancies in the membership of the Audit Committee shall be filled by the Board of Directors.

Section 7. Conference Telephone Meetings. Any one or more members of the Board of Directors or any committee thereof may participate in meetings by means of a conference telephone or similar communications equipment and such participation in a meeting shall constitute presence in person at the meeting.

Section 8. Action Without Meetings. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken by unanimous written consent without a meeting to the extent and in the manner authorized by the laws of the State of Delaware.

ARTICLE IV
OFFICERS

Section 1. Titles and Election. The officers of the Corporation shall be the president, a secretary and a treasurer, who shall initially be elected as soon as convenient by the Board of Directors and thereafter, in the absence of earlier resignations or removals, shall be elected at the first meeting of the Board following the annual meeting of stockholders. Each officer shall hold office at the pleasure of the Board except as may otherwise be approved by the Board, or until such officer's earlier resignation, removal under these By-Laws or other termination of employment. Any person may hold more than one office if the duties can be consistently performed by the same person, to the extent permitted by the laws of the State of Delaware.

The Board of Directors, in its discretion, may also at any time elect or appoint a Chairman of the Board of Directors, who shall be a director, and one or more vice presidents, assistant secretaries and assistant treasurers and such other officers as it may deem advisable, each of whom shall hold office at the pleasure of the Board, except as may otherwise be approved by the Board, or until such officer's earlier resignation, removal or other termination of employment, and shall have such authority and shall perform such duties as shall be prescribed or determined from time to time by the Board or, if not so prescribed or determined by the Board, as the chief executive officer or the then senior executive officer may prescribe or determine. The Board of Directors may require any officer or other employee or agent to give bond for the faithful performance of duties in such form and with such sureties as the Board may require.

Section 2. Duties. Subject to such extension, limitations, and other provisions as the Board of Directors or these By-Laws may from time to time

prescribe or determine, the following officers shall have the following powers and duties:

(a) President. The president shall be charged with general supervision of the management and policy of the Corporation, and shall have such other powers and perform such other duties as the Board of Directors may prescribe from time to time. The president shall be the chief executive officer of the Corporation, shall exercise the powers and authority and perform all of the duties commonly incident to such office and shall perform such other duties as chief executive officer as the Board of Directors shall specify from time to time. The president shall, in the absence at a meeting of stockholders of the Corporation or of the Board, or because of the inability to act, of the Chairman of the Board, perform all duties of the Chairman of the Board and preside at all meetings of the stockholders and of the Board of Directors, if he is a director.

(b) Vice President. The vice president or vice presidents shall perform such duties as may be assigned to them from time to time by the Board of Directors or by the president if the Board does not do so. In the absence or disability of the president, the vice presidents in order of seniority may, unless otherwise determined by the Board, exercise the powers and perform the duties pertaining to the office of president, except that if one or more executive vice presidents has been elected or appointed, the person holding such office in order of seniority shall exercise the powers and perform the duties of the office of president.

(c) Secretary. The secretary, or in the secretary's absence, an assistant secretary shall keep the minutes of all meetings of stockholders and of the Board of Directors, give and serve all notices, attend to such correspondence as may be assigned to such officer, keep in safe custody the seal of the Corporation, and affix such seal to all such instruments properly executed as may require it, and shall have such other duties and powers as may be prescribed or determined from time to time by the Board of Directors or by the president if the Board does not do so.

(d) Treasurer. The treasurer, subject to the order of the Board of Directors, shall have the care and custody of the moneys, funds, valuable papers and documents of the Corporation (other than such officer's own bond, if any, which shall be in the custody of the president), and shall have, under the supervision of the Board of Directors, all the powers and duties commonly incident to such office. The treasurer shall deposit all funds of the Corporation in such bank or banks, trust company or trust companies, or with such firm or firms doing a banking business as may be designated by the Board of Directors or by the president if the Board does not do so. The treasurer may endorse for deposit or collection all checks, notes and similar instruments payable to the Corporation or to its order. The treasurer shall keep accurate books of account of the Corporation's transactions, which shall be the property of the Corporation and, together with all of the property of the Corporation

in such officer's possession, shall be subject at all times to the inspection and control of the Board of Directors. The treasurer shall be subject in every way to the order of the Board of Directors, and shall render to the Board of Directors and/or the president of the Corporation, whenever they may require it, an account of all transactions and of the financial condition of the Corporation. In addition to the foregoing, the treasurer shall have such duties as may be prescribed or determined from time to time by the Board of Directors or by the president if the Board does not do so.

(e) Delegation of Authority. The Board of Directors may at any time delegate the powers and duties of any officer for the time being to any other officer, director or employee.

ARTICLE V
RESIGNATIONS AND VACANCIES

Section 1. Resignations. Any director or officer may resign at any time by giving written notice thereof to the Board of Directors, the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time be not specified, upon receipt thereof; and unless otherwise specified therein, the acceptance of any resignation shall not be necessary to make it effective.

Section 2. Vacancies.

(a) Directors. Except for the rights of the holders of any series of preferred stock to elect additional directors, newly created directorships resulting from any increase in the authorized number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal, or other cause shall be filled only by the affirmative vote of a majority of the remaining directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of directors in which the new directorship was created or in which the vacancy occurred and until such director's successor is duly elected and has been qualified. The directors also may reduce the authorized number of directors by the number of vacancies on the Board. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(b) Officers. The Board of Directors may at any time or from time to time fill any vacancy among the officers of the Corporation.

ARTICLE VI
CAPITAL STOCK

Section 1. Certificate of Stock. Every stockholder shall be entitled to a certificate or certificates for shares of the capital stock of the Corporation in such form as may be prescribed or authorized by the Board of Directors, duly numbered and setting forth the number and kind of shares represented thereby. Such certificates shall be signed by the Chairman of the Board, the president or a vice president and by the treasurer or an assistant treasurer or by the secretary or an assistant secretary. Any or all of such signatures may be in facsimile if and to the extent authorized under the laws of the State of Delaware.

In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on a certificate has ceased to be such officer, transfer agent or registrar before the certificate has been issued, such certificate may nevertheless be issued and delivered by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

Section 2. Transfer of Stock. Shares of the capital stock of the Corporation shall be transferable only upon the books of the Corporation upon the surrender of the certificate or certificates properly assigned and endorsed for transfer. If the Corporation has a transfer agent or agents or transfer clerk and registrar of transfers acting on its behalf, the signature of any officer or representative thereof may be in facsimile.

The Board of Directors may appoint a transfer agent and one or more co-transfer agents and a registrar and one or more co-registrars of transfer and may make or authorize the transfer agents to make all such rules and regulations deemed expedient concerning the issue, transfer and registration of shares of stock.

Section 3. Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix in advance a record date which, in the case of a meeting, shall not be less than ten (10) nor more than sixty (60) days prior to the scheduled date of such meeting and which, in the case of any other action, shall be not more than the maximum or less than the minimum number of days prior to any such action permitted by the laws of the State of Delaware.

(b) If no such record date is fixed by the Board, the record date shall be that prescribed by the laws of the State of Delaware.

(c) A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 4. Lost Certificates. In case of loss or mutilation or destruction of a stock certificate, a duplicate certificate may be issued upon such terms as may be determined or authorized by the Board of Directors or by the president if the Board does not do so.

ARTICLE VII
FISCAL YEAR, BANK DEPOSITS, CHECK, ETC.

Section 1. Fiscal Year. The fiscal year of the Corporation shall commence or end at such time as the Board of Directors may designate.

Section 2. Bank Deposits, Checks, etc. The funds of the Corporation shall be deposited in the name of the Corporation or of any division thereof in such banks or trust companies in the United States or elsewhere as may be designated from time to time by the Board of Directors, or by such officer or officers as the Board may authorize to make such designations.

All checks, drafts or other orders for the withdrawal of funds from any bank account shall be signed by such person or persons as may be designated from time to time by the Board of Directors. The signatures on checks, drafts or other orders for the withdrawal of funds may be in facsimile if authorized in the designation.

ARTICLE VIII
BOOKS AND RECORDS

Section 1. Place of Keeping Books. Unless otherwise expressly required by the laws of the State of Delaware, the books and records of the Corporation may be kept outside of the State of Delaware.

Section 2. Examination of Books. Except as may otherwise be provided by the laws of the State of Delaware, the Restated Certificate of Incorporation or these By-Laws, the Board of Directors shall have power to determine from time to time whether and to what extent and at what times and places and under what conditions any of the accounts, records and books of the Corporation are to be open to the inspection of any stockholder. No stockholder shall have any right to inspect any account or book or document of the Corporation except as prescribed by the laws of the State of Delaware or authorized by express resolution of the Board of Directors.

ARTICLE IX
NOTICES

Section 1. Requirements of Notice. Whenever notice is required to be given by the laws of the State of Delaware, the Restated Certificate of Incorporation or these By-Laws, it shall not mean personal notice unless so specified, but such notice may be given in writing by depositing the same in a post office, letter box, or mail chute postpaid and addressed to the person to whom such notice is directed at the address of such person on the records of the Corporation, and such notice shall be deemed given at the time when the same shall be thus mailed.

Section 2. Waivers. Any stockholder, director or officer may, in writing or by telegram or cable, at any time waive any notice or other formality required by statute, the Restated Certificate of Incorporation or these By-Laws. Such waiver of notice, whether given before or after any meeting or action, shall be deemed equivalent to notice. Presence of a stockholder either in person or by proxy at any stockholders meeting and presence of any director at any meeting of the Board of Directors shall constitute a waiver of such notice as may be required by any statute, the Restated Certificate of Incorporation or these By-Laws.

ARTICLE X
SEAL

The corporate seal of the Corporation shall consist of two concentric circles between which shall be the name of the Corporation and the date of its incorporation, and in the center of which shall be inscribed "Corporate Seal, Delaware."

ARTICLE XI
POWERS OF ATTORNEY

The Board of Directors may authorize one or more of the officers of the Corporation to execute powers of attorney delegating to named representatives or agents power to represent or act on behalf of the Corporation, with or without power of substitution.

In the absence of any action by the Board, the president, any vice president, the secretary or the treasurer of the Corporation may execute for and on behalf of the Corporation waivers of notice of stockholders meetings and proxies for such meetings in any company in which the Corporation may hold voting securities.

ARTICLE XII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Definitions. As used in this article, the term "person" means any past, present or future director or officer of the Corporation or any subsidiary or operating division thereof.

Section 2. Indemnification Granted. The Corporation shall indemnify, to the full extent and under the circumstances permitted by the General Corporation Law of the State of Delaware in effect from time to time, any person as defined above, made or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or a subsidiary or operating division thereof, or is or was serving at the specific request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges, expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person or on such person's behalf in connection with such action, suit or proceeding and any appeal therefrom, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful.

Section 3. Requirements for Indemnification Relating to an Action or Suit by or in the Right of the Corporation. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or a subsidiary thereof or a designated officer of an operating division of the Corporation, or is or was serving at the specific request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by such person or on such person's behalf in connection with the defense or settlement of such action or suit and any appeal therefrom, if such person acted in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interest of the

Corporation except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such costs, charges and expenses which the Court of Chancery or such other court shall deem proper.

Section 4. Success on Merits of Any Action. Notwithstanding any other provision of this Article XII, to the extent that a director or officer of the Corporation or any subsidiary or operating division thereof has been successful on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to in this Article XII, or in defense of any claim, issue or matter therein, such person shall be indemnified against all costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by such person or on such person's behalf in connection therewith.

Section 5. Determination of Standard of Conduct. Any indemnification under Sections 2 and 3 of this Article XII (unless ordered by a court) shall be paid by the Corporation only after a determination has been made (1) by the directors who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders, that indemnification of the director or officer is proper in the circumstances of the specific case because such person has met the applicable standard of conduct set forth in Sections 2 and 3 of this Article XII.

Section 6. Advance Payment; Representation by Corporation. Costs, charges and expenses (including attorneys' fees) incurred by a person referred to in Sections 2 and 3 of this Article XII in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding; provided, however, that the payment of such costs, charges and expenses incurred by a director or officer in such capacity as officer or director (and not in any other capacity and which service was or is rendered by such person while a director or officer) in advance of the final disposition of such action, suit or proceeding shall be made only upon receipt of an undertaking by or on behalf of the director or officer to repay all amounts so advanced in the event that it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation as authorized in this Article XII. Such costs, charges and expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. The Corporation may, in the manner set forth above, and upon approval of such director or officer, authorize the Corporation's counsel to represent such person, in any

action, suit or proceeding, whether or not the Corporation is a party to such action, suit or proceeding.

Section 7. Procedure for Obtaining Indemnity. Any indemnification under Sections 2, 3 and 4, or advance of costs, charges and expenses under Section 6, of this Article XII shall be made promptly, and in any event within sixty (60) days, of the written notice of the director or officer. The right to indemnification or advances as granted by this Article XII shall be enforceable by the director or officer in any court of competent jurisdiction if the Corporation denies such request, in whole or in part, or if no disposition thereof is made within sixty (60) days. Such person's costs and expenses incurred in connection with successfully establishing a right to indemnification or advancement of expenses, in whole or in part, in any action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 6 of this Article XII where the required undertaking, if any, has been received by the Corporation) that the claimant has not met the standard of conduct set forth in Section 2 or 3 of this Article XII, but the burden of proving such defense shall be on the Corporation. Neither failure of the Corporation (including its Board of Directors, its independent legal counsel, and its stockholders) to have made a determination that indemnification of the claimant is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 2 or 3 of this Article XII, nor the fact that there has been an actual determination by the Corporation (including its directors, its independent legal counsel and its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 8. Indemnification Not Exclusive. This right of indemnification shall not be deemed exclusive of any other rights to which a person indemnified herein may be entitled by law, agreement, vote of stockholders or disinterested directors or otherwise, and shall continue as to a person who has ceased to be a director, officer, designated officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and other legal representatives of such person. It is not intended that the provisions of this Article XII be applicable to, and they are not to be construed as granting indemnity with respect to, matters as to which indemnification would be in contravention of the laws of Delaware or of the United States of America, whether as a matter of public policy or pursuant to statutory provision.

Section 9. Invalidity of Certain Provisions. If this Article XII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director, officer, employee and agent of the Corporation or any subsidiary or operating division thereof as to costs, charges and expenses (including attorneys' fees),

judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including any action by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article XII that shall not have been invalidated and to the full extent permitted by applicable law.

Section 10. Miscellaneous. The Board of Directors may also on behalf of the Corporation grant indemnification to any individual other than a person defined herein to such extent and in such manner as the Board in its sole discretion may from time to time and at any time determine.

ARTICLE XIII
AMENDMENTS

These By-Laws may be altered, amended or repealed, and new By-Laws may be made, by the affirmative vote of a majority of the directors then in office.

Exhibit 4.1

[BORDER]

THIS CERTIFICATE IS
TRANSFERABLE IN
RIDGEFIELD PARK, NJ
OR NEW YORK, NY

COMMON SHARES

COMMON SHARES

Number
TR

Shares

TREX COMPANY, INC.

Incorporated Under the Laws of the State of Delaware

CUSIP 89531P 10 5
See Reverse For Certain Definitions

THIS CERTIFIES THAT

is the owner of

FULLY PAID AND NON-ASSESSABLE SHARES OF THE COMMON STOCK, PAR VALUE $0.01 PER SHARE, OF

Trex Company, Inc., transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

In Witness Whereof, the Corporation has caused this Certificate to be executed and attested to by the manual or facsimile signatures of its duly authorized officers, under a facsimile of its corporate seal to be affixed hereto.

Dated:

[CORPORATE SEAL]

TREX COMPANY, INC.

Countersigned and Registered:
ChaseMellon Shareholder Services, L.L.C.

TRANSFER AGENT
AND REGISTRAR

AUTHORIZED SIGNATURE

/s/ Robert G. Matheny

PRESIDENT

/s/ Anthony J. Cavanna

TREASURER

[Image of _____]

Upon request, the Corporation will furnish any holder of shares of Common Stock of the Corporation, without charge, with a full statement of the powers, designations, preferences and relative, participating, optional or other special rights of any class or series of capital stock of the Corporation, and the qualifications, limitations or restrictions of such preferences and/or rights.

The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors
Act _____
(State)

Additional abbreviations may also be used though not in the above list.

For value received _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(Please print or typewrite name and address, including postal zip code of assignee)

_____ Shares of Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said Stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

In presence of

- ----------

- ----------

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THIS CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed:

- ----------

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO SEC RULE 17Ad-15.

EXHIBIT 10.5

CONTRIBUTION AND EXCHANGE AGREEMENT

March 19, 1999

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THIS CONTRIBUTION AND EXCHANGE AGREEMENT (this "Agreement") is made as of this 19th day of March 1999 among Trex Company, Inc., a Delaware corporation (the "Corporation"), TREX Company, LLC, a Delaware limited liability company (the "Company"), the members of the Company identified on the signature pages of this Agreement (individually, a "Member" and collectively, the "Members") and those persons identified on the signature pages of this Agreement as beneficial owners (hereinafter referred to individually as a "Class B Beneficial Owner" and collectively as the "Class B Beneficial Owners").

RECITALS

A. In connection with the capitalization of the Company on August 29, 1996, the Company, the Members and the Class B Beneficial Owners entered into certain agreements, including (i) the Limited Liability Company Agreement dated as of August 29, 1996, as amended as of the date hereof (the "LLC Agreement"), among the Members, the Class B Beneficial Owners and Mobil Oil Corporation (the "Preferred Member"); (ii) the Members' Agreement dated as of August 29, 1996, as amended as of June 15, 1998 and as of the date hereof (the "Members' Agreement"), among the Company, the Members and the Class B Beneficial Owners; and (iii) the Securities Purchase Agreements dated as of August 29, 1996, as amended as of March 1, 1997 and as of December 15, 1997 (the "Securities Purchase Agreements"), between the Company and certain of the Members and Class B Beneficial Owners.

B. As of the date hereof, (i) the Company owns all of the issued and outstanding common stock, $.01 par value per share (the "Common Stock"), of the Corporation, (ii) each Member owns of record the class, number and percentage of the outstanding junior limited liability company interests in the Company (the "Membership Interests") set forth on Schedule I hereto and (iii) each Class B Beneficial Owner owns beneficially the class, number and percentage of the outstanding junior limited liability company interests in the Company set forth on Schedule I hereto.

C. The Corporation has filed a registration statement (file no. 333-63287) (as amended from time to time, the "Registration Statement") with the Securities and Exchange Commission (the "SEC") covering the initial public offering of the Common Stock by the Corporation and certain of its stockholders (the "IPO") under the Securities Act of 1933, as amended (the "Securities Act").

D. On the Reorganization Closing Date (as defined in Section 1.1), in accordance with the terms and conditions of the LLC Agreement and the Members' Agreement, the Company, the Corporation and the Members will complete the transactions described in Section 1.2 (collectively, the

"Reorganization") as a result of which, among other things, the Members will acquire all of the Common Stock issued and outstanding prior to the IPO and the Corporation will acquire all of the issued and outstanding Membership Interests.

E. Concurrently with the consummation of the Reorganization, the Preferred Member will exchange all of the outstanding preferred limited liability company interests in the Company for a promissory note of the Corporation in an original principal amount calculated in accordance with the LLC Agreement and payable in full on the IPO closing date (the "Preferred Units Exchange").

F. Following the Reorganization and the Preferred Units Exchange, the Corporation will consummate the IPO.

G. The Company, the Corporation, the Members and the Class B Beneficial Owners wish to set forth herein their agreement concerning the Reorganization and related matters.

AGREEMENT

ARTICLE I

REORGANIZATION

1.1 Closing Date and Location. The Reorganization shall be consummated on the date (the "Reorganization Closing Date") on which, and, except as provided in the following sentence, immediately following the time at which, the Corporation, the stockholders offering Common Stock in the IPO (the "Selling Stockholders") and the managing underwriters of the IPO (the "Underwriters") have determined the initial public offering price (the "IPO Price") of the Common Stock (such determination, the "IPO Pricing") and have executed an underwriting agreement providing for the purchase of the Common Stock by the Underwriters at the IPO Price (the "Underwriting Agreement"). By mutual agreement of the parties, the Company may make the LLC Distribution described in Section 1.2.1 before the IPO Pricing. The Reorganization Closing Date shall occur on the business day immediately preceding the business day on which the SEC issues an order of effectiveness under the Securities Act with respect to the Registration Statement. The closing of the Reorganization (the "Reorganization Closing") shall occur at the offices of Hogan & Hartson L.L.P. located at 555 Thirteenth Street, N.W., Washington, D.C. 20004-1190, or at such other location as the parties shall designate by mutual agreement.

1.2 Transactions. The Reorganization shall consist of the transactions described in this Section 1.2, which the parties shall consummate in the order set forth in this Section 1.2.

1.2.1 Special Cash Distribution.

(a) The Company shall make a special cash distribution to each Member (the special cash distribution payable to the Members, the "LLC Distribution"), which shall consist of (i) an amount representing a return of such Member's capital, as set forth opposite such Member's name on Schedule II hereto, and (ii) an amount representing the amount of the previously recognized and undistributed taxable income of the Company through the Reorganization Closing Date on which such Member has paid income tax before the Reorganization Closing Date or will pay income tax from and after the Reorganization Closing Date (the "Taxable Income Amount"). The Company shall make the LLC Distribution, pro rata to the Members based on the amounts set forth on Schedule II hereto, by wire transfer of immediately available funds or other method of payment mutually acceptable to the parties to the extent of its cash available for such distribution on the Reorganization Closing Date. If the Company does not pay any Member in cash on the Reorganization Closing Date the entire amount of the LLC Distribution payable to such Member, the Company shall issue to such Member a promissory note or notes in the form of Exhibit A hereto in the original principal amount equal to the unpaid portion of such LLC Distribution (each such promissory note, an "LLC Distribution Note"). Each LLC Distribution Note issued to a Member shall be payable in full not later than the second business day after the closing date of the IPO (the "IPO Closing Date") or any later date agreed to by the Company and such Member.

(b) Each Member acknowledges that the Taxable Income Amount paid to such Member as of the payment date specified in Section 1.2.1(a) will represent the Company's estimate of such Taxable Income Amount as of such payment date. Not later than the second business day prior to the Reorganization Closing Date, the Company shall furnish to each Member a notice setting forth the Company's calculation of such estimated Taxable Income Amount. Promptly after the Company calculates the actual Taxable Income Amount payable to each Member, which shall occur not later than 90 days after the Reorganization Closing Date, the Company shall furnish to such Member a written notice setting forth such calculation in reasonable detail. If the estimated Taxable Income Amount paid to a Member is less than the actual Taxable Income Amount, the Company shall pay the amount of such shortfall to such Member within 15 business days after the date on which the Company furnishes the foregoing notice to such member. If the estimated Taxable Income Amount paid to a Member exceeds the actual Taxable Income Amount, such Member shall pay the amount of such excess to the Company by wire transfer of immediately available funds within 15 business days after such

Member receives the foregoing notice from the Company. Notwithstanding the foregoing provisions of this Section 1.2.1(b), any Member that disagrees with the Company's calculation of the actual Taxable Income Amount may deliver a notice to the Company objecting to such calculation within 15 days following such Member's receipt of the Company's notice and calculation. Such Member shall send a copy of its notice of objection to the other Members at the same time it delivers such notice to the Company. If the Company and such Member do not resolve their disagreement regarding the Company's calculation within ten days after such Member has sent its notice of objection to the Company, the calculation of the actual Taxable Income Amount shall be made by the independent public accountants of the Corporation, whose calculation shall be binding on the Company and all Members.

1.2.2 Conversion of Class B Units. Following the LLC Distribution, the Members holding of record the Class B Units in the Company (the "Institutional Members") shall convert all 1,000 issued and outstanding Class B Units into 1,000 issued and outstanding Class A Units in the Company pursuant to Section 1.2(3) of the LLC Agreement (the "Conversion"). Following the Conversion, each Institutional Member shall hold of record a number of Class A Units which is equal to the number of Class B Units shown as held of record opposite such Institutional Member's name on Schedule I hereto.

1.2.3 Exercise of Repurchase Option.

(a) Immediately following the Conversion, the Company shall exercise its option to repurchase Class A Units from the Institutional Members granted to the Company in Section 8 of the Members' Agreement (the "Repurchase Option"). In accordance with Section 8 of the Members' Agreement, the Company shall repurchase ratably from the Institutional Members, and the Institutional Members shall sell ratably to the Company, at a purchase price of $.01 per Class A Unit, that number of Class A Units which shall result, after such repurchase, in the Institutional Members collectively retaining Class A Units representing at least 10% of the Class A Units of the Company on a fully diluted basis. Without limiting Section 8 of the Members' Agreement, the Company, the Members and the Class B Beneficial Owners agree that if the IPO Price for the sale of not fewer than 3,250,000 shares of Common Stock by the Corporation is a minimum of $9.41 per share (the "Minimum IPO Price"), the Company shall have the right to repurchase from each Institutional Member, and each Institutional Member shall be obligated to sell to the Company, the number of Class A Units set forth opposite such Institutional Member's name on Schedule III hereto. The calculation of the Minimum IPO Price is set forth on Schedule IV hereto.

(b) By executing this Agreement, the Institutional Members and the Class B Beneficial Owners agree that (i) the Company has satisfied in full

its obligation to furnish the Institutional Members with notice of exercise of the Repurchase Option required by Section 8(b) of the Members' Agreement, including all calculations and any other information required to be specified therein, provided that the Underwriting Agreement obligates the parties thereto to consummate the IPO at the Minimum IPO Price or at any higher IPO Price, and (ii) the Institutional Members and the Class B Beneficial Owners agree with the Company's calculations forming part of such notice and waive any right they may have under Section 8(b) of the Members' Agreement to disagree with or object to such calculations, provided that the Underwriting Agreement obligates the parties thereto to consummate the IPO at the Minimum IPO Price or at any higher IPO Price. If the Corporation, the Selling Stockholders and the Underwriters determine to consummate the IPO at a price which is lower than the Minimum IPO Price, the Company shall have satisfied in full its obligation to furnish the Institutional Members with notice of exercise of the Repurchase Option required by Section 8(b) of the Members' Agreement, including all calculations and any other information required to be specified therein, if the Company furnishes to the Selling Stockholders its calculation of the number of Class A Units subject to the Repurchase Option not later than the business day immediately preceding the day on which the Underwriting Agreement is executed; provided, however, that the Institutional Members shall be entitled to exercise any right they may have under Section 8(b) of the Members' Agreement to disagree with or to object to such calculation.

(c) The Company shall have satisfied its obligation under Section 8(a) of the Members' Agreement to pay in full the Notes, together with all accrued interest and Prepayment Premium, if any, thereon in accordance with the terms of the Securities Purchase Agreements (as the terms "Notes" and "Prepayment Premium" are defined in the Securities Purchase Agreements) when the Company makes, or causes the Corporation on its behalf to make, the payments provided for in Section 7.1 (the "Note Payments").

1.2.4 Contribution and Exchange.

(a) Immediately following consummation of the Repurchase Option, each Member shall contribute to the Corporation all of the Membership Interests of such Member. In exchange for such contribution of Membership Interests by all Members (such contribution and exchange together, the "Exchange"), the Corporation shall issue to each Member the percentage of the shares of Common Stock issued to all Members pursuant to this Section 1.2.4 which is equal to such Member's percentage of the outstanding Membership Interests contributed by all Members to the Corporation pursuant to this Section 1.2.4 (the shares of Common Stock issued to the Members in the Exchange, the "Reorganization Common Stock"). If the Underwriting Agreement obligates the parties thereto to consummate the IPO at the Minimum IPO Price or at any higher IPO Price, the Corporation shall issue to each Member the number of shares of

Reorganization Common Stock set forth opposite such Member's name on Schedule V hereto.

(b) The Corporation and the Members shall consummate the Exchange pursuant to Section 351 of the Internal Revenue Code of 1986, as amended (the "Code"). No party hereto shall take or omit to take any action, or permit any of its affiliates to take or omit to take any action, that would affect adversely or that would be reasonably likely to affect adversely the qualification of the Exchange as a tax-free transaction described in Code Section 351(a). Each party hereto shall treat the Exchange for all tax purposes as a tax-free transaction described in Code Section 351(a).

(c) Concurrently with consummation of the Exchange, the Corporation shall cancel the Common Stock owned by the Company prior to the Exchange and shall reflect such cancellation in its stock transfer records.

1.3 Compliance With Agreements. The Company, the Members and the Class B Beneficial Owners agree that the Reorganization shall be consummated in accordance with the terms of this Agreement, including the terms of the LLC Agreement, the Members' Agreement and the Securities Purchase Agreements expressly incorporated by reference herein, and that compliance with this Agreement shall constitute compliance with the LLC Agreement, the Members' Agreement and the Securities Purchase Agreements in respect of the transactions constituting the Reorganization and the Note Payments.

1.4 Compliance With LLC Act. The Company shall consummate the Repurchase Option and the LLC Distribution in compliance with Section 18-607 of the Limited Liability Company Act of the State of Delaware.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation hereby represents and warrants to each Member and each Class B Beneficial Owner as follows:

2.1 Organization, Qualifications and Corporate Power.

(a) The Corporation is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or

qualification, except where the failure to be so qualified or licensed would not have a material adverse effect on the operating results, financial condition or business of the Corporation and the Company considered as a single enterprise (a "Material Adverse Effect"). The Corporation has the corporate power and authority (i) to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted and (ii) to execute, deliver and perform this Agreement.

(b) The Corporation has delivered to each Member accurate and complete copies of the Corporation's certificate of incorporation and bylaws as in effect on the date hereof and the forms of the Corporation's restated certificate of incorporation (the "Restated Certificate of Incorporation") and amended and restated bylaws that shall be in effect immediately prior to the Reorganization.

2.2 Validity. The execution, delivery and performance by the Corporation of (i) this Agreement and (ii) the Purchase Agreement (as such term is defined in Section 5.1(e)) and the other agreements, documents and instruments required to be delivered by the Corporation pursuant to Section 5.2.1 in connection herewith (the "Corporation Related Documents"), and the consummation or performance by the Corporation of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of the Corporation, other than the filing of the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. This Agreement constitutes the legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.3 Noncontravention; Consents.

(a) Neither the execution and delivery by the Corporation of this Agreement or the Corporation Related Documents, nor the consummation or performance by the Corporation of any of the transactions to be consummated or performed by it hereunder or thereunder, shall directly or indirectly (i) violate any provision of the Corporation's certificate of incorporation or bylaws, (ii) contravene, result in any breach of, or constitute a default under, or result in the creation of any mortgage, lien, pledge, charge, security interest or other encumbrance (a "Lien") in respect of any property of the Corporation under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease or any other agreement or instrument to which the Corporation is a party or by which the Corporation or any of its properties or assets may be bound or affected, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or federal, state or municipal entity properly

exercising executive, legislative, judicial, regulatory or administrative functions of government (a "Governmental Authority") applicable to the Corporation or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Corporation.

(b) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority on the part of the Corporation is required in connection with the consummation of the transactions contemplated by this Agreement or any Corporation Related Documents, except for the filing of the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, the filing of Form D with the SEC and the filing of Form D and other documents with state securities authorities.

2.4 Authorized Capital Stock. Immediately prior to the Reorganization, the authorized capital stock of the Corporation shall consist of (i) 40,000,000 shares of Common Stock, of which 100 shares will be issued and outstanding and owned by the Company, and (ii) 3,000,000 shares of Preferred Stock, $.01 par value per share (the "Preferred Stock"), none of which will be issued and outstanding. Immediately following consummation of the Reorganization, the authorized capital stock of the Corporation shall consist of (i) 40,000,000 shares of Common Stock, of which 10,250,000 shares will be issued and outstanding and owned by the Members, as set forth on Schedule IV hereto, and (ii) 3,000,000 shares of Preferred Stock, none of which will be issued and outstanding. Except as authorized or contemplated by this Agreement, the Members' Agreement, the Registration Rights Agreement (as such term is defined in Section 5.2.1(f)), the Corporation's 1999 Stock Option and Incentive Plan, the Corporation's 1999 Incentive Plan for Outside Directors, the Company's 1999 Employee Stock Purchase Plan or the Underwriting Agreement, there shall not exist immediately prior to or immediately after the consummation of the Reorganization, (i) any subscription, warrant, option, convertible security or other right to purchase or otherwise acquire Common Stock or other equity securities of the Corporation from the Corporation or (ii) any commitment by the Corporation to issue Common Stock or other equity securities or any such subscriptions, warrants, options, convertible securities or other rights or to repurchase or redeem Common Stock or other equity securities or to make any other payment or distribution in respect thereof.

2.5 Validly Issued, Fully Paid and Nonassessable Common Stock. When issued in accordance with this Agreement, the Reorganization Common Stock shall be validly issued, fully paid and nonassessable with no personal liability attaching to the ownership thereof, and shall be free and clear of all Liens imposed by or through the Corporation, except as set forth in the Registration Rights Agreement. Neither the issuance nor the delivery of the Reorganization Common Stock is subject to any preemptive or any other similar right of any stockholder of the Corporation or of any other person.

2.6 Securities Registration Requirements. The offer, issuance and delivery by the Corporation of the Reorganization Common Stock in accordance with this Agreement may be effected without registration of the Reorganization Common Stock under the Securities Act or applicable state securities laws.

2.7 No Prior Activities. The Corporation has not conducted any business or engaged in any activity other than any business or activity related to its organization, the IPO and the transactions contemplated by this Agreement and the Corporation Related Documents.

2.8 Disclosure. The representations and warranties by the Corporation in this Section 2 do not contain an untrue statement of a material fact or omit a material fact necessary to make the statements contained in this Article II, in the light of the circumstances under which they are made, not misleading.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to each Member and each Class B Beneficial Owner as follows:

3.1 Organization, Qualifications and Power. The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign limited liability company and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification, except where the failure to be so qualified or licensed would not have a Material Adverse Effect. The Company has the power and authority as a limited liability company (i) to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted and (ii) to execute, deliver and perform this Agreement.

3.2 Validity. The execution, delivery and performance by the Company of (i) this Agreement and (ii) the Purchase Agreement and the other agreements, documents and instruments required to be delivered by the Company pursuant to Section 5.2.2 (the "Company Related Documents"), and the consummation or performance by the Company of the transactions contemplated hereby and thereby, have been duly authorized by all necessary action of the Company as a limited liability company. This Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i)

applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 Noncontravention; Consents.

(a) Neither the execution and delivery by the Company of this Agreement or the Company Related Documents, nor the consummation or performance by the Company of any of the transactions to be consummated or performed by it hereunder or thereunder, shall directly or indirectly (i) violate any provision of the Company's certificate of formation or the LLC Agreement, (ii) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease or any other agreement or instrument to which the Company is a party or by which the Company or any of its properties or assets may be bound or affected, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Company or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company.

(b) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement or any Company Related Documents, except for such consents, approvals, authorizations or orders that have been obtained.

3.4 Ownership of Capital Stock. The Company owns beneficially and of record all of the issued and outstanding shares of capital stock of the Corporation.

3.5 No Default or Event of Default. No Default or Event of Default (as such terms are defined in the Securities Purchase Agreements) with respect to the Company exists under any Securities Purchase Agreement.

3.6 Securities Registration Requirements. The offer, issuance and delivery by the Company of the LLC Distribution Notes in accordance with this Agreement may be effected without registration of the LLC Distribution Notes under the Securities Act or applicable state securities laws.

3.7 Disclosure. The representations and warranties by the Company in this Section 3 do not contain an untrue statement of a material fact or

omit a material fact necessary to make the statements contained in this Article III, in the light of the circumstances under which they are made, not misleading.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE MEMBERS AND CLASS B BENEFICIAL OWNERS

Each Member and, to the extent indicated below, Class B Beneficial Owner hereby represents and warrants, severally as to itself, to the Corporation and to each other Member and Class B Beneficial Owner as follows:

4.1 Validity.

(a) Such Member or Class B Beneficial Owner has the legal power and authority to execute, deliver and perform this Agreement.

(b) The execution, delivery and performance of this Agreement by such Member, if such Member is an Institutional Member, or Class B Beneficial Owner, and the consummation or performance by such Institutional Member or Class B Beneficial Owner of the transactions contemplated by this Agreement, have been duly authorized by all necessary action on the part of such Institutional Member or Class B Beneficial Owner.

(c) This Agreement constitutes the legal, valid and binding obligation of such Member or Class B Beneficial Owner, enforceable against such Member or Class B Beneficial Owner in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.2 Noncontravention; Consents.

(a) Neither the execution and delivery of this Agreement by such Member or Class B Beneficial Owner, nor the consummation or performance by such Member or Class B Beneficial Owner of any of the transactions to be consummated or performed by such Member or Class B Beneficial Owner pursuant hereto, shall directly or indirectly (i) violate any provision of the organizational documents of such Member, if such Member is an Institutional Member, or Class B Beneficial Owner, (ii) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Member or Class B Beneficial Owner under, any indenture, mortgage, deed of trust,

loan, purchase or credit agreement, lease or any other agreement or instrument to which such Member or Class B Beneficial Owner is a party or by which such Member or Class B Beneficial Owner or any properties or assets of such Member or Class B Beneficial Owner may be bound or affected, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to such Member or Class B Beneficial Owner or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Member or Class B Beneficial Owner.

(b) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority on the part of such Member or Class B Beneficial Owner is required in connection with the consummation of the transactions contemplated hereby.

4.3 Title to Membership Interests. Such Member is the record owner, and such Class B Beneficial Owner is the beneficial owner, of the Membership Interests set forth opposite the name of such Member or Class B Beneficial Owner on Schedule II hereto. Such Member or Class B Beneficial Owner has as of the date of this Agreement, and on the Reorganization Closing Date shall have and shall convey to the Corporation, free and clear of all Liens, valid legal title or full beneficial interest, as the case may be, to the Membership Interests to be contributed by such Member to the Corporation pursuant to Section 1.2.3.

4.4 Investment Representations.

(a) Such Member is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act.

(b) If such Member is a natural person (a "Management Member"), such Member is acquiring the Reorganization Common Stock and any LLC Distribution Note for his own account for investment only and not with the current intention of making a distribution thereof. If such Member is an Institutional Member, such Institutional Member is acquiring the Reorganization Common Stock and any LLC Distribution Note for its own account or for one or more separate accounts maintained by it, or for or on behalf of a Class B Beneficial Owner, and not with the current intention of making a distribution thereof, except as described in the Registration Statement; provided, however, that the disposition of the property of such Institutional Member or Class B Beneficial Owner at all times shall be within the control of such Institutional Member or Class B Beneficial Owner.

(c) Such Member or Class B Beneficial Owner understands that the Reorganization Common Stock and any LLC Distribution Note to be issued to such Member has not been registered under the Securities Act or applicable state

securities laws and may be sold, transferred or otherwise disposed of only if the Reorganization Common Stock or LLC Distribution Note subject to such sale, transfer or other disposition is registered pursuant to the Securities Act and other applicable securities laws or if an exemption from such registration is available.

(d) Such Member or Class B Beneficial Owner is capable of evaluating the merits and risks of an investment in the Corporation and has been afforded the opportunity to obtain any information deemed necessary by such Member or Class B Beneficial Owner concerning the Corporation, the Common Stock and the terms and conditions of such investment.

ARTICLE V

REORGANIZATION CLOSING

5.1 Conditions to the Obligations of the Parties. Each party's several obligations to take the actions required to be taken by such party at the Reorganization Closing is subject to the satisfaction, at or prior to the Reorganization Closing Date, of each of the following conditions (any of which may be waived by such party, in whole or in part):

(a) The representations and warranties of each other party contained in this Agreement shall be true on and as of the Reorganization Closing Date with the same effect as though such representations and warranties had been made by such party on and as of the Reorganization Closing Date.

(b) The Corporation and the Company shall have performed all obligations required pursuant to the terms of this Agreement to be performed or observed by them on or prior to the Reorganization Closing Date.

(c) There shall be no injunction, writ, preliminary restraining order or other order in effect of any nature issued by a court or governmental agency of competent jurisdiction directing that the transactions contemplated hereby not be consummated in the manner provided for in this Agreement. No action or proceeding shall have been instituted and remain pending before a court or other governmental body of competent jurisdiction to restrain, prohibit or otherwise challenge any of the transactions contemplated hereby (or seeking material damages from any party as a result thereof), other than any such action or proceeding which would not have a Material Adverse Effect or prevent any party from performing its obligations hereunder.

(d) The IPO Pricing shall have occurred and the Underwriting Agreement shall have been executed by the Corporation, the Selling Stockholders

and the Underwriters, except as otherwise provided in Section 1.1 with respect to the LLC Distribution.

(e) The Corporation shall concurrently have consummated the Preferred Units Exchange on the terms and conditions set forth in the Preferred Units Exchange Agreement dated as of the date hereof among the Corporation, the Company and the Preferred Member (the "Preferred Units Exchange Agreement"), a true and complete copy of which has been delivered by the Company to all of the Members and the Class B Beneficial Owners.

(f) The parties shall have delivered the documents described in Section 5.2.

5.2 Documents Delivered at Reorganization Closing.

5.2.1 Documents Delivered by the Corporation. The Corporation shall deliver copies of the following documents to the Company and the Members at the Reorganization Closing, except for the document specified in Section 5.2.1(h), which shall be delivered to the Institutional Members:

(a) the Restated Certificate of Incorporation, certified by the Secretary of State of the State of Delaware and dated a recent date prior to the Reorganization Closing Date;

(b) a good standing certificate with respect to the Corporation from the Secretary of State of the State of Delaware dated a recent date prior to the Reorganization Closing Date;

(c) resolutions of the Board of Directors of the Corporation approving and authorizing the execution, delivery and performance of this Agreement and the Corporation Related Documents, and the transactions contemplated hereby and thereby, certified as of the Reorganization Closing Date by the Secretary or an Assistant Secretary of the Corporation as being in full force and effect without modification or amendment;

(d) a signature and incumbency certificate of the officers of the Corporation executing this Agreement or other documents in connection with this Agreement;

(e) the certificates representing the Reorganization Common Stock duly issued by and executed on behalf of the Corporation;

(f) an executed counterpart of the Registration Rights Agreement in the form of Exhibit B hereto (the "Registration Rights Agreement");

(g) a certificate of the Chief Financial Officer of the Corporation dated the Reorganization Closing Date, certifying that the Corporation has fulfilled the conditions specified in Sections 5.1(a), 5.1(b) and 5.1(e) to be fulfilled by the Corporation and that the condition specified in Section 5.1(d) has been satisfied;

(h) an opinion of Hogan & Hartson L.L.P., special counsel to the Corporation, in substantially the form of Exhibit C hereto; and

(i) such other documents as the Company or any Member may reasonably request.

5.2.2 Documents Delivered by the Company. The Company shall deliver copies of the following documents to the Corporation and the Members at the Reorganization Closing, except for the document specified in Section 5.2.2(h), which shall be delivered to the Members, and the document specified in Section 5.2.2(j), which shall be delivered to the Institutional Members:

(a) the Company's Certificate of Formation, certified by the Secretary of State of the State of Delaware and dated a recent date prior to the Reorganization Closing Date;

(b) a good standing certificate with respect to the Company from the Secretary of State of the State of Delaware dated a recent date prior to the Reorganization Closing Date;

(c) resolutions of the Board of Managers of the Company approving and authorizing the execution, delivery and performance of this Agreement and the Company Related Documents, and the transactions contemplated hereby and thereby, certified as of the date of the Reorganization Closing Date by the Chief Financial Officer of the Company as being in full force and effect without modification or amendment;

(d) a signature and incumbency certificate of the officers of the Company executing this Agreement or other documents in connection with this Agreement;

(e) certificates representing the Class A Units to be issued by the Company to each Institutional Member upon consummation of the Conversion, duly executed on behalf of the Company;

(f) evidence of payment of the Repurchase Option price to the Institutional Members;

(g) cross-receipts executed by the Company acknowledging receipt from each Institutional Member of such Institutional Member's Class A Units tendered pursuant to exercise of the Repurchase Option;

(h) if applicable, an LLC Distribution Note payable to each Member, duly executed by the Corporation;

(i) a certificate of the Chief Financial Officer of the Company dated the Reorganization Closing Date, certifying that the Company has fulfilled the conditions specified in Sections 5.1(a) and 5.1(b) to be fulfilled by the Company;

(j) an opinion of Hogan & Hartson L.L.P., special counsel to the Company, in substantially the form of Exhibit C hereto; and
---

(k) such other documents as the Corporation or any Member may reasonably request.

5.2.3 Documents Delivered by the Institutional Members. Each

Institutional Member shall deliver copies of the following documents to the Corporation, the Company and each other Member at the Reorganization Closing:

(a) the certificate or certificates representing such Institutional Member's Class B Units, accompanied by appropriate instruments of transfer endorsed to the Company, for cancellation upon the books of the Company following consummation of the Conversion;

(b) the certificate or certificates representing the portion of such Institutional Member's Class A Units to be sold to the Company pursuant to the Repurchase Option, accompanied by appropriate instruments of transfer endorsed to the Company, for cancellation upon the books of the Company following consummation of the Repurchase Option;

(c) the certificate or certificates representing the portion of such Institutional Member's Class A Units to be contributed to the Company pursuant to the Exchange, accompanied by appropriate instruments of transfer endorsed to the Company;

(d) a cross-receipt executed by such Institutional Member acknowledging receipt of payment from the Company of the Repurchase Option price for such Institutional Member's Class A Units;

(e) an executed counterpart of the Registration Rights Agreement; and

(f) such other documents as the Corporation, the Company or any other Member may reasonably request.

The delivery by such Institutional Member of the foregoing documents shall be deemed to constitute a certification that such Institutional Member has fulfilled the condition specified in Section 5.1(a) to be fulfilled by such Institutional Member and the delivery by CIG & Co. of the foregoing documents shall be deemed to constitute a certification that each Class B Beneficial Owner has fulfilled the condition specified in Section 5.1(a) to be fulfilled by such Class B Beneficial Owner.

5.2.4 Documents Delivered by the Management Members. Each Management Member shall deliver copies of the following documents to the Corporation, the Company and each other Member at the Reorganization Closing:

(a) an executed counterpart of the Registration Rights Agreement;

(b) the certificate or certificates representing the portion of such Management Member's Class A Units to be contributed by such Member to the Company pursuant to the Exchange, accompanied by appropriate instruments of transfer endorsed to the Company; and

(c) a certificate dated the Reorganization Closing Date, certifying that such Management Member has fulfilled the condition specified in Section 5.1(a) to be fulfilled by such Management Member.

ARTICLE VI

COVENANTS

6.1 Restated Certificate of Incorporation. The Corporation shall file the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on or before the Reorganization Closing Date.

6.2 Consents and Waivers. The Corporation and the Company shall use their best efforts to obtain as promptly as practicable, and in any event prior to the IPO Pricing, all consents, approvals or waivers from third parties necessary to permit them to consummate the Reorganization and the Preferred Units Exchange.

6.3 Further Assurances. Each party shall execute and deliver such additional instruments, documents or other writings as may be reasonably requested by any other party, before or after the Reorganization Closing Date, in

order to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

ARTICLE VII

NOTE PAYMENTS AND RELATED MATTERS

The Company agrees as follows with The Lincoln National Life Insurance Company, CIG & Co. and each Class B Beneficial Owner, acting in its capacity as a Purchaser under the Securities Purchase Agreement between it and the Company (each reference in this Article VII to the Securities Purchase Agreement being to such Securities Purchase Agreement) and as a record or beneficial holder of Notes issued by the Company pursuant to the Securities Purchase Agreement (each reference in this Article VII to the Notes being to such Notes), with respect to the Securities Purchase Agreement and the Notes:

7.1 Note Payments. On the first to occur of the IPO Closing Date and the date which is the sixth business day following the Reorganization Closing Date, the Company shall pay, or shall cause the Corporation on its behalf to pay, the Notes, together with all accrued interest and Prepayment Premium, if any, thereon held of record by The Lincoln National Life Insurance Company and CIG & Co. in accordance with the terms of the Securities Purchase Agreement, as required by Section 8(a) of the Members' Agreement; provided, however, that, in connection with the prepayment of the Notes pursuant to this Section 7.1, The Lincoln National Life Insurance Company, CIG & Co. and each Class B Beneficial Owner hereby waive the Company's compliance with provisions of the Securities Purchase Agreement relating to notice, source of funds and other conditions to prepayment of the Notes, to the extent such provisions are not satisfied hereby. CIG & Co. hereby confirms to the Company that prepayment of the Notes held by CIG & Co. shall be made in accordance with the wire instructions set forth in Schedule A to the Securities Purchase Agreement. Prepayment of the Notes held by The Lincoln National Life Insurance Company shall be made by wire transfer in accordance with wire instructions furnished to the Company not later than the business day preceding the payment date.

7.2 Consent and Waiver. The Lincoln National Life Insurance Company, CIG & Co. and each Class B Beneficial Owner hereby consent to (and hereby waive any objections any of them may have under the Securities Purchase Agreement or the Notes with respect to) the foregoing: (i) the formation and initial capitalization of the Corporation and (assuming the accuracy of the Corporation's representation and warranty in Section 2.7) the business and activity of the Corporation through the date hereof; (ii) the consummation of the IPO as described in the Registration Statement;

(iii) the consummation of the Reorganization and the Note Payments pursuant hereto; (iv) the consummation of the Preferred Units Exchange pursuant to the Preferred Units Exchange Agreement; (v) the termination as of the Reorganization Closing Date of the Class A Members' Agreement dated as of August 29, 1996 among the Management Members; and (vi) the termination as of the IPO Closing Date of the employment agreements between the Company and each of the Management Members. The Lincoln National Life Insurance Company, CIG & Co. and each Class B Beneficial Owner also hereby waive the Company's compliance with Section 10.4(a) of the Securities Purchase Agreement for six business days following the Reorganization Closing Date.

7.3 Amendment of Securities Purchase Agreement and Notes. Section 7.2 constitutes a waiver under the Securities Purchase Agreement and the Notes that complies with the requirements of the Securities Purchase Agreement and the Notes for a legally effective and binding amendment and waiver, including, without limitation, the requirements of Section 17 of the Securities Purchase Agreement.

7.4 Termination of Securities Purchase Agreement. The Company, The Lincoln National Life Insurance Company, CIG & Co. and each Class B Beneficial Owner agree that, effective as of the time and date of the payment in full of the amounts referred to in Section 7.1, the Securities Purchase Agreement shall terminate (except to the extent provided in Section 15 of the Securities Purchase Agreement) and have no further legal force or effect.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

8.2 Entire Agreement. This Agreement, including the Schedules and the Exhibits hereto, the other documents delivered expressly hereby and the Members' Agreement, the LLC Agreement and the Securities Purchase Agreements to the extent specifically incorporated by reference herein constitute the entire agreement among the parties with respect to the subject matter hereof and supersede any prior understandings, agreements or representations, written or oral, by or among the parties hereto that may have related in any way to the subject matter hereof.

8.3 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective

successors and permitted assigns. No party hereto may assign either this Agreement or any of such party's rights, interests or obligations hereunder without the prior written consent of the other parties hereto.

8.4 Facsimile Execution; Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto, and an executed copy of this Agreement may be delivered by one or more parties hereto by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

8.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given when actually received and shall be sent as follows: (i) by personal delivery to the party to be notified; (ii) by telex or facsimile; (iii) by registered or certified mail, return receipt requested, postage prepaid; or (iv) by a nationally recognized overnight courier, specifying next day delivery. All communications shall be sent to the parties hereto at the respective addresses set forth below, or as notified by any party or, from time to time at least ten days prior to the effectiveness of such notice:

If to the Corporation:

Trex Company, Inc.
20 South Cameron Street
Winchester, VA 22601
Attn.: Anthony J. Cavanna
Fax: (540) 678-0886

If to the Company:

TREX Company, LLC
20 South Cameron Street
Winchester, VA 22601
Attn.: Anthony J. Cavanna
Fax: (540) 678-0886

If to CIG & Co. and any Class B Beneficial Owner:

c/o CIGNA Investments, Inc.
900 Cottage Grove Road
Hartford, CT 06152-2307
Attn: Private Securities Division S-307
Fax: (860) 726-7203

If to The Lincoln National Life Insurance Company:

200 East Berry Street
Renaissance Square
Fort Wayne, Indiana 46802

If to any Management Member:

c/o Trex Company, Inc.
20 South Cameron Street
Winchester, VA 22601
Fax: (540) 678-0886

8.6 GOVERNING LAW. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK.

8.7 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless such amendment shall be in writing and signed by all of the parties hereto. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No such waiver shall be effective unless in a writing duly executed by the party from whom the waiver is sought.

8.8 Severability. Each term and provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and

provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

8.9 Interpretation. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party. The various Article and Section headings are inserted for purposes of reference only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

8.10 Specific Performance. Each party hereto acknowledges and agrees that the other parties hereto would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each party hereto agrees that the other parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, in addition to any other remedy to which the other parties may be entitled at law or in equity.

8.11 Obligations Several and Not Joint. The obligations of the parties under this Agreement are several and not joint, and no party hereto shall be liable for any act or omission of any other party hereto.

8.12 Termination of Agreement. This Agreement shall terminate and be of no further force or effect if the IPO Pricing does not occur on or before June 30, 1999; provided, however, that no termination of this Agreement pursuant to this Section 8.12 shall relieve any party hereto of any liability for any default by such party hereunder occurring prior to such termination.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

CORPORATION:

TREX COMPANY, INC.

By: /s/ Robert G. Matheny
_____
Name: Robert G. Matheny
Title:President

COMPANY:

TREX COMPANY, LLC

By: /s/ Robert G. Matheny
_____
Name: Robert G. Matheny
Title:President

INSTITUTIONAL MEMBERS:

CIG & CO.

By: /s/ Stephen A. Osborn
_____
Name: Stephen A. Osborn
Title: Partner

THE LINCOLN NATIONAL LIFE
INSURANCE COMPANY

By: Lincoln Investment Management
Company, its Attorney-in-Fact

By: /s/ R. Gordon Marsh

Name: R. Gordon Marsh
Title: Vice President

CLASS B BENEFICIAL OWNERS:

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY, on behalf of
one or more separate accounts

By: CIGNA Investments, Inc.,
authorized agent

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Title: Managing Director

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY

By: CIGNA Investments, Inc.,
authorized agent

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Title: Managing Director

LIFE INSURANCE COMPANY OF
NORTH AMERICA

By: CIGNA Investments, Inc.,
authorized agent

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Title: Managing Director

MANAGEMENT MEMBERS:

/s/ Anthony J. Cavanna

_____

Anthony J. Cavanna

/s/ Andrew U. Ferrari

_____

Andrew U. Ferrari

/s/ Robert G. Matheny

_____

Robert G. Matheny

/s/ Roger A. Wittenberg

_____

Roger A. Wittenberg

EXHIBIT 10.11

PREFERRED UNITS EXCHANGE AGREEMENT

THIS PREFERRED UNITS EXCHANGE AGREEMENT (this "Agreement") is made as of this 19th day of March 1999 among Trex Company, Inc., a Delaware corporation (the "Corporation"), TREX Company, LLC, a Delaware limited liability company (the "Company"), and Mobil Oil Corporation, a New York corporation ("Mobil").

RECITALS

A. Mobil owns all of the 1,000 outstanding preferred limited liability company interests in the Company (the "Preferred Units").

B. In connection with the capitalization of the Company on August 29, 1996, the Company, the members of the Company (the "Members") and the beneficial owners of limited liability company interests in the Company (the "Class B Beneficial Owners") entered into certain agreements, including (i) the Limited Liability Company Agreement dated as of August 29, 1996, as amended (the "LLC Agreement") among the Members other than Mobil (the "Junior Members"), Mobil and the Class B Beneficial Owners, (ii) the Members' Agreement dated as of August 29, 1996, as amended (the "Members' Agreement"), among the Company, the Junior Members and the Class B Beneficial Owners, and (iii) the Securities Purchase Agreements dated as of August 29, 1996, as amended (collectively, the "Securities Purchase Agreement"), among the Company and certain of the Junior Members and Class B Beneficial Owners.

C. As of the date hereof, the Company owns all of the issued and outstanding common stock, $.01 par value per share (the "Common Stock"), of the Corporation.

D. The Corporation has filed a registration statement (file no. 333-63287) (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") covering the initial public offering of the Common Stock by the Corporation and certain of its stockholders (the "IPO") under the Securities Act of 1933, as amended (the "Securities Act").

E. On the Reorganization Closing Date (as defined in Section 1.1 hereof), in accordance with the terms and conditions of the LLC Agreement, the Members' Agreement and a Contribution and Exchange Agreement of even date herewith among the Corporation, the Company, the Junior Members and the Class B Beneficial Owners (the "Exchange Agreement"), the Company, the Corporation and the Junior Members will complete certain transactions as a result of which, among other things, the Junior Members will acquire all of the Common Stock issued and outstanding prior to the IPO and the Corporation will acquire

from the Junior Members all of the issued and outstanding junior limited liability company interests in the Company held by the Junior Members.

F. Concurrently with the consummation of such transactions, pursuant to this Agreement, Mobil will deliver to the Corporation, in exchange for a promissory note issued by the Corporation, all of the Preferred Units (such exchange of the Preferred Units together with the transactions referred to in recital "E," the "Reorganization").

G. Following the Reorganization, the Corporation will consummate the IPO.

H. The Company, the Corporation and Mobil wish to set forth herein their agreement concerning Mobil's exchange of the Preferred Units and related matters.

AGREEMENT

ARTICLE I

EXCHANGE OF PREFERRED UNITS

1.1 Closing Date and Location. The exchange of the Preferred Units hereunder shall be consummated on the date (the "Reorganization Closing Date") on which, and immediately following the time at which, the Corporation, the stockholders offering Common Stock in the IPO and the managing underwriters of the IPO have determined the initial public offering price of the Common Stock (such determination, the "IPO Pricing") and have executed an underwriting agreement for the purchase and sale of Common Stock in the IPO (the "Underwriting Agreement"). The Reorganization Closing Date shall occur on the business day immediately preceding the business day on which the SEC issues an order of effectiveness under the Securities Act with respect to the Registration Statement. The closing of the exchange of the Preferred Units and the other Reorganization transactions (the "Reorganization Closing") shall occur at the offices of Hogan & Hartson L.L.P. located at 555 Thirteenth Street, N.W., Washington, D.C. 20004-1190, or at such other location as the parties shall designate by mutual agreement.

1.2 Exchange of Preferred Units. Subject to the terms and conditions of this Agreement, Mobil shall deliver to the Corporation, in exchange for a promissory note of the Corporation (the "Note"), all of the Preferred Units.

1.3 Note Terms. The original principal amount of the Note shall be an amount equal to the redemption price of the Preferred Units that would be payable by the Company upon a redemption of the Preferred Units pursuant to

Section 4.3(2) of the LLC Agreement. The Note shall be substantially in the form attached hereto as Exhibit A and shall be payable in full on the earlier of the closing date of the IPO or the 90th day after the Reorganization Closing Date (or, if such 90th day is not a business day, the next preceding business day).

1.4 Compliance With Agreements. Mobil hereby consents to the consummation of the Reorganization. The Company and Mobil agree that the exchange of the Preferred Units and the other Reorganization transactions shall be consummated in accordance with the terms of this Agreement and the Exchange Agreement, including the terms of the LLC Agreement, the Members' Agreement and the Securities Purchase Agreement expressly incorporated by reference therein or herein, and that compliance with this Agreement and the Exchange Agreement shall constitute compliance with the LLC Agreement, the Members' Agreement and the Securities Purchase Agreement in respect of the transactions constituting the Reorganization.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

The Corporation hereby represents and warrants to Mobil as follows:

2.1 Organization, Qualifications and Corporate Power. The Corporation is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign corporation and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification, except where the failure to be so qualified or licensed would not have a material adverse effect on the operating results, financial condition or business of the Corporation and the Company considered as a single enterprise (a "Material Adverse Effect"). The Corporation has the corporate power and authority (i) to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted and (ii) to execute, deliver and perform this Agreement.

2.2 Validity. The execution, delivery and performance by the Corporation of this Agreement and the Note, and the consummation or performance by the Corporation of the transactions contemplated by this Agreement, including, without limitation, the issuance of the Note in exchange for the Preferred Units, the Reorganization and the IPO (such transactions, the Reorganization and the IPO collectively, the "Transactions") have been duly authorized by all necessary corporate action on the part of the Corporation. This Agreement and the Note constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, except as such

enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

2.3 Noncontravention; Consents.

(a) Neither the execution and delivery by the Corporation of this Agreement, nor the consummation or performance by the Corporation of any of the Transactions to be consummated or performed by it, shall directly or indirectly (i) violate any provision of the Corporation's certificate of incorporation or bylaws, (ii) contravene, result in any breach of, or constitute a default under, or result in the creation of any mortgage, lien, pledge, charge, security interest or other encumbrance (a "Lien") in respect of any property of the Corporation under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease or any other agreement or instrument to which the Corporation is a party or by which the Corporation or any of its properties or assets may be bound or affected, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or federal, state or municipal entity properly exercising executive, legislative, judicial, regulatory or administrative functions of government (a "Governmental Authority") applicable to the Corporation or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Corporation, except for any such violation, contravention, breach, default, creation of Liens or conflict which would not have a Material Adverse Effect.

(b) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority or otherwise on the part of the Corporation is required in connection with the consummation of the Transactions, except such consents of third parties as shall be obtained on or before the Reorganization Closing Date.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to Mobil as follows:

3.1 Organization, Qualifications and Power. The Company is a limited liability company duly formed, validly existing and in good standing under the laws of the State of Delaware and is duly licensed or qualified to transact business as a foreign limited liability company and is in good standing in each jurisdiction in which the nature of the business transacted by it or the character of the properties owned or leased by it requires such licensing or qualification, except

where the failure to be so qualified or licensed would not have a Material Adverse Effect. The Company has the power and authority as a limited liability company (i) to own and hold its properties and to carry on its business as now conducted and as proposed to be conducted and (ii) to execute, deliver and perform this Agreement.

3.2 Validity. The execution, delivery and performance by the Company of this Agreement, and the consummation or performance by the Company of the Transactions, have been duly authorized by all necessary action of the Company as a limited liability company. This Agreement constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

3.3 Noncontravention; Consents.

(a) Neither the execution and delivery by the Company of this Agreement, nor the consummation or performance by the Company of any of the Transactions to be consummated or performed by it, shall directly or indirectly (i) violate any provision of the Company's certificate of formation or the LLC Agreement, (ii) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease or any other agreement or instrument to which the Company is a party or by which the Company or any of its properties or assets may be bound or affected, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to the Company or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company, except for any such violation, contravention, breach, default, creation of Liens or conflict which would not have a Material Adverse Effect.

(b) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority or otherwise on the part of the Company is required in connection with the consummation of the Transactions, except such consents of third parties as shall be obtained on or before the Reorganization Closing Date.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF MOBIL

Mobil hereby represents and warrants to the Corporation and the Company as follows:

4.1 Validity.

(a) Mobil has the legal power and authority to execute, deliver and perform this Agreement.

(b) The execution, delivery and performance by Mobil of this Agreement, and the consummation or performance by Mobil of the transactions hereunder to be consummated or performed by Mobil, have been duly authorized by all necessary corporate action on the part of Mobil.

(c) This Agreement constitutes the legal, valid and binding obligation of Mobil, enforceable against Mobil in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

4.2 Noncontravention; Consents.

(a) Neither the execution and delivery by Mobil of this Agreement, nor the consummation or performance by Mobil of any of the transactions hereunder to be consummated or performed by Mobil, shall directly or indirectly (i) violate any provision of the organizational documents of Mobil, (ii) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of Mobil under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease or any other agreement or instrument to which Mobil is a party or by which Mobil or any of Mobil's properties or assets may be bound or affected, (iii) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority applicable to Mobil or (iv) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to Mobil.

(b) No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority on the part of Mobil is required in connection with the consummation of the transactions hereunder to be consummated or performed by Mobil.

4.3 Title to Preferred Units. Mobil is the beneficial and record owner of the Preferred Units. Mobil has as of the date of this Agreement, and on the Reorganization Closing Date shall have and shall convey to the Corporation, free and clear of all Liens, valid title to the Preferred Units.

ARTICLE V

REORGANIZATION CLOSING

5.1 Conditions to the Obligations of the Parties. Each party's obligations to take the actions required to be taken by such party at the Reorganization Closing is subject to the satisfaction, at or prior to the Reorganization Closing Date, of each of the following conditions (any of which may be waived by such party, in whole or in part):

(a) The representations and warranties of each other party contained in this Agreement shall be true on and as of the Reorganization Closing Date with the same effect as though such representations and warranties had been made by such party on and as of the Reorganization Closing Date.

(b) There shall be no injunction, writ, preliminary restraining order or other order in effect of any nature issued by a court or governmental agency of competent jurisdiction directing that the Transactions not be consummated in the manner provided for in this Agreement. No action or proceeding shall have been instituted and remain pending before a court or other governmental body of competent jurisdiction to restrain, prohibit or otherwise challenge any of the Transactions (or seeking material damages from any party as a result thereof), other than any such action or proceeding which would not have a Material Adverse Effect or prevent any party from performing its obligations hereunder.

(c) The IPO Pricing shall have occurred and the Underwriting Agreement shall have been executed.

(d) The Corporation shall concurrently have consummated the transactions contemplated by the Exchange Agreement.

(e) The parties shall have delivered the documents described in Section 5.2 hereof.

5.2 Documents Delivered at Reorganization Closing.

5.2.1 Documents Delivered by the Corporation. The Corporation shall deliver copies of the following documents to Mobil at the Reorganization Closing:

(a) resolutions of the Board of Directors approving and authorizing the execution, delivery and performance of this Agreement, including the issuance of the Note, and the other documents relating to the transactions hereunder, certified as of the Reorganization Closing Date by the Secretary or an Assistant Secretary of the Corporation as being in full force and effect without modification or amendment;

(b) a signature and incumbency certificate of the officers of the Corporation executing this Agreement or other documents in connection with this Agreement;

(c) the Note, duly executed on behalf of the Corporation;

(d) a cross-receipt executed by the Corporation acknowledging receipt from Mobil of the certificate or certificates representing the Preferred Units;

(e) a certificate of the Chief Financial Officer of the Corporation dated the Reorganization Closing Date, certifying that the Corporation has fulfilled the condition specified in Section 5.1(a) hereof to be fulfilled by the Corporation;

(f) an opinion of Hogan & Hartson L.L.P. in substantially the form of Exhibit B hereto; and
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(g) such other documents as Mobil may reasonably request.

5.2.2 Documents Delivered by the Company. The Company shall deliver
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copies of the following documents to Mobil at the Reorganization Closing:

(a) resolutions of the Board of Managers approving and authorizing the execution, delivery and performance of this Agreement, certified as of the date of the Reorganization Closing Date by the Chief Financial Officer of the Company as being in full force and effect without modification or amendment;

(b) a signature and incumbency certificate of the officers of the Company executing this Agreement or other documents in connection with this Agreement;

(c) a certificate of the Chief Financial Officer of the Company dated the Reorganization Closing Date, certifying that the Company has fulfilled the condition specified in Section 5.1(a) hereof to be fulfilled by the Company;

(d) an opinion of Hogan & Hartson L.L.P. in substantially the form of Exhibit B hereto; and
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(e) such other documents as Mobil may reasonably request.

5.2.3 Documents Delivered by Mobil. Mobil shall deliver copies of the following documents to the Corporation at the Reorganization Closing:

(a) resolutions of the governing body of Mobil approving and authorizing the execution, delivery and performance of this Agreement, certified as of the Reorganization Closing Date by a duly authorized officer of Mobil as being in full force and effect without modification or amendment;

(b) a signature and incumbency certificate of the officers executing this Agreement or other documents in connection with this Agreement;

(c) the certificate or certificates representing the Preferred Units, accompanied by appropriate instruments of transfer endorsed to the Corporation, or other documentation reasonably satisfactory to the Corporation;

(d) a cross-receipt executed by Mobil acknowledging receipt of the Note from the Corporation;

(e) a certificate of a duly authorized officer of Mobil dated the Reorganization Closing Date, certifying that Mobil has fulfilled the condition specified in Section 5.1(a) hereof to be fulfilled by Mobil; and

(f) such other documents as the Corporation may reasonably request.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.1 Further Assurances. Each party shall execute and deliver such additional instruments, documents or other writings as may be reasonably requested by any other party, before or after the Reorganization Closing Date, in order to confirm and carry out and to effectuate fully the intent and purposes of this Agreement.

6.2 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successors and permitted assigns.

6.3 Entire Agreement. This Agreement, including the Exhibits hereto, the other documents delivered expressly hereby and the Members' Agreement, the LLC Agreement, the Securities Purchase Agreement and the Exchange Agreement to the extent specifically incorporated by reference herein constitute the

entire agreement among the parties with respect to the subject matter hereof and supersede any prior understandings, agreements or representations, written or oral, by or among the parties hereto that may have related in any way to the subject matter hereof.

6.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party hereto may assign either this Agreement or any of such party's rights, interests or obligations hereunder without the prior written consent of the other parties hereto.

6.5 Facsimile Execution; Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto, and an executed copy of this Agreement may be delivered by one or more parties hereto by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute an original of this Agreement as well as any facsimile, telecopy or other reproduction hereof.

6.6 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given as follows: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient hereto to the other parties or, if not sent during normal business hours, then on the next business day; (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the parties hereto at the respective addresses set forth below, or as notified by any party or, from time to time at least ten days prior to the effectiveness of such notice:

If to the Corporation:

Trex Company, Inc.
20 South Cameron Street
Winchester, VA 22601
Attn.: Anthony J. Cavanna
Fax: (540) 678-0886

If to the Company:

Trex Company, LLC
20 South Cameron Street
Winchester, VA 22601
Attn.: Anthony J. Cavanna
Fax: (540) 678-0886

If to Mobil:

Mobil Oil Corporation
3225 Gallows Road
Fairfax, VA 22037
Attn: C. Dan Ruff
Fax: (703) 846-2315

with a copy to:

James H. Breed
Senior Counsel
Mobil Business Resources Corporation
3225 Gallows Road
Fairfax, VA 22037
Fax: (703) 846-4672

6.7 Governing Law. All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without giving effect to any choice of law or conflict of law provision or rule (whether of the Commonwealth of Virginia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Virginia.

6.8 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless such amendment shall be in writing and signed by all of the parties hereto. No waiver by any party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No such waiver shall be effective unless in a writing duly executed by the party from whom the waiver is sought.

6.9 Severability. Each term and provision of this Agreement shall be construed to be valid and enforceable to the full extent permitted by law. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any

jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

6.10 Interpretation. The language used in this Agreement shall be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party. The various Article and Section headings are inserted for purposes of reference only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

6.11 Specific Performance. Each party hereto acknowledges and agrees that the other parties hereto would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each party hereto agrees that the other parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, in addition to any other remedy to which the other parties may be entitled at law or in equity.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

CORPORATION:

TREX COMPANY, INC.

By: /s/ Robert G. Matheny
_____
Name: Robert G. Matheny
Title: President

COMPANY:

TREX COMPANY, LLC

By: /s/ Robert G. Matheny
_____
Name: Robert G. Matheny
Title: President

MOBIL OIL CORPORATION:

By: /s/ James Harrington Breed
_____
Name: James Harrington Breed
Title: Attorny-in-Fact

Exhibit 10.12

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "Agreement"), is dated as of this ____ day of _____ 1999 among Trex Company, Inc., a Delaware corporation (the "Company"), each of the Institutional Investors named on Schedule A hereto and each of the Management Holders named on Schedule B hereto.

W I T N E S S E T H:

WHEREAS, TREX Company, LLC ("TREX LLC"), the Institutional Investors and the Management Holders are parties to a Members' Agreement, dated as of August 29, 1996, as amended (the "Members' Agreement");

WHEREAS, the Company, TREX LLC and the members of TREX LLC have consummated a reorganization as a result of which, among other things, (i) the Company has issued all outstanding shares of its common stock, $.01 par value per share (the "Common Stock"), to the Institutional Investors and the Management Holders in exchange for all outstanding junior membership interests in TREX LLC and (ii) TREX LLC has become a wholly owned subsidiary of the Company;

WHEREAS, the Company intends to consummate an initial public offering of the Common Stock;

WHEREAS, the Members' Agreement will be terminated upon consummation of such initial public offering;

WHEREAS, the parties hereto wish to provide in this Agreement for the registration rights currently set forth in the Members' Agreement;

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties hereto mutually agree as follows:

1. CERTAIN DEFINITIONS.

As used herein, the following terms shall have the meanings set forth below:

"Business Day" means a day other than a Saturday, a Sunday or a day on which banks in New York City are required or permitted by law (other than general banking moratorium or holiday for a period exceeding four (4) consecutive days) to be closed.

"Common Stock" has the meaning set forth in the recitals herein.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Incidental Registration" has the meaning set forth in Section 2.2 hereof.

"Initiating Holders" means, at any time, the Institutional Investors holding at least fifty percent (50%) of the Registrable Securities at such time held by all Institutional Investors.

"Initial Public Offering Date" means the first date upon which shares of the Common Stock shall have been issued or sold pursuant to an underwritten public offering (whether on a firm commitment basis or a best efforts basis if such best efforts are successful) thereof pursuant to an effective registration statement filed with the SEC pursuant to the Securities Act.

"Institutional Investors" means those Persons named on Schedule A hereto.

"Management Holders" means those persons named on Schedule B hereto.

"NASDAQ" means the National Association of Securities Dealers Automated Quotation System.

"Person" means an individual, partnership, corporation, limited liability company, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Public Offering" means any sale of Common Stock in a transaction either registered under, or requiring registration under, Section 5 of the Securities Act.

"Registrable Securities" means (i) all shares of Common Stock issued to the Institutional Investors on or prior to the date of this Agreement and (ii) any Securities paid, issued or distributed in respect of any such Common Stock by way of stock dividend or distribution or stock split or in connection with a combination of shares, recapitalization, reorganization, merger, consolidation or otherwise. As to any particular Registrable Securities once issued, such Securities shall cease to be Registrable Securities: (i) when a registration statement with respect to the sale of such Securities shall have become effective under the Securities Act and such Securities shall have been disposed of in accordance with such registration statement; (ii) when they shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act; or (iii) when they shall have been otherwise transferred and subsequent disposition of them shall not require registration or qualification under the Securities Act or any similar state law then in force.

"Registration" means each Required Registration and each Incidental Registration.

"Registration Expenses" means all expenses incident to the Company's performance of or compliance with Sections 2.1 through Section 2.5 hereof, inclusive, including, without limitation, all registration and filing fees, fees and expenses of compliance with securities or blue sky laws (including reasonable fees and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), expenses of printing certificates for the Registrable Securities in a form eligible for deposit with the Depository Trust Company, messenger and delivery expenses, internal expenses (including, without limitation, all salaries and expenses of the Company's officers and employees performing legal or accounting duties), and fees and disbursements of counsel for the Company and its independent certified public accountants (including the expenses of any management review, cold comfort letters or any special audits required by or incident to such performance and compliance), securities acts liability insurance (if the Company elects to obtain such insurance), the reasonable fees and expenses of any special experts retained by the Company in connection with such registration, fees and expenses of other Persons retained by the Company and fees and expenses of counsel (including local counsel) for holders of Registrable Securities, selected by the Requisite Holders; but not including any underwriting fees, discounts or commissions attributable to the sale of Registrable Securities or fees and expenses of more than one counsel representing the holders of Registrable Securities or any other selling expenses, discounts or commissions incurred in connection with the sale of Registrable Securities.

"Required Registration" has the meaning set forth in Section 2.1 hereof.

"Requisite Holders" means, with respect to any registration or proposed registration of Registrable Securities pursuant to Section 2 hereof, any Institutional Investor or Institutional Investors holding at least sixty-six and two-thirds percent (66-2/3%) of the shares of Registrable Securities to be so registered.

"SEC" means, at any time, the Securities and Exchange Commission or any other federal agency at such time administering the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Security" means "security" as defined by Section 2(1) of the Securities Act.

"Subsidiary" means, as to any Person, any corporation in which such Person or one or more Subsidiaries of such Person or such Person and one or more

Subsidiaries of such Person owns sufficient voting securities to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such corporation. The term "Subsidiary," as used herein without reference to any Person, shall mean a Subsidiary of the Company.

2. REGISTRATION RIGHTS.

2.1 REQUIRED REGISTRATION.

(a) Filing of Registration Statement. The Company will, upon the written request of the Initiating Holders given at any time after the Initial Public Offering Date requesting that the Company effect the registration under the Securities Act of all or part of such Initiating Holders' Registrable Securities and specifying the Registrable Securities to be sold and the intended method of disposition thereof, promptly give written notice of such requested registration to all holders of Registrable Securities, and thereupon will use its best efforts to effect the registration (the "Required Registration") under the Securities Act of:

(i) the Registrable Securities that the Company has been so requested to register by the Initiating Holders; and

(ii) all other Registrable Securities that the Company has been requested to register by the holders thereof by written request given to the Company within thirty (30) days after the giving of such written notice by the Company (which request shall specify the Registrable Securities to be sold and the intended method of disposition of such Registrable Securities);

all to the extent required to permit the disposition (in accordance with the intended method thereof as aforesaid) of the Registrable Securities so to be registered; provided, however, that the Company shall be required to effect only two (2) registrations pursuant to this Section 2.1 that are deemed effected under Section 2.1(e) hereof.

(b) Time for Filing and Effectiveness. On or before the date which is ninety (90) days after the request for such registration, the Company shall file with the SEC the Required Registration with respect to all Registrable Securities to be so registered, and shall use its best efforts to cause such Required Registration to become effective as promptly as practicable after the filing thereof, and use its best efforts to cause such Required Registration to become effective no later than the day which is one hundred eighty (180) days after the request for such registration.

(c) Selection of Underwriters. If Registrable Securities that the Company has been requested to register pursuant to a Required Registration are to

be disposed of in an underwritten public offering, the underwriters of such offering shall be one or more underwriting firms of recognized standing selected by the Requisite Holders and reasonably acceptable to the Company.

(d) Priority on Required Registrations. If the managing underwriter shall advise the Company in writing (with a copy to each holder of Registrable Securities requesting sale) that, in such underwriter's opinion, the number of shares of Securities requested to be included in such Required Registration exceeds the number that can be sold in such offering within a price range acceptable to the Company (such writing to state the basis of such opinion and the approximate number of shares of Securities that may be included in such offering without such effect), the Company will include in such Required Registration, to the extent of the number of shares of Securities that the Company is so advised can be sold in such offering:

(i) first, Registrable Securities requested to be sold by the Institutional Investors pursuant to this Section 2.1, pro rata among the holders requesting sale on the basis of the number of shares of Registrable Securities requested by each to be included in such Registration; and

(ii) second, all other Securities proposed to be registered by the Company and the Management Holders, in such proportions as the Company and such Management Holders shall agree.

(e) When Required Registration Is Deemed Effected. A Required Registration pursuant to this Section 2.1 shall not be deemed to have been effected for purposes of the proviso to Section 2.1(a) hereof if:

(i) the registration does not become effective and remain effective for a period of at least one hundred eighty (180) days, without interference by the issuance by the SEC of any stop order with respect thereto;

(ii) in the case of any underwritten offering undertaken on a firm commitment basis, all the Registrable Securities requested to be registered in connection therewith were not sold;

(iii) the Requisite Holders withdraw their request for registration in its entirety at any time because the Requisite Holders reasonably believed that the registration statement or any prospectus related thereto contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein (in the case of any prospectus, in light of the circumstances under which they were made) not misleading, notified the Company of such fact and requested that the Company

correct such alleged misstatement or omission, and the Company has refused to correct such alleged misstatement or omission; or

(iv) the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such Required Registration are not satisfied, other than by reason of some act or omission by the holders of the Registrable Securities that were to have been registered and sold.

2.2 INCIDENTAL REGISTRATION.

(a) Filing of Registration Statement. If the Company at any time proposes to register any shares of Common Stock (an "Incidental Registration") under the Securities Act (other than pursuant to a registration statement on Form S-4 or Form S-8 or any successor forms thereto, in connection with an offer made solely to existing Security holders or employees of the Company), for sale to the public in a public offering, it will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so, which notice shall be given to all such holders at least thirty (30) Business Days prior to the date that a registration statement relating to such registration is proposed to be filed with the SEC. Upon the written request of any such holder to include its shares under such registration statement (which request shall be made within fifteen (15) Business Days after the receipt of any such notice and shall specify the Registrable Securities intended to be disposed of by such holder), the Company will use its best efforts to effect the registration of all Registrable Securities that the Company has been so requested to register by such holder; provided, however, that if, at any time after giving written notice of its intention to register any Securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such shares of Common Stock, the Company may, at its election, give written notice of such determination to each such holder and, thereupon, shall be relieved of its obligation to register any Registrable Securities of such Persons in connection with such registration.

(b) Selection of Underwriters. Notice of the Company's intention to register such shares of Common Stock shall designate the proposed underwriters of such offering (which shall be one or more underwriting firms of recognized standing) and shall contain the Company's agreement to use its best efforts, if requested to do so, to arrange for such underwriters to include in such underwriting the Registrable Securities that the Company has been so requested to sell pursuant to this Section 2.2, it being understood that the holders of Registrable Securities shall have no right to select different underwriters for the disposition of their Registrable Securities.

(c) Priority on Incidental Registrations. If the managing underwriter shall advise the Company in writing (with a copy to each holder of Registrable Securities requesting sale) that, in such underwriter's opinion, the number of shares of Common Stock requested to be included in such Incidental Registration exceeds the number that can be sold in such offering within a price range acceptable to the Company (such writing to state the basis of such opinion and the approximate number of shares of Common Stock that may be included in such offering without such effect), the Company will include in such Incidental Registration, to the extent of the number of shares of Common Stock that the Company is so advised can be sold in such offering:

(i) in the case of any registration initiated by the Company for the purpose of selling securities for its own account:

(A) first, the number of shares of Common Stock that the Company proposes to issue and sell for its own account; and

(B) second, Registrable Securities requested to be sold by the Institutional Investors pursuant to this Section 2.2 and all shares of Common Stock proposed to be registered by the Management Holders, pro rata among such holders on the basis of the number of shares of Common Stock requested by each to be included in such Registration; and

(ii) in the case of a registration initiated by any Management Holder pursuant to demand or required registration rights in favor of such Management Holder:

(A) first, Securities requested to be sold by the Management Holders requesting such registration and Registrable Securities requested to be sold by the Institutional Investors pursuant to this Section 2.2, pro rata among such holders on the basis of the number of shares of Common Stock requested to be so registered by such holders; and

(B) second, the number of shares of Common Stock that the Company proposes to issue and sell for its own account.

2.3 REGISTRATION PROCEDURES. The Company will use its best efforts to effect each Required Registration pursuant to Section 2.1 hereof and any Incidental Registration of any Registrable Securities as provided in Section 2.2 hereof, and to cooperate with the sale of such Registrable Securities in accordance with the intended method of disposition thereof as quickly as practicable, and the Company will as expeditiously as possible:

(a) subject, in the case of an Incidental Registration, to the proviso to Section 2.2(a), prepare and file with the SEC the registration statement and use its best efforts to cause the Registration to become effective; provided, however, that before filing any registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the holders of the Registrable Securities covered by such registration statement, their counsel, and the underwriters, if any, and their counsel, copies of each original registration statement proposed to be filed at least fifteen (15) days prior thereto and copies of each amendment, prospectus and supplement at least three (3) Business Days prior thereto, which documents will be subject to the reasonable review, within such period, of such holders, their counsel and the underwriters; and the Company will not file any registration statement or amendment thereto or any prospectus or any supplement thereto (including such documents incorporated by reference) to which the Requisite Holders shall reasonably object within such period;

(b) subject, in the case of an Incidental Registration, to the proviso to Section 2.2(a), prepare and file with the SEC such amendments and post-effective amendments to any registration statement and any prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such registration statement until such time as all of such Securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement and cause the prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, provided that if the Company is not then eligible to use a registration statement on Form S-3 under the Securities Act, the Company shall not be obligated to keep such registration statement effective for more than two (2) years after the original effective date of such registration statement;

(c) furnish to each holder of Registrable Securities included in such Registration and the underwriter or underwriters, if any, without charge, at least one signed copy of the registration statement and any post-effective amendment thereto, upon request, and such number of conformed copies thereof and such number of copies of the prospectus (including each preliminary prospectus and each prospectus filed under Rule 424 under the Securities Act), any amendments or supplements thereto and any documents incorporated by reference therein, as such holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities being sold by such holder (it being understood that the Company consents to the use of the prospectus and any amendment or supplement thereto by each holder of Registrable Securities covered by such registration statement and the underwriter or underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by the prospectus or any amendment or supplement thereto);

(d) notify each holder of the Registrable Securities of any stop order or other order suspending the effectiveness of any registration statement, issued or threatened by the SEC in connection therewith, and take all reasonable actions required to prevent the entry of such stop order or to remove it or obtain withdrawal of it at the earliest possible moment if entered;

(e) if requested by the managing underwriter or underwriters or any holder of Registrable Securities in connection with any sale pursuant to a registration statement, promptly incorporate in a prospectus supplement or post-effective amendment such information relating to such underwriting as the managing underwriter or underwriters or such holder reasonably requests to be included therein; and make all required filings of such prospectus supplement or posteffective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(f) on or prior to the date on which a Registration is declared effective, use its best efforts to register or qualify, and cooperate with the holders of Registrable Securities included in such Registration, the underwriter or underwriters, if any, and their counsel, in connection with the registration or qualification of the Registrable Securities covered by such Registration for offer and sale under the securities or "blue sky" laws of each state and other jurisdiction of the United States as any such holder or underwriter reasonably requests in writing; use its best efforts to keep each such registration or qualification effective, including through new filings, or amendments or renewals, during the period such registration statement is required to be kept effective; and do any and all other acts or things necessary or advisable to enable the disposition in all such jurisdictions reasonably requested of the Registrable Securities covered by such Registration; provided, however, that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

(g) in connection with any sale pursuant to a Registration, cooperate with the holders of Registrable Securities and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing Securities to be sold under such Registration, and enable such Securities to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or such holders may request;

(h) use its best efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities within the United States and having jurisdiction over the Company or any

Subsidiary as may reasonably be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Securities;

(i) make available for inspection by any holder of Registrable Securities included in any Registration, any underwriter participating in any disposition pursuant to any Registration, and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Person in connection with such Registration;

(j) use its best efforts to obtain:

(i) at the time of effectiveness of each Registration, a "comfort letter" from the Company's independent certified public accountants covering such matters of the type customarily covered by "cold comfort letters" as the Requisite Holders and the underwriters reasonably request; and

(ii) at the time of any underwritten sale pursuant to the registration statement, a "bring-down comfort letter," dated as of the date of such sale, from the Company's independent certified public accountants covering such matters of the type customarily covered by comfort letters as the Requisite Holders and the underwriters reasonably request;

(k) use its best efforts to obtain, at the time of effectiveness of each Incidental Registration and at the time of any sale pursuant to each Registration, an opinion or opinions, favorable to the Requisite Holders in form and scope, from counsel for the Company in customary form;

(l) notify each seller of Registrable Securities covered by such Registration, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such Registration, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and promptly prepare, file with the SEC and furnish to such seller or holder a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers or prospective purchasers of such Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances under which they are made;

(m) otherwise comply with all applicable rules and regulations of the SEC, and make generally available to its security holders (as contemplated by Section 11(a) under the Securities Act) an earnings statement satisfying the provisions of Rule 158 under the Securities Act not later than ninety (90) days after the end of the twelve (12) month period beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the registration statement, which statement shall cover said twelve (12) month period;

(n) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by each Registration from and after a date not later than the effective date of such Registration;

(o) use its best efforts to cause all Registrable Securities covered by each Registration to be listed subject to notice of issuance, prior to the date of first sale of such Registrable Securities pursuant to such Registration, on each securities exchange on which the Common Stock issued by the Company is then listed, and admitted to trading on NASDAQ, if the Common Stock or any such other Securities are then admitted to trading on NASDAQ; and

(p) enter into such agreements (including underwriting agreements in customary form) and take such other actions as the Requisite Holders shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities.

The Company may require each holder of Registrable Securities that will be included in such Registration to furnish the Company with such information in respect of such holder of its Registrable Securities that will be included in such Registration as the Company may reasonably request in writing and as is required by applicable laws or regulations.

2.4 PREPARATION; REASONABLE INVESTIGATION. In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company will give the holders of such Registrable Securities so registered, their underwriters, if any, and their respective counsel and accountants the opportunity to participate in the preparation of such registration statement (other than reports and proxy statements incorporated therein by reference and lawfully and properly filed with the SEC) and each prospectus included therein or filed with the SEC, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of such holders or such underwriters to conduct a reasonable investigation within the meaning of the Section 11 (b)(3) of the Securities Act.

2.5 RIGHTS OF REQUESTING HOLDERS. Each holder of Registrable Securities which makes a written request therefor within thirty (30) days after the notice to such holders provided for in Section 2.1 or Section 2.2 hereof, as the case may be, hereof, shall have the right to receive the copies of the information, notices and other documents described in Section 2.3(c), Section 2.3(l) and Section 2.3(m) hereof in connection with any proposed Registration by the Company under the Securities Act.

2.6 REGISTRATION EXPENSES. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities, including, without limitation, any such registration not effected by the Company.

2.7 INDEMNIFICATION; CONTRIBUTION.

(a) Indemnification by the Company. The Company shall indemnify, to the fullest extent permitted by law, each holder of Registrable Securities, its officers, directors and agents, if any, and each Person, if any, who controls such holder within the meaning of Section 15 of the Securities Act, against all losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses (under the Securities Act or common law or otherwise), joint or several, resulting from any violation by the Company of the provisions of the Securities Act or any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus (and as amended or supplemented if amended or supplemented) or any preliminary prospectus or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus, in light of the circumstances under which they were made) not misleading, except to the extent that such losses, claims, damages, liabilities (or proceedings in respect thereof) or expenses are caused by any untrue statement or alleged untrue statement contained in or by any omission or alleged omission from information concerning any holder furnished in writing to the Company by such holder expressly for use therein. If the offering pursuant to any registration statement provided for under this Section 2 is made through underwriters, no action or failure to act on the part of such underwriters (whether or not such underwriter is an affiliate of any holder of Registrable Securities) shall affect the obligations of the Company to indemnify any holder of Registrable Securities or any other Person pursuant to the preceding sentence. If the offering pursuant to any registration statement provided for under this Section 2 is made through underwriters, the Company agrees, to the extent required by such underwriters, to enter into an underwriting agreement in customary form with such underwriters and to indemnify such underwriters, their officers, directors and agents, if any, and each Person, if any, who controls such underwriters within the meaning of Section 15 of the Securities Act to the same extent as hereinbefore provided with respect to the

indemnification of the holders of Registrable Securities; provided that the Company shall not be required to indemnify any such underwriter, or any officer or director of such underwriter or any Person who controls such underwriter within the meaning of Section 15 of the Securities Act, to the extent that the loss, claim, damage, liability (or proceedings in respect thereof) or expense for which indemnification is claimed results from such underwriter's failure to send or give a copy of an amended or supplemented final prospectus to the Person asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such amended or supplemented final prospectus prior to such written confirmation and the underwriter was provided with such amended or supplemented final prospectus.

(b) Indemnification by the Holders. In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder, severally and not jointly, shall indemnify, to the fullest extent permitted by law, the Company, each underwriter and their respective officers, directors and agents, if any, and each Person, if any, who controls the Company or such underwriter within the meaning of Section 15 of the Securities Act, against any losses, claims, damages, liabilities (or proceedings in respect thereof) and expenses resulting from any untrue statement or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in the registration statement or prospectus or preliminary prospectus or any amendment thereof or supplement thereto or necessary to make the statements therein (in the case of any prospectus, in light of the circumstances under which they were made) not misleading, but only to the extent that such untrue statement is contained in or such omission is from information so concerning a holder furnished in writing by such holder expressly for use therein; provided, however, that such holder's obligations hereunder shall be limited to an amount equal to the proceeds to such holder of the Registrable Securities sold pursuant to such registration statement.

(c) Control of Defense. Any Person entitled to indemnification under the provisions of this Section 2.7 shall give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification and unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, permit such indemnifying party to assume the defense of such claim, with counsel reasonably satisfactory to the indemnified party; and if such defense is so assumed, such indemnifying party shall not enter into any settlement without the consent of the indemnified party if such settlement attributes liability to the indemnified party and such indemnifying party shall not be subject to any liability for any settlement made without its consent (which shall not be unreasonably withheld); and any underwriting agreement entered into with respect to any registration

statement provided for under this Section 2 shall so provide. In the event an indemnifying party shall not be entitled, or elects not, to assume the defense of a claim, such indemnifying party shall not be obligated to pay the fees and expenses of more than one counsel or firm of counsel for all parties indemnified by such indemnifying party in respect of such claim, unless in the reasonable judgment of any such indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties in respect to such claim.

(d) Contribution. If for any reason the foregoing indemnity is unavailable, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities or expenses:

(i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other; or

(ii) if the allocation provided by clause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, in such proportion as is appropriate to reflect not only the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other but also the relative fault of the indemnifying party and the indemnified party as well as any other relevant equitable considerations.

Notwithstanding the foregoing, no holder of Registrable Securities shall be required to contribute any amount in excess of the amount such holder would have been required to pay to an indemnified party if the indemnity under Section 2.7(b) hereof was available. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The obligation of any Person to contribute pursuant to this Section 2.7 shall be several and not joint.

(e) Timing of Payments. An indemnifying party shall make payments of all amounts required to be made pursuant to the foregoing provisions of this Section 2.7 to or for the account of the indemnified party from time to time promptly upon receipt of bills or invoices relating thereto or when otherwise due or payable.

(f) Survival. The indemnity and contribution agreements contained in this Section 2.7 shall remain in full force and effect regardless of any investigation made by or on behalf of a participating holder of Registrable Securities, its officers,

directors, agents or any Person, if any, who controls such holder as aforesaid, and shall survive the transfer of such Securities by such holder.

2.8 HOLDBACK AGREEMENTS; REGISTRATION RIGHTS TO OTHERS.

(a) In connection with each underwritten sale of Registrable Securities, the Company agrees, and each holder of Registrable Securities by acquisition of such Registrable Securities agrees, to enter into customary holdback agreements concerning sale or distribution of Registrable Securities and other equity Securities of the Company, except, in the case of any holder of Registrable Securities, to the extent that such holder is prohibited by applicable law or exercise of fiduciary duties from agreeing to withhold Registrable Securities from sale or is acting in its capacity as a fiduciary or investment adviser. Without limiting the scope of the term "fiduciary," a holder shall be deemed to be acting as a fiduciary or an investment adviser if its actions or the Registrable Securities proposed to be sold are subject to the Employee Retirement Income Security Act of 1974, as amended, or the Investment Company Act of 1940, as amended, or if such Registrable Securities are held in a separate account under applicable insurance law or regulation.

(b) If the Company shall at any time after the date hereof provide to any holder of any Securities of the Company rights with respect to the registration of such Securities under the Securities Act:

(i) such rights shall not be in conflict with or adversely affect any of the rights provided in this Section 2 to the holders of Registrable Securities; and

(ii) if such rights are provided on terms or conditions more favorable to such holder than the terms and conditions provided in this Section 2, the Company will provide (by way of amendment to this Agreement or otherwise) such more favorable terms or conditions to the holders of Registrable Securities.

2.9 AVAILABILITY OF INFORMATION. The Company will comply with the reporting requirements of Sections 13 and 15(d) of the Exchange Act and will comply with all other public information reporting requirements of the SEC as from time to time in effect, and cooperate with the holders of Registrable Securities, so as to permit disposition of the Registrable Securities pursuant to an exemption from the Securities Act for the sale of any Registrable Securities (including, without limitation, the current public information requirements of Rule 144(c) and Rule 144A under the Securities Act). The Company will also cooperate with each holder of any Registrable Securities in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or

hereafter required by the SEC as a condition to the availability of an exemption from the Securities Act for the sale of any Registrable Securities.

3. MISCELLANEOUS.

3.1 BINDING EFFECT. The provisions of this Agreement shall be binding upon and inure to the benefit of parties hereto and their respective successors and assigns.

3.2 NOTICES. All written communications provided for hereunder shall be sent by United States mail (registered or certified mail) or nationwide overnight delivery service (with charges prepaid), or by facsimile, delivery confirmed with a copy by first class mail or overnight courier (with charges prepaid), and:

(a) if to the Company:

Trex Company, Inc.
20 South Cameron Street
Winchester, VA 22601
Fax: (540) 678-0886
Attention: Anthony J. Cavanna

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

Hogan & Hartson L.L.P.
555 13th Street, NW
Washington, D.C. 20004
Fax: 202-637-5910
Attention: Richard J. Parrino, Esq.

or such other address as the Company shall designate to each Institutional Investor in writing;

(b) if to any Institutional Investor, at the address set forth on Schedule A hereto for each such Institutional Investor or such other address as an Institutional Investor shall designate to the Company in writing; and

(c) if to any Management Holder, at the address set forth on Schedule B hereto for each such Management Holder or such other address as a Management Holder shall designate to the Company in writing.

3.3 AMENDMENTS AND WAIVERS. The provisions of this Agreement, including the provisions of this sentence, may be amended, modified or supplemented only by a writing duly executed by or on behalf of the Institutional Investors holding at least sixty-six and two-thirds percent (66-2/3%) of the Registrable Securities held by the Institutional Investors at such time and the Company; provided, however, that compliance by the Company with the provisions of this Agreement, with respect to any particular registration, may be waived by such Institutional Investors holding at least sixty-six and two-thirds percent (66-2/3%) of the Registrable Securities held by the Institutional Investors at such time; and provided, further, that no amendment, modification or supplement of the provisions of Section 2.1(d) or 2.2(c) hereof which adversely affects the rights of any Management Holder shall be made without the consent of such Management Holder.

3.4 AVAILABILITY OF INFORMATION. At any time that any class of the Common Stock is registered under section 12(b) or section 12(g) of the Exchange Act, the Company will comply with the reporting requirements of Sections 13 and 15(d) of the Exchange Act (whether or not it shall be required to do so pursuant to such sections) and will comply with all other public information reporting requirements of the SEC from time to time in effect. In addition, the Company shall file such reports and information, and shall make available to the public and to the Institutional Investors such information, as shall be necessary to permit such holders to offer and sell shares of Common Stock pursuant to the provisions of Rules 144 and 144A promulgated under the Securities Act. The Company will also cooperate with each such holder in supplying such information as may be necessary for such holder to complete and file any information reporting forms presently or

hereafter required by the SEC as a condition to the availability of an exemption from the registration provisions of the Securities Act in connection with the sale of any shares of Common Stock. The Company will furnish to each such holder, promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Company to its holders of equity securities, and copies of all regular and periodic reports and all registration statements and prospectuses filed by the Company with any securities exchange or with the SEC.

3.5 GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE INTERNAL LAW OF THE STATE OF NEW YORK.

3.6 JURISDICTION; JURY TRIAL. EACH OF THE PARTIES HERETO IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER DOCUMENTS AND INSTRUMENTS CONTEMPLATED HEREBY AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT. NONE OF THE PARTIES HERETO SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR OTHER LITIGATION ARISING OUT OF OR OTHERWISE RELATED TO THIS AGREEMENT AND EACH OF THE PARTIES HERETO WAIVES ANY AND ALL RIGHT TO ANY SUCH JURY TRIAL AND ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY SUCH PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 3.6.

3.7 COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

3.8 DESCRIPTIVE HEADINGS. Descriptive headings of the several sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

3.9 SEVERABILITY. The fact that any given provisions of this Agreement is found to be unenforceable, void or voidable under applicable laws of any jurisdiction shall not affect the validity of the remaining provisions of this Agreement in such jurisdiction, and shall not affect the enforceability of the entire Agreement under the laws of any other jurisdiction.

3.10 EFFECTIVE DATE. This Agreement shall be effective as of the date of termination of the Members' Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties, each by its duly authorized signatory, have executed this Agreement as of the date first above written.

TREX COMPANY, INC.

By _____
Name:
Title:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY, on behalf of one or more separate accounts

By: CIGNA Investments, Inc., authorized agent

By _____
Name:
Title:

CONNECTICUT GENERAL LIFE INSURANCE COMPANY

By: CIGNA Investments, Inc., authorized agent

By _____
Name:
Title:

LIFE INSURANCE COMPANY OF NORTH AMERICA

By: CIGNA Investments, Inc., authorized agent

By _____
Name:
Title:

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By Lincoln Investment Management Company, its Attorney-in-Fact

By _____
Name:
Title:

_____
Anthony J. Cavanna

_____
Roger A. Wittenberg

_____
Robert G. Matheny

_____
Andrew U. Ferrari

CIG & CO.

By

Name:
Title:

SCHEDULE A

NAMES AND ADDRESSES OF INSTITUTIONAL INVESTORS

CIG & CO.

Address: c/o CIGNA Investments, Inc.
900 Cottage Grove Road
Hartford, Connecticut 06152-2307
Attention: Private Securities Division S-307
Fax: 860-726-7203

CONNECTICUT GENERAL LIFE INSURANCE COMPANY:

Address: 900 Cottage Grove Road
Hartford, Connecticut 06152-2307
Attention: Private Securities Division S-307
Fax: 860-726-7203

CONNECTICUT GENERAL LIFE INSURANCE COMPANY, on behalf of one or more separate accounts:

Address: c/o CIGNA Investments, Inc.
900 Cottage Grove Road
Hartford, Connecticut 06152-2307
Attention: Private Securities Division S-307
Fax: 860-726-7203

LIFE INSURANCE COMPANY OF NORTH AMERICA:

Address: c/o CIGNA Investments, Inc.
900 Cottage Grove Road
Hartford, Connecticut 06152-2307
Attention: Private Securities Division S-307
Fax: 860-726-7203

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY:

Address: 200 East Berry Street
Renaissance Square
Fort Wayne, Indiana 46802

SCHEDULE B

NAMES AND ADDRESSES OF MANAGEMENT HOLDERS

ANTHONY J. CAVANNA

Address: c/o Trex Company, Inc.
20 South Cameron Street
Winchester, Virginia 22601
Fax: 540-678-0886

ROGER A. WITTENBERG

Address: c/o Trex Company, Inc.
20 South Cameron Street
Winchester, Virginia 22601
Fax: 540-678-0886

ROBERT G. MATHENY

Address: c/o Trex Company, Inc.
20 South Cameron Street
Winchester, Virginia 22601
Fax: 540-678-0886

ANDREW U. FERRARI

Address: c/o Trex Company, Inc.
20 South Cameron Street
Winchester, Virginia 22601
Fax: 540-678-0886

Exhibit 10.13

CONSENT
AND
AMENDMENT TO
MEMBERS' AGREEMENT

THIS CONSENT AND AMENDMENT TO MEMBERS' AGREEMENT (this "Amendment") is made as of the 19th day of March, 1999, by and among TREX Company, LLC (the "Company"), those persons identified on the signature pages hereof as members (hereinafter referred to individually as a "Member," and collectively as the "Members") and those persons identified on the signature pages hereof as beneficial owners (hereinafter referred to individually as a "Class B Beneficial Owner" and collectively as the "Class B Beneficial Owners").

Recitals

A. In connection with the capitalization of the Company on August 29, 1996, the Company, the Members and the Class B Beneficial Owners entered into certain agreements, including (i) the Members' Agreement dated as of August 29, 1996 among the Company, the Members and the Class B Beneficial Owners (as amended as of June 15, 1998, the "Agreement"); (ii) the Limited Liability Company Agreement dated as of August 29, 1996 among the Members, the Class B Beneficial Owners and Mobil Oil Corporation (the "Preferred Member") (as amended as of the date hereof, the "LLC Agreement"); and (iii) the Securities Purchase Agreements dated as of August 29, 1996 between the Company and certain of the Members and the Class B Beneficial Owners (as amended as of March 1, 1997, as of December 15, 1997 and as of the date hereof, the "Securities Purchase Agreements").

B. As of the date hereof, the Company owns all of the issued and outstanding common stock, $.01 par value per share (the "Common Stock"), of Trex Company, Inc. (the "Corporation").

C. The Corporation has filed a registration statement with the Securities and Exchange Commission covering the initial public offering of the Common Stock by the Corporation and certain of its stockholders (the "IPO") under the Securities Act of 1933, as amended.

D. In order to facilitate the IPO, the Corporation, the Company, the Members and the Class B Beneficial Owners have entered into a Contribution and Exchange Agreement dated as of the date hereof (the "Exchange Agreement") pursuant to which they intend to complete the following series of transactions (collectively, the "Reorganization") prior to the IPO in accordance with the Agreement as amended hereby, the LLC Agreement and the Securities Purchase Agreements: (i) the Company will make a special cash distribution to the Members, which distribution will consist in part of a return of capital of the Members and in part of an

amount equal to the previously recognized and undistributed taxable income of the Members on which the Members have paid or will pay income tax; (ii) the Members of the Company holding of record Class B Units of the Company will convert all issued and outstanding Class B Units into the same number of a new issue of Class A Units of the Company and will be admitted to the Company as Class A Members of the Company (the "Class A Members"); (iii) the Company will exercise an option granted to the Company in Section 8 of the Agreement to repurchase a portion of such newly issued Class A Units from such Class A Members; (iv) the Class A Members will contribute all of the issued and outstanding Class A Units to the Corporation in exchange for Common Stock, such Class A Members will cease to be members of the Company and the Corporation will be admitted to the Company as a Class A Member; and (v) the Company will pay, or will cause the Corporation on its behalf to pay, all amounts owing under the Securities Purchase Agreements, including all amounts owing under all outstanding senior notes and subordinated notes issued pursuant to the Securities Purchase Agreements.

E. Concurrently with the consummation of the Reorganization, the Preferred Member will exchange all of the outstanding Preferred Units of the Company for a promissory note of the Corporation (the "Preferred Units Exchange") pursuant to a Preferred Units Exchange Agreement dated as of the date hereof among the Corporation, the Company and the Preferred Member (the "Preferred Units Exchange Agreement"), the Preferred Member will cease to be a member of the Company and the Corporation will be admitted to the Company as a preferred member.

F. In connection with the Reorganization, the Common Stock held by the Company will be canceled.

G. Upon consummation of the Reorganization and the Preferred Units Exchange, the Corporation will own 100% of the limited liability company interests of the Company and will operate the Company as its wholly-owned subsidiary.

H. Following the Reorganization and the Preferred Units Exchange, the Corporation will consummate the IPO.

I. The Company, the Members and the Class B Beneficial Owners wish to amend the Agreement to set forth herein their agreement concerning the Reorganization, the Preferred Units Exchange and related matters and to consent to the consummation of the Reorganization and the Preferred Units Exchange and to the taking of other actions hereinafter set forth.

Agreement

1. Defined Terms. Capitalized terms used but not defined in this Amendment, including the recitals hereof, shall have the meanings given to such terms in the Agreement.

2. Amendment of Section 10. The definition of "Public Market Date" in Section 10 of the Agreement is hereby amended by deleting such definition in its entirety and replacing it with the following:

"Public Market Date -- means the first day upon which Common Units of the Company have been sold by the Company and for the Company's own account in one or more public offerings specified in either clause (i) or clause (ii): (i) a public offering pursuant to registration statement no. 333-63287 filed with the SEC in which the offering price per Common Unit equals or exceeds $9.41, provided that the gross cash proceeds received by the Company and for the Company's own account as a result of such sale pursuant to this clause (i) equals or exceeds $30,582,500; or (ii) one or more public offerings pursuant to a registration statement or registration statements filed with the SEC pursuant to the provisions of the Securities Act, in which the aggregate gross cash proceeds received by the Company and for the Company's own account as a result of such sale or sales pursuant to this clause (ii) equals or exceeds $40,000,000. For purposes of clarification, the reference to "Company" for purposes of clause (i) shall mean Trex Company, Inc. and the reference to "Common Units" for purposes of clause (i) shall mean common stock of Trex Company, Inc."

3. Amendment of Section 10. The following definition is hereby added to Section 10 of the Agreement:

"holder -- means, at any time, the record holder at such time."

4. Amendment of Section 11. Section 11 of the Agreement is hereby amended by adding the provisions set forth below as new Section 11.12, new Section 11.13 and new Section 11.14:

11.12 Ratification of Transfers of Issuable Units. Notwithstanding any provision of this Agreement to the contrary, including, without limitation, Sections 3.1, 7.1 and 7.2, the transfer of record ownership of Class B Units from the Class B Beneficial Owners (as defined in the Limited Liability Company Agreement, as amended) to CIG & Co. (to the extent that such transactions were transfers covered by this Agreement), the transfer of record and beneficial ownership of 333 Class B Units from CIG & Co., as record holder of Class B Units for the benefit of Connecticut General Life Insurance Company, to The Lincoln National Life Insurance Company occurring on May 8, 1998, and all other transfers of record and/or beneficial ownership of Class

B Units among the Class B Members (as defined in the Limited Liability Company Agreement, as amended) and/or the Class B Beneficial Owners are hereby consented to, approved and ratified in all respects. CIG & Co. and The Lincoln National Life Insurance Company hereby agree to be bound by the provisions of this Agreement.

11.13 Reorganization and Related Transactions.

Notwithstanding any provision of this Agreement to the contrary, including, without limitation, Sections 3.1, 5.5, 7.1 and 7.2, and except as provided in the next sentence of this Section 11.13, the Company, the Members (as defined in the Limited Liability Company Agreement, as amended) and the Class B Beneficial Owners may adopt, enter into, and execute, deliver, acknowledge and perform, (i) the Contribution and Exchange Agreement dated as of March 19, 1999 among the Company, the Members and the Class B Beneficial Owners (the "Exchange Agreement"), (ii) the Preferred Units Exchange Agreement dated as of March 19, 1999 among the Company, Trex Company, Inc. and Mobil Oil Corporation, (iii) the Agreement to Terminate Employment Agreement dated as of March 19, 1999 between the Company and Anthony J. Cavanna, (iv) the Agreement to Terminate Employment Agreement dated as of March 19, 1999 between the Company and Robert G. Matheny, (v) the Agreement to Terminate Employment Agreement dated as of March 19, 1999 between the Company and Andrew U. Ferrari, (vi) the Agreement to Terminate Employment Agreement dated as of March 19, 1999 between the Company and Roger A. Wittenberg, (vii) any amendments to the agreements referred to in clauses (i) through (vi) above and (viii) any and all agreements, instruments or other documents necessary or desirable to effectuate the transactions contemplated by the agreements referred to in clauses (i) through (vi) above, as such agreements may be further amended, all without any further act, vote or approval of the Members or any other person and without complying with the terms of this Agreement. Except as expressly provided otherwise in the Exchange Agreement, the Company shall comply with the terms of Section 8 in connection with the Company's repurchase of Bundled Securities pursuant to the Exchange Agreement.

11.14 Termination of Agreement. Notwithstanding any provision of this Agreement to the contrary, this Agreement shall terminate in its entirety on the Public Market Date

and shall have no further force or effect from and after the Public Market Date.

5. Consent and Approval. To the extent required by the Agreement, the parties hereto hereby consent to and approve (i) the Exchange Agreement and the Preferred Units Exchange Agreement and the transactions contemplated by the Exchange Agreement and the Preferred Units Exchange Agreement, including, without limitation, the Reorganization and the Preferred Units Exchange, (ii) the termination as of the Reorganization closing date of the Class A Members' Agreement dated as of August 29, 1996 among the Class A Members, (iii) the termination as of the IPO closing date of the employment agreements dated as of August 29, 1996 between the Company and each of the Class A Members, (iv) the formation and initial capitalization of the Corporation, (v) the activity and business of the Corporation through the date hereof and (vi) the IPO.

6. No Other Amendment. Except as expressly set forth in this Amendment, the Agreement shall remain unchanged and in full force and effect in accordance with its terms.

7. Governing Law. It is the intent of the parties hereto that all questions with respect to the construction of this Amendment and the rights and liabilities of the parties shall be determined in accordance with the provisions of the laws of the State of New York, without giving effect to the choice of law rules thereof.

8. Amendment in Counterparts. This Amendment may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. In addition, this Amendment may contain more than one counterpart of the signature page and this Amendment may be executed by the affixing of the signatures of each of the Company, the Members and the Class B Beneficial Owners to one of such counterpart signature pages; all of such signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

TREX COMPANY, LLC

By: /s/ Robert G. Matheny

Name: Robert G. Matheny
Its: President

MEMBERS:

/s/ Anthony J. Cavanna

Anthony J. Cavanna

/s/ Roger A. Wittenberg

Roger A. Wittenberg

/s/ Robert G. Matheny

Robert G. Matheny

/s/ Andrew U. Ferrari

Andrew U. Ferrari

CIG & Co.

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Its: Partner

The Lincoln National Life Insurance Company

By: Lincoln Investment Management Company, its Attorney-in-Fact

By: /s/ R. Gordon Marsh

Name: R. Gordon Marsh
Its: Vice President

CLASS B BENEFICIAL OWNERS:

Connecticut General Life Insurance Company
(on behalf of one or more separate accounts)

By: CIGNA Investments, Inc., authorized agent

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Its: Managing Director

Connecticut General Life Insurance Company

By: CIGNA Investments, Inc., authorized agent

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Its: Managing Director

Life Insurance Company of North America

By: CIGNA Investments, Inc., authorized agent

By: /s/ Stephen A. Osborn

Name: Stephen A. Osborn
Its: Managing Director

AMENDED AND RESTATED CREDIT AGREEMENT dated as of March 23, 1999
between TREX COMPANY, LLC, a Delaware limited liability company,
and FIRST UNION NATIONAL BANK,
a national banking association.

RECITALS

WHEREAS, the Borrower and the Bank entered into a Credit Agreement dated as of December 10, 1996, as amended from time to time (the "Original Credit Agreement") pursuant to which the Bank made available to the Borrower a revolving line of credit;

WHEREAS, the Borrower and the Bank have agreed to the terms of a term loan facility to be made available by the Bank to the Borrower;

WHEREAS, the Borrower, as of the date hereof, owns all of the issued and outstanding capital stock of TREX COMPANY, INC., a Delaware corporation;

WHEREAS, TREX COMPANY, INC. proposes to make an initial public offering (the "IPO") of its common stock;

WHEREAS, in order to facilitate the IPO, the Borrower, TREX COMPANY, INC. and the members of the Borrower intend to complete a series of transactions (collectively, the "Reorganization") prior to the IPO in which, among other things, (i) the holders of Class B Units will convert such units into Class A Units; (ii) the Borrower will repurchase Class A Units from certain of its members, (iii) all of the Borrower's members except Mobil Oil Corporation will exchange their limited liability company interests in the Borrower for common stock of TREX COMPANY, INC., (iv) Mobil Oil Corporation will exchange its limited liability company interest in the Borrower for a promissory note of TREX COMPANY, INC. payable on the IPO closing date, (v) the Borrower will make a special cash distribution to each holder of its Class A Units, which will initially be evidenced in part by a promissory note of the Borrower, will be funded in part from IPO proceeds and in part from Revolving Loans and will consist in part of a return of such holder's capital in the Borrower and in part of an amount equal to the previously recognized and undistributed taxable income of the Borrower on which such holder has paid or will pay income tax, and (vi) the Borrower's common stock in TREX COMPANY, INC. will be canceled; and

WHEREAS, upon consummation of the Reorganization, TREX COMPANY, INC. will own all of the issued and outstanding limited liability company interests in the Borrower and will operate the Borrower as its wholly-owned subsidiary; and

WHEREAS, the Borrower and the Bank have agreed to amend and restate the Original Credit Agreement to incorporate the terms of the revolving line of credit and the term loan facility.

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Bank agree to amend, restate and replace the Original Credit Agreement as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. All capitalized terms used in this Agreement or in any Appendix, Schedule or Exhibit hereto which are not otherwise defined herein or therein shall have the respective meanings set forth in the Appendix attached hereto identified as the Definitions Appendix. The Definitions Appendix is incorporated herein by reference in its entirety and is a part of this Agreement to the same extent as if it had been set forth in this Section 1.01 in full.

Section 1.02 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms 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 generally accepted accounting principles in the United States of America as in effect from time to time, applied on a basis consistent (except for changes concurred in by the Borrower's independent public accountants) with the most recent audited consolidated financial statements of the Borrower and its Consolidated Subsidiaries delivered to the Bank.

ARTICLE II
THE CREDIT

Section 2.01 Commitment to Lend.

(a) Revolving Commitment. The Bank agrees, on the terms and conditions set forth in this Agreement, to make Revolving Loans to the Borrower from time to time during the Revolving Credit Period in amounts such that the aggregate principal amount of Revolving Loans at any one time outstanding will not exceed the lesser of (i) the Revolving Commitment and (ii) the Borrowing Base. Within the foregoing limit, the Borrower may borrow, prepay and reborrow Revolving Loans at any time during the Revolving Credit Period.

(b) Term Commitment. The Bank agrees, on the terms and conditions set forth in this Agreement, to make Term Loans to the Borrower from time to time during the Term Loan Period in amounts such that the aggregate principal amount of Term Loans will not exceed the Term Commitment. This commitment to make Term Loans is not revolving in nature, and any Term Loans repaid may not be reborrowed.

Section 2.02 Methods of Borrowing.

(a) Notice of Borrowing. Except as otherwise provided in this Section, the Borrower may, with the approval of the Bank, give the Bank notice substantially in the form of Exhibit A hereto (a "Notice of Borrowing") not later than 12:00 P.M. (local time in Winchester, Virginia) on the date of each requested Loan, specifying the date of such Loan and the amount of such Loan.

(b) Cash Management Services. The Borrower subscribes to the Bank's cash management services and such services are applicable to the Revolving Loans. The terms of such services, as set forth in the Services Agreement, shall control the manner in which funds are transferred between the Operating Account and the Revolving Loans for credit or debit to the Revolving Loans.

(c) Overdrafts in Other Accounts. The Bank may, at its option, pay any Item which will cause any deposit account maintained by the Borrower with the Bank to become overdrawn, and such payment shall be deemed a Revolving Loan hereunder.

Section 2.03 Funding of Loans. The Bank shall disburse the proceeds of each Loan made pursuant to Section 2.02 as follows:

(a) The proceeds of each Loan under Section 2.02(a) shall be made available by the Bank to the Borrower in Federal or other funds immediately available at the Bank's address referred to in Section 8.01.

(b) The proceeds of each Loan under Section 2.02(b) or (c) shall be disbursed by the Bank by way of direct payment of the relevant Item or by way of deposit to the Operating Account pursuant to the Services Agreement, as the case may be.

Section 2.04 Note.

(a) Evidence of Loans. The Revolving Loans and the Term Loans shall each be evidenced by a single Note payable to the order of the Bank in an amount equal to the Revolving Commitment and the Term Commitment, respectively.

(b) Records of Amounts Due. The Bank shall record the date and amount of each Loan made by it and the date and amount of each payment of principal made by the Borrower with respect thereto, and may, if the Bank so elects in connection with any transfer or enforcement of each Note, endorse on the schedule forming a part thereof appropriate notations to evidence the foregoing information with respect to each such Loan then outstanding; provided that the failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under such Note. The Bank is hereby irrevocably authorized by the Borrower so to endorse each Note and to attach to and make a part of such Note a continuation of any such schedule as and when required. The Bank shall send the Borrower a copy of any endorsements and continuations so made.

Section 2.05 Interest Rate.

(a) LIBOR Market Index-Based Rate. Each Loan shall bear interest on the outstanding principal amount thereof, for each day from the date such Loan is made until it becomes due, at a rate per annum equal to the applicable LIBOR Market Index-Based Rate for such day. Such interest shall be payable for each month in arrears on the first day of the immediately succeeding calendar month.

"LIBOR Market Index-Based Rate" shall be the rate per annum equal to the LIBOR Market Index Rate plus two percent (2.0%) as that rate may change from day to day. "LIBOR Market Index Rate", for any day, is the rate for 1 month U.S. dollar deposits as reported on Telerate page 3750 as of 11:00 a.m., London time, on such day, or if such day is not a London business day, then the immediately preceding London business day (or if not so reported, then as determined by the Bank from another recognized source or interbank quotation).

(b) Overdue Amounts. Any overdue principal of or interest on any Loan shall bear interest, payable on demand, for each day from and including the date payment thereof was due to but excluding the date of actual payment, at a rate per annum equal to the sum of 2% plus the LIBOR Market Index-Based Rate applicable to such Loan on such day.

Section 2.06 Fees.

(a) Unused Commitment Fee. The Borrower shall pay to the Bank an unused commitment fee (the "Commitment Fee") for each day at a rate per annum equal to the product of (i) 12.5 basis points multiplied by (ii) the excess of the Revolving Commitment over the aggregate amount of the Revolving Loans on such day. Such unused commitment fee shall accrue from and including the Effective Date to but excluding the Termination Date (or earlier date of termination of the Revolving Commitment in its entirety) and shall be payable quarterly in arrears on each Quarterly Date and on the Termination Date.

(b) Audit Fee. The Borrower shall pay an audit fee, not to exceed $3,500.00, for each audit permitted to be made pursuant to Section 5.06.

Section 2.07 Adjustments of Commitment.

(a) Optional Termination or Reductions of Revolving Commitment. The Borrower may, upon at least three Business Days' notice to the Bank, (i) terminate the Revolving Commitment at any time, if no Revolving Loans are outstanding at such time or (ii) reduce from time to time the amount of the Revolving Commitment in excess of the aggregate outstanding principal amount of the Revolving Loans. If the Revolving Commitment is terminated in its entirety, all accrued fees shall be payable on the effective date of such termination.

(b) Optional Extension of Commitment.

(i) The Bank may elect, by notice to the Borrower not less than 15 days and not more than 45 days prior to May 31, 2000 or the first anniversary of an Extension Date (as applicable, an "Anniversary Date"), to extend the Revolving Credit Period until the second anniversary of such Anniversary Date (each of the first and subsequent Anniversary Dates on which the Revolving Credit Period is extended hereunder being referred to herein as an "Extension Date"). Failure by the Bank to notify the Borrower of such election within the above time period shall be deemed to constitute an election by the Bank not to extend the Revolving Credit Period.

(ii) If the Bank shall have elected to extend the Revolving Credit Period as provided in this Section 2.07(b), then the Revolving Credit Period shall continue until the second anniversary of the Extension Date in effect, and the term "Termination Date", as used herein, shall mean such second anniversary.

Section 2.08 Maturity and Repayment of Loans.

(a) Maturity of Termination Date. Each Revolving Loan shall mature, and the principal amount thereof shall be due and payable, on the Termination Date.

(b) Mandatory Prepayments of Revolving Loans Exceeding Borrowing Base. If on any day the aggregate outstanding principal amount of all Revolving Loans exceeds the Borrowing Base, the Borrower shall prepay, and there shall become due and payable, on such date the principal amount of the Revolving Loans equal to such excess, together with interest thereon to the date of repayment.

(c) Mandatory Repayments from Operating Account.

(i) Deposits of Proceeds to Operating Account. The Borrower shall instruct all Account Debtors and other Persons obligated in respect of Accounts and other Collateral to make all payments in respect of the Accounts or other Collateral directly to the Bank (by instructing that such payments be remitted to a post office box which shall be in the name of the Borrower but under the control of the Bank). Except as provided in Section 3.04 of the Security Agreement, all such payments made to the Bank shall be deposited in the Operating Account. In addition to the foregoing, the Borrower agrees that if the proceeds of any Collateral (including the payments made in respect of Accounts) shall be received by it, the Borrower shall, unless Section 3.04 of the Security Agreement shall require otherwise, as promptly as possible deposit such proceeds to the Operating Account. Until so deposited, all such proceeds shall be held in trust by the Borrower for and as the property of the Bank and shall not be commingled with any other funds or property of the Borrower. The Borrower hereby irrevocably authorizes and empowers the Bank, its officers, employees and authorized agents to endorse and sign its name on all checks, drafts, money orders or other media of payment so delivered, and such endorsements or assignments shall, for all purposes, be deemed to have been made by the Borrower prior to any endorsement or assignment thereof by the Bank. The Bank may use any convenient or customary means for the purpose of collecting such checks, drafts, money orders or other media of payment.

(ii) Cash Management Services. The Revolving Loans shall be repaid as set forth in the Services Agreement, and consistent with Section 2.02(b) of this Agreement.

(d) Term Loans. The unpaid principal balance of the Term Loans on August 31, 1999 shall be payable in consecutive monthly payments on the first day of each month, beginning October 1, 1999, equal to the quotient of the amount of such unpaid principal balance on August 31, 1999 divided by 60; provided, however, that the entire unpaid principal balance of the Term Loans and all accrued interest thereon shall be due and payable in full on April 1, 2000.

(e) Optional Prepayments of Loans. The Borrower may upon at least one Business Day's notice to the Bank, prepay any Loan, in whole at any time, or from time to time in part, without penalty, by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. The notice of prepayment delivered by the Borrower to the Bank shall not be revocable by the Borrower following its receipt by the Bank. Any prepayment of the Term Loans shall be applied to the Term Loans in the inverse order of their maturities.

Section 2.09 General Provisions as to Payments. The Borrower shall make each payment of principal of and interest on the Loans and fees hereunder not later than 12:00 Noon (local time in Winchester, Virginia) on the date when due, without set-off, counterclaim or other deduction, in Federal or other funds immediately available to the Bank at its address referred to in Section 8.01 or such other location as designated by the Bank. Whenever any payment of principal of, or interest on, the Loans or of fees shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding 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.

Section 2.10 Computation of Interest and Fees. Interest on Loans 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).

ARTICLE III
CONDITIONS

Section 3.01 Conditions to Closing. The obligation of the Bank to make the first Loan hereunder is subject to the satisfaction of the following conditions:

(a) Effectiveness. This Agreement shall have become effective in accordance with Section 9.08.

(b) Notes. On or prior to the Closing Date, the Bank shall have received a duly executed Revolving Note and Term Note dated on or before the Closing Date complying with the provisions of Section 2.04.

(c) Other Loan Documents. Each of the Loan Documents to be executed on or before the Closing Date shall be in form and substance reasonably satisfactory to the Bank and shall have been duly executed and delivered to the Bank by each of the parties thereto.

(d) Adverse Change, etc. On the Closing Date, nothing shall have occurred (and the Bank shall not have become aware of any facts or conditions not previously known) which has, or could reasonably be expected to have, a Material Adverse Effect.

(e) Officer's Certificate. The Bank shall have received a certificate dated the Closing Date signed on behalf of the Borrower by the Chairman of the Board, the President, any Vice President or the Treasurer of the Borrower stating that (x) on the Closing Date and after giving effect to the Loan being made on the Closing Date, no Default or Event of Default shall have occurred and be continuing and (y) to the best knowledge and belief of such officer, the representations and warranties of the Borrower contained in the Loan Documents are true and correct on and as of the Closing Date.

(f) Opinion of Borrower's Counsel. On the Closing Date, the Bank shall have received from counsel to the Borrower an opinion addressed to the Bank, dated the Closing Date, substantially in the form of Exhibit C hereto and covering such additional matters incident to the transactions contemplated hereby as the Bank may reasonably request.

(g) Company Proceedings. On the Closing Date, the Bank shall have received (i) a copy of the Borrower's Certificate of Formation, as amended, certified by the Secretary of the State of Delaware and dated as of a recent date prior to the Closing Date; (ii) a certificate of the Secretary of the State of Delaware and each other state in which the Borrower is qualified as a foreign limited liability company to do business, dated as of a recent date prior to the Closing Date, as to the good standing of the Borrower; (iii) a copy of the Borrower's Limited Liability Company Agreement, including all amendments thereto; and (iv) a certificate of the appropriate officer or other authorized person of the Borrower dated the Closing Date and certifying (A) that the documents referred to in clause (iii) above have not been amended since the date of said certificate, (B) that attached thereto is a true, correct and complete copy of resolutions adopted by the managers of the Borrower authorizing the execution, delivery and performance of the Credit Agreement, the Notes and the Security Agreement and each other document delivered in connection herewith or therewith and that said resolutions have not been amended and are in full force and effect on the date of such certificate, (C) as to the incumbency and specimen signatures of each officer or other authorized person of the Borrower executing this Agreement, the Notes and the Security Agreement or any other document delivered in connection herewith or therewith and (D) certifying as to the names and respective jurisdictions of organization of all Subsidiaries of the Borrower existing on the Closing Date.

All company and legal proceedings and instruments and agreements relating to the transactions contemplated by this Agreement or in any other document delivered in connection therewith shall be satisfactory in form and substance to the Bank and its counsel, and the Bank shall have received all information and copies of all documents and papers, including records of company proceedings, governmental approvals, good standing certificates and bring-down telegrams, if any, which the Bank reasonably may have requested in connection therewith,

such documents and papers where appropriate to be certified by proper company or governmental authorities.

(h) Perfection of Security Interests; Search Reports. On or prior to the Closing Date, the Bank shall have received:

(i) a Perfection Certificate of the Borrower, substantially in the form of Exhibit A to the Security Agreement;

(ii) appropriate Financing Statements (Form UCC-1 or such other financing statements or similar notices as shall be required by local law) fully executed for filing under the Uniform Commercial Code or other applicable local law of each jurisdiction in which the filing of a financing statement or giving of notice may be required, or reasonably requested by the Bank, to perfect the security interests purported to be created by the Loan Documents;

(iii) copies of reports from Prentice-Hall Financial Services or other independent search service reasonably satisfactory to the Bank listing all effective financing statements that name the Borrower (under its present name and any previous name and, if requested by the Bank, under any trade names) as debtor or seller that are filed in the jurisdictions referred to in clause (i) above, together with copies of such other financing statements (none of which shall cover the Collateral except to the extent evidencing Permitted Liens or for which the Bank shall have received termination statements (Form UCC-3) or such other termination statements as shall be required by local law) fully executed for filing; and

(iv) evidence of the completion of all other filings and recordings of, or with respect to, the Loan Documents as may be necessary or, in the opinion of the Bank, desirable to perfect the security interests intended to be created by the Loan Documents.

(i) Closing Date Borrowing Base Certificate. On the Closing Date, the Borrower shall have delivered to the Bank its initial Borrowing Base Certificate meeting the requirements of Section 5.01(f).

(j) Payment of Fees. All reasonable costs, fees and expenses due to the Bank on or before the Closing Date (including, without limitation, legal fees and expenses) shall have been paid.

(k) Counsel Fees. The Bank shall have received payment from the Borrower of the reasonable fees and expenses of McGuire, Woods, Battle & Boothe, LLP described in Section 8.03 which are billed through the Closing Date.

(l) CIGNA Agreements. The Bank shall have received a certificate of the appropriate officer or other authorized person of the Borrower dated the Closing Date and certifying (A) that attached thereto are true, correct and complete copies of the CIGNA Agreements, and (B) that the documents referred to in clause (A) above have not been amended since the date of said

certificate. Furthermore, the Bank shall have received a fully executed amendment to the Securities Purchase Agreement amending certain provisions of the Securities Purchase Agreement which would otherwise be breached by the execution and delivery of the Loan Documents.

The Bank shall promptly notify the Borrower of the Closing Date, and such notice shall be conclusive and binding on all parties hereto. The documents referred to in this Section shall be delivered to the Bank no later than the Closing Date. The certificates and opinion referred to in this Section shall be dated the Closing Date.

Section 3.02 Conditions to All Loans. The obligation of the Bank to make each Loan is subject to the satisfaction of the following conditions:

(i) the fact that the Closing Date shall have occurred;

(ii) with respect to each Revolving Loan, the fact that, immediately after the making of such Loan, the aggregate outstanding principal amount of all Revolving Loans shall not exceed the lesser of (A) the Revolving Commitment and (B) the Borrowing Base;

(iii) with respect to each Term Loan, the fact that, immediately after the making of such Loan, the aggregate principal amount of all Term Loans made shall not exceed the Term Commitment.

(iv) the fact that, immediately before and after the making of such Loan, no Default shall have occurred and be continuing;

(v) the fact that the representations and warranties of the Borrower contained in this Agreement shall be true on and as of the date of such Loan; and

(vi) (A) the Bank shall in good faith have determined that its prospect of receiving payment in full of the Obligations then outstanding or its ability to exercise its rights and remedies hereunder and under the other Loan Documents have not been impaired, (B) no event or condition shall have occurred since the Effective Date which has or could reasonably be expected to have a Material Adverse Effect or (C) the Bank shall not reasonably suspect that one or more Events of Default have occurred and is continuing.

Each Loan hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Loan as to the facts specified in clauses (iv) and (v) of this Section.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

Section 4.01 Existence and Power. The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Each of the Subsidiaries is duly organized, validly existing and in good standing under the laws of the state of its organization and has all powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Each of the Borrower and the Subsidiaries is duly qualified as a foreign entity, licensed and in good standing in each jurisdiction where qualification or licensing is required by the nature of its business or the character and location of its property, business or customers and in which the failure to so qualify or be licensed, as the case may be, in the aggregate, could have a Material Adverse Effect.

Section 4.02 Company and Governmental Authorization; No Contravention. The execution, delivery and performance by the Borrower of the Loan Documents to which it is a party are within the limited liability company powers of the Borrower, have been duly authorized by all necessary company action, require no action by or in respect of, or filing with, any governmental body, agency or official (except for any such action or filing as shall have been taken or made and that is in full force and effect from and after the Closing Date) and do not contravene, or constitute (with or without the giving of notice or lapse of time or both) a default under, any provision of applicable law or of the organizational documents of the Borrower or any Subsidiary or of any agreement, judgment, injunction, order, decree or other instrument binding upon or affecting the Borrower or any Subsidiary or result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries.

Section 4.03 Binding Effect. Each Loan Document other than the Notes to which the Borrower is a party constitutes a valid and binding agreement of the Borrower and each Note, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Borrower, in each case enforceable against the Borrower in accordance with its terms except in each case as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by equitable principles of general applicability (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.04 Financial Condition.

(a) [Intentionally deleted].

(b) Interim Financial Statements. The unaudited consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of December 31, 1998 and the related unaudited consolidated income statements for the month then ended, copies of which have been delivered to the Bank, fairly present, in conformity with generally accepted accounting principles applied on a basis consistent with the audited financial statements for the fiscal year ended December 31, 1997, the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of

such date and their consolidated results of operations and changes in financial position for such 12 month period (subject to normal year-end audit adjustments).

(c) Material Adverse Change. Since December 31, 1998 there has been no material adverse change in condition (financial or otherwise), results of operations, properties, assets, business or prospects of the Borrower or of the Borrower and its Consolidated Subsidiaries, considered as a whole.

Section 4.05 Litigation. Except as set forth on Schedule 4.05, there is no material action, suit, proceeding or investigation pending against, or to the knowledge of the Borrower threatened against, contemplated or affecting, the Borrower or any of its Subsidiaries before any court, arbitrator or any governmental body, agency or official which has, or could reasonably be expected to have, a Material Adverse Effect, or which in any manner draws into question the validity or enforceability of this Agreement or the Notes, and there is no basis known to the Borrower or any of its Subsidiaries for any such action, suit, proceeding or investigation.

Section 4.06 Regulation U; Use of Proceeds. The Borrower and its Subsidiaries do not own any "margin stock" as such term is defined in Regulation U. The proceeds of the Loans will be used by the Borrower only for the purposes set forth in Section 5.16 hereof.

Section 4.07 Regulatory Restrictions on Borrowing. Neither the Borrower nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, a "holding company" within the meaning of the Public Utility Holding Company Act of 1935, as amended, or otherwise subject to any regulatory scheme which restricts its ability to incur debt.

Section 4.08 Subsidiaries. Part I of Schedule 4.08 (as such Schedule may be supplemented by a writing delivered by the Borrower to the Bank from time to time after the Effective Date) hereto lists each Subsidiary of the Borrower (and the direct and indirect ownership interests of the Borrower therein), in each case existing on the Effective Date and, if applicable, upon completion of the Reorganization. Except as set forth on Part I of such Schedule 4.08, each such Subsidiary existing on the date hereof is, and, in the case of any additional corporate Subsidiaries formed after the Effective Date, each of such additional corporate Subsidiaries will be at each time that this representation is made or deemed to be made after the Effective Date, a wholly-owned Subsidiary that is a corporation duly incorporated, validly existing and, to the extent relevant in such jurisdiction, in good standing under the laws of its jurisdiction of incorporation, and has all corporate powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Except as listed on Part II of Schedule 4.08 (as such Schedule may be supplemented by a writing delivered by the Borrower to the Bank from time to time after the Effective Date), neither the Borrower nor any of its Subsidiaries is engaged in any joint venture or partnership with any other Person.

Section 4.09 Full Disclosure. All factual information (taken as a whole) furnished by or on behalf of the Borrower or any of its Subsidiaries in writing to the Bank for purposes of or in connection with this Agreement or any transaction contemplated hereby is true and accurate in

all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any material fact necessary to make such information (taken as a whole) not misleading at such time in light of the circumstances under which such information was provided. Except for economic trends generally known to the public affecting generally the industry in which the Borrower and its Subsidiaries conduct their business, the Borrower has disclosed to the Bank in writing any and all facts which materially and adversely affect or may materially and adversely affect (to the extent the Borrower can now reasonably foresee), the business, operations or financial condition of the Borrower and its Consolidated Subsidiaries, taken as a whole, or the ability of the Borrower to perform its obligations under this Agreement.

Section 4.10 Tax Returns and Payments. Each of the Borrower and its Subsidiaries has filed all United States Federal income tax returns and all other material tax returns, domestic and foreign, required to be filed by it and has paid all taxes and assessments payable by it which have become due pursuant to such returns or pursuant to any assessment received by the Borrower or any Subsidiary, other than those not yet delinquent and except for those contested in good faith. Each of the Borrower and its Subsidiaries has paid, or has provided adequate reserves (in good faith judgment of the management of the Borrower) for the payment of, all federal, state and foreign income taxes applicable for all prior fiscal years and for the current fiscal year to the date hereof.

Section 4.11 Compliance with ERISA. Each member of the ERISA Group has fulfilled its obligations under the minimum funding standards of ERISA and the Internal Revenue Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Internal Revenue Code with respect to each Plan. No member of the ERISA Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement, or made any amendment to any Plan or Benefit Arrangement, which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Internal Revenue Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

Section 4.12 Intellectual Property. Each of the Borrower and its Subsidiaries owns or possesses or holds under valid non-cancelable licenses all Patents, Trademarks, service marks, trade names, copyrights, Licenses and other intellectual property rights that are necessary for the operation of their respective properties and businesses, and neither the Borrower nor any of its Subsidiaries is in violation of any provision thereof. The Borrower and its 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, except as set forth on Schedule 4.12, 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 Borrower and its Subsidiaries.

Section 4.13 No Burdensome Restrictions. No contract, lease, agreement or other instrument to which the Borrower or any of its 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 or governmental regulation has had or is reasonably expected to have a Material Adverse Effect.

Section 4.14 Environmental Matters. In the ordinary course of its business, the Borrower conducts an ongoing review of the effect of Environmental Laws on the business, operations and properties of the Borrower and its Subsidiaries, in the course of which it identifies and evaluates associated liabilities and costs (including, without limitation, any capital or operating expenditures required for clean-up or closure of properties presently or previously owned, any capital or operating expenditures required to achieve or maintain compliance with environmental protection standards imposed by law or as a condition of any license, permit or contract, any related constraints on operating activities, including any periodic or permanent shutdown of any facility or reduction in the level of or change in the nature of operations conducted at any such facility, any costs or liabilities in connection with off-site disposal of wastes or Hazardous Substances, and any actual or potential liabilities to third parties, including employees, and any related costs and expenses). On the basis of this review, the Borrower has reasonably concluded that such associated liabilities and costs, including the costs of compliance with Environmental Laws, are unlikely to have a material adverse effect on the business, financial condition, results of operations or prospects of the Borrower and its Consolidated Subsidiaries, considered as a whole.

Section 4.15 Accounts. With respect to each Account, all records, papers and documents relating thereto (if any) are genuine and in all respects what they purport to be, and all papers and documents (if any) relating thereto: (i) represent legal, valid and binding obligations of the respective Account Debtor, subject to adjustments customary in the business of the Borrower, with respect to unpaid indebtedness incurred by such Account Debtor in respect of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein, or both, (ii) are the only original writings evidencing and embodying such obligation of the Account Debtor named therein (other than copies created for general accounting purposes) and are in compliance with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction.

ARTICLE V
COVENANTS

The Borrower agrees that, so long as the Bank has any commitment to make Revolving Loans or Term Loans hereunder or any Obligation remains unpaid:

Section 5.01 Information. The Borrower will deliver or cause to be delivered to the Bank:

(a) Annual Financial Statements. As soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a consolidated and consolidating balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal year and the related consolidated and consolidating statements of income, changes in members' 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 accompanied by an opinion thereon by Ernst & Young, LLP or other independent public accountants reasonably satisfactory to the Bank, which opinion shall not be qualified as to the scope of the audit and which shall state that such consolidated financial statements present fairly the consolidated financial position of the Borrower and its Consolidated Subsidiaries as of the date of such financial statements and the results of their operations for the period covered by such financial statements in conformity with generally accepted accounting principles applied on a consistent basis (except for changes in the application of which such accountants concur) and shall not contain any "going concern" or like qualification or exception or qualification arising out of the scope of the audit.

(b) Monthly Financial Statements. As soon as available and in any event within 15 days after the end of each of the first eleven months of each fiscal year of the Borrower a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries as of the end of such fiscal month (with all supporting schedules) and the related consolidated statements of income, changes in members' equity and cash flows of the Borrower and its Consolidated Subsidiaries for such month, setting forth in each case in comparative form the figures for the corresponding month of the Borrower's previous fiscal year, all certified (subject to normal year-end audit adjustments) as to fairness of presentation, generally accepted accounting principles and consistency by the chief financial officer or chief accounting officer of the Borrower.

(c) Officer's Certificate. Simultaneously with the delivery of each set of financial statements referred to in subsections (a) and (b) above, a certificate of the chief financial officer or chief accounting officer of the Borrower, (i) if applicable, setting forth in reasonable detail the calculations required to establish whether the Borrower was in compliance with the requirements of Sections 5.18 through 5.20, on the date of such financial statements, (ii) setting forth in reasonable detail the business outlook and performance of the Borrower and its Consolidated Subsidiaries as of the date of such certificate, (iii) stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto, and (iv) stating whether, since the date of the most recent previous delivery of financial statements pursuant to subsections (a) and (b) of this Section, there has been any material adverse change in the condition (financial or otherwise), results of operations, properties, assets, business or prospects of the Borrower or of the Borrower and its Consolidated Subsidiaries, considered as a whole, and, if so, the nature of such material adverse change.

(d) Accountant's Certificate. Simultaneously with the delivery of each set of financial statements referred to in subsection (a) above, a statement of the firm of independent public accountants which reported on such statements (x) whether anything has come to their attention to cause them to believe that any Default existed on the date of such statements and (y) confirming the calculations set forth in the officer's certificate delivered simultaneously therewith pursuant to subsection (c) above.

(e) Borrowing Base Certificate. Upon receipt of a notice from the Bank that a Loan has been made, a Borrowing Base Certificate executed by the chief financial officer or chief accounting officer of the Borrower setting forth the Borrowing Base as of the date of receipt of

said notice. Once a Loan has been made, the Borrower shall submit a Borrowing Base Certificate at least monthly, within 15 days after the end of each calendar month, until such time as the outstanding principal balance of the Loans has been reduced to Zero Dollars ($0.00) and such balance has been maintained for thirty (30) consecutive days, and shall resume in accordance herewith upon the next following Loan.

(f) Accounts Receivables Agings. As soon as available and in any event within 15 days after the end of each calendar month:

(A) a report listing all Accounts of the Borrower as of the last Business Day of such month, which report shall include the amount and age of each Account, the name and mailing address of each Account Debtor and such other information as the Bank may reasonably require in order to verify the Eligible Accounts, all in reasonable detail and in form reasonably satisfactory to the Bank;

(B) a report listing all Inventory of the Borrower as of the last Business Day of such month, which shall include the cost and location thereof and such other information as the Bank may reasonably require in order to verify the Eligible Inventory, all in reasonable detail and in form reasonably satisfactory to the Bank; and

(C) a report listing all accounts payable of the Borrower in reasonable detail and in form reasonably satisfactory to the Bank.

(g) Default. Forthwith upon the occurrence of any Default, a certificate of the chief financial officer or chief accounting officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto.

(h) Litigation. As soon as reasonably practicable after obtaining knowledge of the commencement of, or of a material threat of the commencement of, an action, suit, proceeding or investigation against the Borrower or any of its Subsidiaries which could materially adversely affect the condition (financial or otherwise), results of operations, properties, assets, business or prospects of the Borrower and its Consolidated Subsidiaries, considered as a whole, or could otherwise have a Material Adverse Effect or which in any manner questions the validity of this Agreement or any of the other transactions contemplated hereby or thereby, an explanation of the nature of such pending or threatened action, suit, proceeding or investigation and such additional information as may be reasonably requested by the Bank.

(i) Auditors' Management Letters. Promptly upon receipt thereof, copies of each report submitted to the Borrower or any of 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 any of its Consolidated Subsidiaries including, without limitation, each report submitted to the Borrower or any of 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 and its Consolidated Subsidiaries.

(j) [Intentionally deleted.]

(k) ERISA Matters. If and when any member of the ERISA 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 or notice that any Multiemployer Plan is in reorganization, is insolvent or has been terminated, a copy of such notice; (iii) receives notice from the PBGC under Title IV of ERISA of an intent to terminate, impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or appoint a trustee to administer any Plan, a copy of such notice; (iv) applies for a waiver of the minimum funding standard under Section 412 of the Internal Revenue Code, a copy of such application; (v) gives notice of intent to terminate any Plan under Section 4041(c) of ERISA, a copy of such notice and other information filed with the PBGC; (vi) gives notice of withdrawal from any Plan pursuant to Section 4063 of ERISA, a copy of such notice; or (vii) fails to make any payment or contribution to any Plan or Multiemployer Plan or in respect of any Benefit Arrangement or makes any amendment to any Plan or Benefit Arrangement which has resulted or could reasonably be expected to result in the imposition of a Lien or the posting of a bond or other security, a certificate of the chief financial officer or the chief accounting officer of the Borrower setting forth details as to such occurrence and action, if any, which the Borrower or applicable member of the ERISA Group is required or proposes to take.

(l) Environmental Matters. Promptly, upon receipt of any complaint, order, citation, notice or other written communication from any Person with respect to, or upon the Borrower's obtaining knowledge of, (A) the existence or alleged existence of a violation of any applicable Environmental Law in connection with any property now or previously owned, leased or operated by the Borrower or any of its Subsidiaries, (B) any release on such property or any part thereof in a quantity that is reportable under any applicable Environmental Law and (C) any pending or threatened proceeding for the termination, suspension or non-renewal of any permit required under any applicable Environmental Law, in each such case under clause (A), (B) or (C) in which there is a reasonable likelihood of an adverse decision or determination which could result in a Material Adverse Effect.

(m) Other Information. From time to time such additional financial or other information regarding the condition (financial or otherwise), results of operations, properties, assets, business or prospects of the Borrower or any of its Subsidiaries as the Bank may reasonably request.

Section 5.02 Payment of Obligations. The Borrower will pay and discharge, and will cause each of its Subsidiaries to pay and discharge, as the same shall become due and payable, (i) all their respective obligations and liabilities, including all claims or demands of materialmen, mechanics, carriers, warehousemen, landlords and other like persons which, in any such case, if unpaid, might by law give rise to a Lien upon any of their properties or assets and (ii) all lawful

taxes, assessments and charges or levies made upon their properties or assets, by any governmental body, agency or official, except where any of the items in clause (i) or (ii) of this Section 5.02 may be diligently contested in good faith by appropriate proceedings and the Borrower or such Subsidiary shall have set aside on its books, if required under generally accepted accounting principles, appropriate reserves for the accrual of any such items.

Section 5.03 Maintenance of Property; Insurance.

(a) Maintenance of Properties. The Borrower will keep, and will cause each of its Subsidiaries to keep, all property useful and necessary in their respective businesses in good working order and condition, subject to ordinary wear and tear.

(b) Insurance. The Borrower will maintain, and will cause each of its Subsidiaries to maintain, insurance with financially sound and responsible companies in such amounts (and with such risk retentions) and against such risks as is usually carried by owners of similar businesses and properties in the same general areas in which the Borrower and its Subsidiaries operate. The Borrower will deliver to the Bank upon request from time to time full information as to the insurance carried.

Section 5.04 Conduct of Business and Maintenance of Existence. The Borrower will continue, and will cause each of its Subsidiaries to continue, to engage in business of the same general type as now conducted by the Borrower and its Subsidiaries, and will preserve, renew and keep in full force and effect, and will cause each of its Subsidiaries to preserve, renew and keep in full force and effect, their respective corporate existence and their respective rights, privileges and franchises necessary or desirable in the normal conduct of business; provided that nothing in this Section 5.04 shall prohibit the Reorganization.

Section 5.05 Compliance with Laws. The Borrower will comply, and will cause each of its Subsidiaries to comply, with all applicable laws, ordinances, rules, regulations, and requirements of governmental authorities (including, without limitation, Environmental Laws, ERISA and the rules and regulations thereunder) except (i) where the necessity of compliance therewith is contested in good faith by appropriate proceedings or (ii) where noncompliance could not reasonably be expected to have a Material Adverse Effect.

Section 5.06 Accounting: Inspection of Property, Books and Records. The Borrower will keep, and will cause each of its Subsidiaries to keep, proper books of record and account in which full, true and correct entries in conformity with generally accepted accounting principles shall be made of all dealings and transactions in relation to their respective businesses and activities, will maintain, and will cause each of its Subsidiaries to maintain, their respective fiscal reporting periods on the present basis and will permit, and will cause each of its Subsidiaries to permit, representatives of the Bank to visit and inspect any of their respective properties, to examine and make copies from any of their respective books and records and to discuss their respective affairs, finances and accounts with their officers, employees and independent public accountants, all at such reasonable times and as often as may reasonably be desired, but in no event less than one year since the most recent examination, unless a Default has occurred. Notwithstanding the above, the Borrower shall be permitted to make adjustments

to its books of record and accounts as may be required or as may be requested by an audit or outside review, so long as the purpose of such adjustment is to bring said books or accounts into conformity with generally accepted accounting principles.

Section 5.07 Collection of Accounts. The Borrower shall use its best efforts to cause to be collected from each Account Debtor, as and when due, any and all amounts owing under or on account of each Account (including, without limitation, Accounts which are delinquent, such Accounts to be collected in accordance with lawful collection procedures) and shall apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. The Borrower may rescind or cancel any indebtedness or obligation evidenced by any Account, modify, make adjustments to, extend, renew, compromise or settle any material dispute, claim, suit or legal proceeding relating to or sell or assign any Account, or interest therein, provided that the Borrower obtains the written consent of the Bank prior to doing any of the foregoing (which consent shall not be unreasonably or untimely withheld or delayed) Notwithstanding the foregoing, subject to the rights of the Bank under the Loan Documents, unless a Default or an Event of Default shall have occurred and be continuing, the Borrower may allow in the ordinary course of business as adjustments to amounts owing under its Accounts (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which the Borrower finds appropriate in accordance with sound business judgment and (ii) a refund or credit due as a result of discounts, over-billings and miscellaneous credits, all in accordance with the Borrower's ordinary course of business consistent with its historical collection practices. The reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by the Borrower or the Bank, shall be borne by the Borrower. Upon the sale or assignment of any Account as allowed by this Section 5.07, the Bank will (as soon as reasonably practicable after receipt of notice from the Borrower requesting the same but at the expense of the Borrower) send the Borrower, for each jurisdiction in which a UCC financing statement is on file to perfect the security interests granted to the Bank hereunder, a termination statement to the effect that the Bank no longer claims a security interest under such financing statement.

Section 5.08 Notification to Account Debtors. Upon the occurrence of a Default or an Event of Default, at the Bank's option, and upon notification by the Bank to do so, the Borrower will promptly notify (and the Borrower hereby authorizes the Bank so to notify) each Account Debtor in respect of any Account that such Account has been assigned to the Bank and that any payments due or to become due in respect of such Account are to be made directly to the Bank.

Section 5.09 Restriction on Liens. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon or with respect to any Collateral, or sell any Collateral subject to an understanding or agreement, contingent or otherwise, to repurchase such Collateral (including sales of accounts receivable or notes with recourse to the Borrower or any of its Subsidiaries) or assign any right to receive income, or file or permit the filing of any financing statement under the Uniform Commercial Code as in effect in any applicable jurisdiction or any other similar notice of Lien under any similar recording or notice statute; provided that the provisions of this Section 5.09 shall not prevent the creation, incurrence, assumption or existence of the following (with such Liens described below being herein referred to as "Permitted Liens"):

(i) Liens created by the Loan Documents;

(ii) Liens for taxes not yet due or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Borrower) have been established; and

(iii) Liens imposed by law securing the charges, claims, demands or levies of carriers, warehousemen, mechanics and other like persons which were incurred in the ordinary course of business which (A) do not in the aggregate materially detract from the value of the property or assets subject to such Lien or materially impair the use thereof in the operation of the business of the Borrower or any Subsidiary or (B) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the property or assets subject to such lien.

Section 5.10 Limitation on Guarantees. Neither the Borrower nor any of its Subsidiaries shall Guarantee any Debt of any Person or Persons in excess of $100,000.00 in the aggregate at any time.

Section 5.11 [Intentionally deleted].

Section 5.12 Consolidations, Mergers and Sales of Assets. Neither the Borrower nor any Subsidiary will (i) consolidate or merge with or into any other Person or (ii) sell, lease or otherwise transfer, directly or indirectly, all or substantially all of the assets of the Borrower or such Subsidiary to any other Person or Persons; provided that so long as no Default shall have occurred after giving effect thereto, (A) a Subsidiary may merge into the Borrower if the Borrower is the surviving entity, and (B) the Borrower or any Subsidiary may merge into or consolidate with another Person if the Borrower or such Subsidiary, as the case may be, is the entity surviving such merger or consolidation.

Section 5.13 Investments: Asset Acquisitions.

(a) Investments. Neither the Borrower nor any Subsidiary will hold, make or acquire any Investment in any Person, except:

(i) the Borrower and any Subsidiary may invest in cash and Cash Equivalents;

(ii) the Borrower and any Subsidiary may acquire and hold receivables owing to them, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(iii) the Borrower and any Subsidiary may acquire and own investments (including Debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business;

(iv) the Borrower and any Subsidiary may make loans and advances to any employees in the ordinary course of business, provided such loans and advances do not exceed at any time, in the aggregate, $250,000; and

(v) the Borrower may issue promissory notes evidencing the Class A Distribution.

(b) Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Acquisition transaction except:

(i) the Borrower and any Subsidiary may acquire assets in the ordinary course of business for fair consideration;

(ii) the Borrower and any Subsidiary may enter into any Acquisition transaction with respect to which the purchase price consists of capital stock of the acquiring Person; and

(iii) the Borrower and any Subsidiary may enter into any other Acquisition transaction, but only to the extent (A) the purchase price (including any assumption of liabilities in connection therewith, but excluding any portion of the purchase price for any such Acquisition consisting of capital stock or other securities of the purchaser) of all such Acquisitions occurring during any fiscal year of the Borrower does not exceed $5,000,000.00 and (B) after giving effect on a pro forma basis to such Acquisition (including but not limited to any Debt to be incurred or assumed by the purchaser in connection therewith), no Default would exist hereunder.

Section 5.14 Payments, etc. The Borrower will not, and will not permit any of its Subsidiaries to, make any distribution, dividend, payment or delivery of property or cash to its members as such, or redeem, retire, purchase or otherwise acquire, directly or indirectly, for a consideration, any membership or other interests or shares of any class of its capital stock now or hereafter outstanding (or any warrants for or options or stock appreciation rights in respect of any of such shares), or set aside any funds for any of the foregoing purposes, or permit any of its Subsidiaries to purchase or otherwise acquire for consideration any membership interest in the Borrower or any shares of capital stock or other interest in any other Subsidiary, as the case may be, now or hereafter outstanding (or any options or warrants or stock appreciation rights issued by such Person with respect to its capital stock), except that:

(i) any Subsidiary of the Borrower may pay dividends to the Borrower;

(ii) provided no Default shall have occurred and be continuing or would exist as a result thereof, before the Reorganization is completed and the IPO is closed, the Borrower may pay Tax Distributions (as defined in Section 3.3(1)(i) of the Operating Agreement);

(iii) provided no Default shall have occurred and be continuing or would exist as a result thereof, the Borrower may make the Class A Distribution; and

(iv) the Borrower may pay any other dividends or distributions if, after giving effect on a pro forma basis to such payment (A) no Default would exist, and (B) the ratio of Total Consolidated Debt to Total Consolidated Capitalization, as a percentage, would not exceed 50%.

Section 5.15 Use of Proceeds. The proceeds of the Revolving Loans made under this Agreement will be used by the Borrower for permanent working capital financing of the Borrower's accounts receivable and inventory and/or for the Class A Distribution. The proceeds of the Term Loans made under this Agreement will be used by the Borrower to purchase equipment. No such use of the proceeds for general corporate purposes will be, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" within the meaning of Regulation U.

Section 5.16 Transactions with Other Persons. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement with any Person whereby any of them shall agree to any restriction on the right of the Borrower or any of its Subsidiaries to amend or waive any of the provisions of this Agreement or any other Loan Document.

Section 5.17 Limitations on Debt. The Borrower will not at any time (other than the period, beginning no later than June 1, 1999, of six Business Days following completion of the Reorganization) permit the ratio of Total Consolidated Debt to Total Consolidated Capitalization, as a percentage, to exceed the correlative percentage set forth below for the period indicated:

Period	Maximum Percentage
Closing Date through May 31, 1999	82%
June 1, 1999 through November 30, 1999	75%
December 1, 1999 through August 31, 2000	72%
September 1, 2000 through June 30, 2001	60%
July 1, 2001 and thereafter	50%

Section 5.18 Fixed Charge Coverage Ratio. The Borrower will not, as of the end of any fiscal quarter on or after the end of the fiscal quarter ending March 31, 1999, permit the Fixed Charge Coverage Ratio to be less than 2.5:1.0.

Section 5.19 Limitation on Operating Leases. The Borrower will not, and will not cause any Subsidiary to, enter into any operating lease at any time if the pro forma Fixed Charge Coverage Ratio after giving effect to such operating lease during the most recent period used to determine compliance under Section 5.18 would be less than 2.5:1.0.

Section 5.20 Year 2000 Compatibility. The Borrower and its Subsidiaries shall take all action necessary to assure that the computer based systems of the Borrower and its Subsidiaries are able to operate and effectively process data including dates on or after January 1, 2000. At the request of the Bank, the Borrower shall provide the Bank reasonable assurance reasonably acceptable to the Bank of the year 2000 compatibility of the Borrower and its Subsidiaries.

Section 5.21 Independence of Covenants. All covenants contained herein shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that such action or condition would be permitted by an exception to, or otherwise be within the limitations of another covenant shall not avoid the occurrence of a Default if such action is taken or condition exists.

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:

(i) the Borrower shall fail to pay, within 5 days after the date when due, any principal, interest, fee, or any other amount payable hereunder or under the Notes;

(ii) the Borrower shall fail to observe or perform any covenant contained in Article V (other than those contained in Sections 5.01 through 5.03);

(iii) the Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those covered by clauses (i) or (ii) above) for 30 days after notice thereof has been given to the Borrower by the Bank;

(iv) any representation, warranty, certification or statement made by the Borrower in this Agreement or in any certificate, financial statement or other document delivered pursuant hereto or thereto shall prove to have been incorrect in any material respect when made;

(v) the Borrower or any Subsidiary shall fail to make any payment or perform any collateralization obligation in respect of any Material Financial Obligations when due or within any applicable grace period;

(vi) any event or condition shall occur which results in the acceleration of the maturity of any Material Debt of the Borrower or any Subsidiary or enables (or, with the giving of notice or lapse of time or both, would enable) the holder of such Material Debt or any Person acting on such holder's behalf to accelerate the maturity thereof;

(vii) the Borrower or any Subsidiary shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its

debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, 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 to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(viii) an involuntary case or other proceeding shall be commenced against the Borrower or any Subsidiary seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, 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 90 days; or an order for relief shall be entered against the Borrower or any Subsidiary under the federal Bankruptcy laws as now or hereafter in effect;

(ix) any member of the ERISA Group shall fail to pay when due an amount or amounts aggregating in excess of $25,000 which it shall have become liable to pay under Title IV of ERISA; or notice of intent to terminate a Material Plan shall be filed under Title IV of ERISA by any member of the ERISA Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate, to impose liability (other than for premiums under Section 4007 of ERISA) in respect of, or to cause a trustee to be appointed to administer any Material Plan; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or there shall occur a complete or partial withdrawal from, or default, within the meaning of Section 4219(c)(5) of ERISA, with respect to, one or more Multiemployer Plans which could reasonably be expected to cause one or more members of the ERISA Group to incur a current payment obligation in excess of $25,000;

(x) one or more judgments or orders for the payment of money in excess of $25,000 in the aggregate shall be rendered against the Borrower or any Subsidiary of the Borrower and such judgments or orders shall continue unsatisfied and unstayed for a period of 30 days; or

(xi) a Change of Control shall have occurred;

then, and in every such event, while such event is continuing, the Bank may (A) by notice to the Borrower terminate the Commitment and it shall thereupon terminate, and (B) by notice to the Borrower declare the Loans (together with accrued interest thereon) to be, and the Loans shall thereupon become, immediately due and payable without presentment, demand, protest or other notice of any kind (except as set forth in clause (A) above), all of which are hereby waived by the Borrower; provided that in the case of any Default or any Event of
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Default specified in clause 6.1(vii) or 6.1(viii) above with respect to the Borrower, without any notice to the Borrower or any other act by the Bank, the commitment to make Revolving Loans and Term Loans shall

thereupon terminate and the Loans (together with accrued interest and accrued and unpaid fees thereon) shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VII
CHANGE IN CIRCUMSTANCES

Section 7.01 [Intentionally deleted].

Section 7.02 Illegality. If, on or after the date of this Agreement, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make, maintain or fund Loans and the Bank shall so notify the Borrower, until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist, each Loan then outstanding which bears interest at the LIBOR Market Index-Based Rate shall be converted immediately to a Base Rate Loan and all new Loans shall be Base Rate Loans.

Section 7.03 [Intentionally deleted].

Section 7.04 Base Rate Loans Substituted for Affected LIBOR Market Index-Based Loans. Upon the occurrence of any event or condition set forth in Section 7.02, each Loan then outstanding which bears interest at the LIBOR Market Index-Based Rate shall be converted immediately to a Base Rate Loan and all new Loans shall be Base Rate Loans. If the Bank notifies the Borrower that the circumstances giving rise to such change in interest rate no longer apply, the principal amount of each such Base Rate Loan shall cease immediately to constitute a Base Rate Loan and shall thereafter bear interest in accordance with Section 2.05(a).

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Notices. Unless otherwise specified herein, all notices, requests and other communications to a party hereunder shall be in writing (including bank wire, telex, facsimile transmission or similar writing) and shall be given to such party: (i) at its address, facsimile number or telex number set forth on the signature pages hereof, or (ii) at such other address, facsimile number or telex number as such party may hereafter specify for the purpose of communication hereunder by notice to the other party hereto. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answer back is received, (ii) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and

confirmation of receipt is received, (iii) if given by mail, 72 hours after such communication is deposited in the mails, certified mail, return receipt requested, with appropriate first class postage prepaid, addressed as specified in this Section or (iv) if given by any other means, when delivered at the address specified in this Section 8.01. 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.

Section 8.02 No Waivers. No failure by either party to exercise, no course of dealing with respect to, and no delay in exercising any right, power or privilege hereunder or under the Notes 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 provided herein shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 8.03 Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses of the Bank, including reasonable fees and disbursements of special and local counsel for the Bank, in connection with the preparation and administration of this Agreement and the other Loan Documents, any waiver or consent thereunder or any amendment thereof or any Default or alleged Default thereunder and (ii) if an Event of Default occurs, all reasonable out-of-pocket expenses incurred by the Bank, including (without duplication) the reasonable fees and disbursements of outside counsel, in connection with such Event of Default and collection, bankruptcy, insolvency and other enforcement proceedings resulting therefrom.

Section 8.04 Amendments and Waivers. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Bank.

Section 8.05 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign or otherwise transfer any of its rights under this Agreement without the prior written consent of the Bank.

Section 8.06 Governing Law. This Agreement and the Notes shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 8.07 Arbitration: Submission to Jurisdiction.

(a) Upon demand of any party hereto, whether made before or after institution of any judicial proceeding, any claim or controversy arising out of, or relating to the Loan Documents between the parties hereto (a "Dispute") shall be resolved by binding arbitration conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and the Federal Arbitration Act. Disputes may include, without limitation, tort claims, counterclaims, disputes as to whether a matter is subject to arbitration, claims brought as class actions, or claims arising from documents executed in the future. A judgment upon the award may be entered in any court

having jurisdiction. Notwithstanding the foregoing, this arbitration provision does not apply to disputes under or related to swap agreements.

(b) All arbitration hearings shall be conducted in the city in which the office of the Bank set forth on the signature page hereof is located. A hearing shall begin within 90 days of demand for arbitration and all hearings shall be concluded within 120 days of demand for arbitration. These time limitations may not be extended unless a party shows cause for extension and then for no more than a total of 60 days. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than $1,000,000. Arbitrators shall be licensed attorneys selected from the Commercial Financial Dispute Arbitration Panel of the AAA. The parties do not waive applicable Federal or state substantive law except as provided herein.

(c) Notwithstanding the preceding binding arbitration provisions, the parties agree to preserve, without diminution, certain remedies that any party may exercise before or after an arbitration proceeding is brought. The parties shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale or under applicable law by judicial foreclosure including a proceeding to confirm the sale; (ii) all rights of self-help including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property; (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver and filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment. Any claim or controversy with regard to the parties' entitlement to such remedies is a Dispute.

(d) Each party agrees that it shall not have a remedy of punitive or exemplary damages against the other in any Dispute and hereby waives any right or claim to punitive or exemplary damages it may have now or which may arise in the future in connection with any Dispute, whether the Dispute is resolved by arbitration or judicially.

(e) The parties acknowledge that by agreeing to binding arbitration they have irrevocably waived any right they may have to a jury trial with regard to a Dispute.

Section 8.08 Counterparts; Integration; Effectiveness. 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. Each of this Agreement, the Notes and the other Loan Documents shall be deemed to incorporate the other of said documents by reference and all of said documents shall constitute the entire agreement and understanding among the parties hereto and supersede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective upon receipt by the Bank of counterparts hereof signed by each of the parties hereto.

Section 8.09 Confidentiality. The Bank agrees to hold all non-public information obtained pursuant to the requirements of this Agreement in accordance with its customary procedure for handling confidential information of this nature and in accordance with safe and

sound banking practices, provided that nothing herein shall prevent the Bank
from disclosing such information (i) to any other Person if reasonably incidental to the administration of the Loans, (ii) upon the order of any court or administrative agency, (iii) upon the request or demand of any regulatory agency or authority, (iv) which had been publicly disclosed other than as a result of a disclosure by the Bank prohibited by this Agreement, (v) in connection with any litigation to which the Bank or its subsidiaries or parent may be a party, (vi) to the extent necessary in connection with the exercise of any remedy hereunder and (vii) to the Bank's legal counsel and independent auditors.

Section 8.10 Severability; Modification. If any provision hereof is invalid or unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction; and (ii) 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.

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

TREX COMPANY, LLC

20 South Cameron Street
Winchester, Virginia 22601
Facsimile No.: (540) 678-1820

By: /s/ Anthony J. Cavanna

Anthony J. Cavanna, Chief Executive Officer

FIRST UNION NATIONAL BANK

Commercial Banking
201 North Loudoun Street
Winchester, Virginia 22601
Facsimile No.: (540) 665-6672 By: /s/ B. Scott Arthur

B. Scott Arthur, Vice PresidentFirst Union

EXHIBIT A

Form of Notice of Borrowing

_____, ____

First Union National Bank
Commercial Finance Division
225 Water Street, 9th Floor
Jacksonville, Florida 32202
Attn:

Ladies and Gentlemen:

This notice shall constitute a "Notice of Borrowing" pursuant to Section 2.02(a) of the Amended and Restated Credit Agreement dated as of _____, 1999 (the "Credit Agreement") between TREX COMPANY, LLC (the "Borrower") and First Union National Bank (the "Bank"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Credit Agreement.

The date of the Loan will be _____ , _____

The principal amount of the Loan will be $_____

Transfer Instructions:

[Insert appropriate delivery instructions, which shall include bank and account number].

TREX COMPANY, LLC

By:
Name:
Title:

EXHIBIT B-1

Form of Note

Roanoke, Virginia
_____, 1999

For value received, TREX COMPANY, LLC, a Delaware limited liability company (the "Borrower"), promises to pay to the order of FIRST UNION NATIONAL BANK (the "Bank") the unpaid principal amount of each Revolving Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the maturity date provided for in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in accordance with the provisions of the Credit Agreement.

All Loans made by the Bank and all repayments of the principal thereof shall be recorded by the Bank and, if the Bank so elects in connection with any transfer or enforcement hereof, appropriate notations to evidence the foregoing information with respect to each Revolving Loan then outstanding shall be endorsed by the Bank on the schedule attached to and made a part hereof,

provided that the failure of the Bank to make any such recordation or
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endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is the Revolving Note referred to in the Amended and Restated Credit Agreement dated as of the date hereof between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the mandatory and optional prepayment hereof and the acceleration of the maturity hereof.

TREX COMPANY, LLC

By:

Name:
Title:

EXHIBIT B-2

Form of Note

Roanoke, Virginia
_____, 1999

For value received, TREX COMPANY, LLC, a Delaware limited liability company (the "Borrower"), promises to pay to the order of FIRST UNION NATIONAL BANK (the "Bank") the unpaid principal amount of each Term Loan made by the Bank to the Borrower pursuant to the Credit Agreement referred to below on the maturity date provided for in the Credit Agreement. The Borrower promises to pay interest on the unpaid principal amount of each such Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in accordance with the provisions of the Credit Agreement.

All Loans made by the Bank and all repayments of the principal thereof shall be recorded by the Bank and, if the Bank so elects in connection with any transfer or enforcement hereof, appropriate notations to evidence the foregoing information with respect to each Term Loan then outstanding shall be endorsed by the Bank on the schedule attached to and made a part hereof, provided that the
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failure of the Bank to make any such recordation or endorsement shall not affect the obligations of the Borrower hereunder or under the Credit Agreement.

This note is the Term Note referred to in the Amended and Restated Credit Agreement dated as of the date hereof between the Borrower and the Bank (as the same may be amended from time to time, the "Credit Agreement"). Terms defined in the Credit Agreement are used herein with the same meanings. Reference is made to the Credit Agreement for provisions for the mandatory and optional prepayment hereof and the acceleration of the maturity hereof.

TREX COMPANY, LLC

By:

Name:
Title:

Definitions Appendix

The definitions set forth in this Definitions Appendix are incorporated by reference into Section 1.01 of the Amended and Restated Credit Agreement dated as of March 23, 1999 between TREX COMPANY, LLC and First Union National Bank (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement"). Reference in this Definitions Appendix to "this Agreement", "herein", "hereof", "hereunder" and to any Article or Section shall be interpreted to mean the Credit Agreement and the referenced Article or Section, including this Definitions Appendix.

Definitions

"A/R Turnover" means, as of the last day of any calendar month, the aggregate Net Unpaid Balance of all Eligible Accounts as of said day, divided by the Net Monthly Sales for said month, multiplied by 30, the result to be expressed as a number of days.

"Accounts" means all "accounts" (as defined in the UCC) now owned or hereafter acquired by the Borrower, and shall also mean and include all accounts receivable, contract rights, book debts, notes, drafts and other obligations or indebtedness owing to the Borrower arising from the sale, lease or exchange of goods or other property by it and/or the performance of services by it (including, without limitation, any such obligation which might be characterized as an account, contract right or general intangible under the Uniform Commercial Code in effect in any jurisdiction) and all of the Borrower's rights in, to and under all purchase orders for goods, services or other property, and all of the Borrower's rights to any goods, services or other property represented by any of the foregoing (including returned or repossessed goods and unpaid seller's rights of rescission, replevin, reclamation and rights to stoppage in transit) and all monies due to or to become due to the Borrower under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services by it (whether or not yet earned by performance on the part of the Borrower), in each case whether now in existence or hereafter arising or acquired including, without limitation, the right to receive the proceeds of said purchase orders and contracts and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

"Account Debtor" means, with respect to any Account, any Person obligated to make payment thereunder, including, without limitation, any account debtor thereon.

"Acquisition," by any Person (herein called the "Acquiror"), means any transaction involving the purchase, lease or other acquisition by such Acquiror of any or all of the capital stock or assets of another Person that, for purposes of preparing a statement of cash flows for such Acquiror prepared in accordance with GAAP, would be considered "investing activity."

"Adjusted Consolidated Net Income" means, with reference to any period, the net income (or loss) of the Borrower and its Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between

the Borrower and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Borrower and its Subsidiaries in accordance with GAAP, provided that there shall
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be excluded:

(i) the income (or loss) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrower or a Subsidiary, and the income (or loss) of any Person, substantially all of the assets of which have been acquired in any manner, realized by such other Person prior to the date of acquisition,

(ii) the income (or loss) of any Person (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest, except to the extent that any such income has been actually received by the Borrower or such Subsidiary in the form of cash dividends or similar cash distributions,

(iii) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary,

(iv) any restoration to income of any contingency reserve, except to the extent that provision for such reserve was made out of income accrued during such period,

(v) any aggregate net gain (but not any aggregate net loss) during such period arising from the sale, conversion, exchange or other disposition of capital assets (such term to include, without limitation, (A) all non-current assets and, without duplication, (B) the following, whether or not current: all fixed assets, whether tangible or intangible, all inventory sold in conjunction with the disposition of fixed assets, and all securities),

(vi) any gains resulting from any write-up of any assets (but not any loss resulting from any write-down of any assets),

(vii) any net gain from the collection of the proceeds of life insurance policies,

(viii) any gain arising from the acquisition of any security, or the extinguishment, under GAAP, of any Debt, of the Borrower or any Subsidiary,

(ix) any net income or gain (but not any loss) during such period from (A) any change in accounting principles in accordance with GAAP, (B) any prior period adjustments resulting from any change in accounting principles in accordance with GAAP, (C) any extraordinary items, or (D) any discontinued operation or the disposition thereof,

(x) any deferred credit representing the excess of equity in any Subsidiary at the date of acquisition over the cost of the investment in such Subsidiary,

(xi) in the case of a successor to the Borrower by consolidation or merger or as a transferee of its assets, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets, and

(xii) any portion of such net income that cannot be freely converted into United States Dollars.

"Advance Rate Percentage" means, for any calendar month, (i) 90%, if the A/R Turnover for the immediately preceding calendar month was 25 days or less and (ii) 80%, if the A/R Turnover for the immediately preceding calendar month was more than 25 days.

"Affiliate" means (i) any Person that directly, or indirectly through one or more intermediaries, controls the Borrower (a "Controlling Person") or (ii) any Person (other than the Borrower or a Subsidiary) which is controlled by or is under common control with a Controlling Person. 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 Amended and Restated Credit Agreement, as it may be amended, modified or supplemented from time to time.

"Bank" means First Union National Bank, a national banking association, and its successors and assigns.

"Base Rate" means for any day, the Prime Rate for such day adjusted by the Variance.

"Base Rate Loan" means a Loan which bears interest at the Base Rate.

"Benefit Arrangement" means at any time an employee benefit plan within the meaning of Section 3(3) of ERISA which is not a Plan or a Multiemployer Plan and which is maintained or otherwise contributed to by any member of the ERISA Group.

"Borrower" means TREX COMPANY, LLC, a Delaware limited liability company, and its successors.

"Borrowing Base" means at any date the sum of (i) the Advance Rate Percentage multiplied by the aggregate Net Unpaid Balance of all Eligible Accounts and (ii) the lesser of (A) $5,000,000 or (B) 60% of the value of all Eligible Inventory.

"Borrowing Base Certificate" means a certificate of the Borrower in a form satisfactory to the Bank containing a computation of the Borrowing Base.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in the Commonwealth of Virginia are authorized by law to close.

"Capital Lease" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"Capital Lease Obligations" means, with respect to any Person and a Capital Lease, the amount of the obligation of such Person as the lessee under such Capital Lease which would, in accordance with GAAP, appear as a liability on a balance sheet of such Person.

"Cash Equivalents" means (i) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States of any agency thereof, (ii) commercial paper rated in the highest grade by a nationally recognized credit rating agency or (iii) 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
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within one year from the date of acquisition thereof by the Borrower.

"Change of Control" means any event or condition, a result of which is that (i) Anthony J. Cavanna, Roger A. Wittenberg, Robert G. Matheny and Andrew U. Ferrari cease, as a group, to own beneficially (A) before the completion of the Reorganization, at least (1) a majority of the outstanding Class A Units; or (2) 40% of the issued Class A Units and Class B Units of the Borrower on a fully diluted basis; or (B) after the completion of the Reorganization, at least 30% of the voting common stock of TREX COMPANY, INC.; or (ii) after the completion of the Reorganization, TREX COMPANY, INC. ceases to own beneficially all of the membership interests in the Borrower.

"CIGNA Agreements" means (i) that certain Members' Agreement dated as of August 29, 1996 among the Borrower and each of the "Purchasers" and "Management Holders" (as defined therein); (ii) that certain Limited Liability Company Agreement dated August 29, 1996 among the members of the Borrower; and (iii) the Securities Purchase Agreements; as said agreements exist on the Effective Date and which have been previously delivered to the Bank.

"Class A Distribution" means the special cash distribution by the Borrower to each holder of its Class A Units in connection with the Reorganization.

"Class A Units" has the meaning set forth in the Operating Agreement.

"Class B Units" has the meaning set forth in the Operating Agreement.

"Closing Date" means the date, not later than March 15, 1999, on which the Bank determines that the conditions specified in or pursuant to Section 3.01 have been satisfied.

"Collateral" means all right, title and interest of the Borrower in the following, whether now owned or existing or hereafter acquired, created or arising, whether tangible or intangible, and regardless of where located (except only as to Equipment, which, by definition, is located in the Commonwealth of Virginia) :

(i) Accounts;

(ii) Inventory;

(iii) Equipment;

(iv) the Collateral Accounts, all cash deposited therein from time to time, the Liquid Investments made pursuant to Section 3.04 of the Security Agreement and other monies and property (including deposit accounts) of any kind of the Borrower maintained with or in the possession or under the control of the Bank;

(v) all books and records (including, without limitation, customer lists, credit files, computer programs, printouts and other computer materials and records) of the Borrower pertaining to any of the Collateral; and

(vi) all Proceeds of all or any of the Collateral described in clauses (i) through (iv), above.

"Collateral Accounts" means the Cash Proceeds Account, the Operating Account and the Insurance Account.

"Consolidated Debt" means at any date the Debt of the Borrower and its Consolidated Subsidiaries, determined on a consolidated basis as of such date.

"Consolidated Income Available for Fixed Charges" means, with respect to any period, Adjusted Consolidated Net Income for such period plus all amounts deducted in the computation thereof on account of (i) Fixed Charges, (ii) charges for depreciation and amortization for such period, (iii) charges for management fees paid during such period, (iv) taxes imposed on or measured by income or excess profits, (v) any prepayment penalty paid in connection with that certain Securities Purchase Agreement dated as of August 29, 1996 between the Borrower and each of the "Purchasers" (as defined therein), and (vi) deferred income taxes resulting from the Reorganization.

"Consolidated Net Worth" means, as of the date of determination,

(i) the total assets of the Borrower and its Subsidiaries which would be shown as assets on a consolidated balance sheet of the Borrower and its Subsidiaries as of such time prepared in accordance with GAAP, after eliminating all amounts properly attributable to minority interests, if any, in the stock and surplus of Subsidiaries, minus

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(ii) the total liabilities of the Borrower and its Subsidiaries which would be shown as liabilities on a consolidated balance sheet of the Borrower and its Subsidiaries as of such time prepared in accordance with GAAP.

"Consolidated Subsidiary" means with respect to any Person at any date any Subsidiary of such Person or other entity the accounts of which would be consolidated with those of such Person in its consolidated financial statements if such statements were prepared as of such date in accordance with GAAP.

"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 (other than 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 purchase securities or other property which arise out of or in connection with the sale of the same or substantially similar securities or property, (vi) all non-contingent obligations (and, for purposes of Section 5.09 and the definitions of Material Debt and Material Financial Obligations, all contingent obligations) of such Person to reimburse any bank or other person in respect of amounts paid under a letter of credit, bankers' acceptance or similar instrument, (vii) all obligations of others secured by a Lien on any asset of such Person, whether or not such obligation is assumed by such Person and (viii) all obligations of others Guaranteed by such Person.

"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, become an Event of Default.

"Derivatives Obligations" of any Person means all obligations of such Person in respect of any rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of the foregoing transactions.

"Dollars" and the sign "$" means lawful money of the United States of America.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 8.08.

"Eligible Accounts" means all billed Accounts for goods delivered or services rendered owing to the Borrower as the Bank, in its reasonable discretion, shall from time to time elect to consider Eligible Accounts for purposes of the Credit Agreement. Without limiting the discretion of the Bank to consider any such accounts not to be Eligible Accounts, and by way of example only of the types of accounts that the Bank may consider not to be Eligible Accounts, the Bank may consider the following classes of accounts not to be Eligible Accounts:

(i) Accounts arising out of sales that are not in the ordinary course of the business of the Borrower;

(ii) Accounts on terms other than those normal or customary in the business of the Borrower;

(iii) Accounts owing from any person that is an Affiliate of the Borrower;

(iv) Accounts which are outstanding more than 70 days past the original invoice date with respect thereto;

(v) Accounts of any Account Debtor if 50% or more of the Accounts of such Account Debtor are more than 70 days past original invoice date;

(vi) Accounts the liability for which has been disputed by the Account Debtor;

(vii) Accounts owing from any Person that shall take or be the subject of any action or proceeding of the type described in Section 6.01(vii) or (viii) hereof;

(viii) Accounts owing from any Person that is also a supplier to or creditor of the Borrower;

(ix) Accounts arising out of sales to Account Debtors outside the United States, unless the account is (A) fully backed by an irrevocable letter of credit containing terms acceptable to the Bank issued by a financial institution satisfactory to the Bank or (B)on terms acceptable to the Bank;

(x) Accounts arising out of sales on a bill-and-hold, guaranteed sale, sale-and- return, sale on approval or consignment basis or subject to any right of return, set-off or charge-back;

(xi) Accounts owing from an Account Debtor that is an agency, department or instrumentality of the United States or any state governmental authority in the United States unless the Borrower shall have satisfied the requirements of the Assignment of Claims Act of 1940, as amended, and any similar state legislation in respect thereof and the Bank is satisfied as to the absence of set-offs, counterclaims and other defenses to payment on the part of the United States or such state governmental authority;

(xii) Accounts representing billings in excess of costs and earnings and retainage;

(xiii) Accounts in respect of which the Security Agreement does not or has ceased to create a valid and perfected first priority Lien in favor of the Bank, subject only to Permitted Liens; and

(xiv) any other Accounts, the validity, collectibility or amount of which is determined in good faith by the Borrower or the Bank to be doubtful.

"Eligible Inventory" means all Inventory of the Borrower consisting of finished goods, to be valued at the lower of cost or fair market value, as to which the Bank has a first priority perfected security interest subject only to Permitted Liens, of a kind usually and customarily sold by the Borrower and which is not, because of damage, age, unmerchantability, obsolescence or any other condition or circumstance, materially impaired in condition, value or marketability in the good faith opinion of the Bank or the Borrower.

"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, ground water, 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.

"Equipment" means all "equipment" (as defined in the UCC) now owned or hereafter acquired by the Borrower, located in the Commonwealth of Virginia, and shall also mean and include, without limitation, all vehicles, machinery, tools, furniture, furnishings, office equipment and trade fixtures now owned or hereafter acquired by the Borrower, located in the Commonwealth of Virginia.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute.

"ERISA Group" means the Borrower, any Subsidiary and all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any Subsidiary, are treated as a single employer under Section 414 of the Internal Revenue Code.

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

"Fixed Charge Coverage Ratio" means, at any time, the ratio of (i) Consolidated Income Available for Fixed Charges for the period of four consecutive fiscal quarters ending on, or most recently ended prior to, such time to (ii) Fixed Charges for such period.

"Fixed Charges" means, with respect to any period and without duplication, the sum of (i) Interest Charges for such period and (ii) Lease Rentals for such period.

"GAAP" means, generally accepted accounting principles as in effect from time to time in the United States of America.

"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 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 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
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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.

"Hazardous Substances" means any toxic, radioactive, caustic or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics.

"Interest Charges" means, with respect to any period, the sum (without duplication) of the following (in each case, eliminating all offsetting debits and credits between the Borrower and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Borrower and its Subsidiaries in accordance with GAAP); (i) all interest in respect of Debt of the Borrower and its Subsidiaries (including imputed interest on Capital Lease Obligations) deducted in determining Adjusted Consolidated Net Income for such period, together with all interest capitalized or deferred during such period, and (ii) all debt discount and expense (other than in respect of the Notes) amortized or required to be amortized in the determination of Adjusted Consolidated Net Income for such period.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, or any successor statute.

"Inventory" means all "inventory" (as defined in the UCC) now owned or hereafter acquired by the Borrower, wherever located, and shall also mean and include, without limitation, all raw materials and other materials and supplies, work-in-process and finished goods and any products made or processed therefrom and all substances, if any, commingled therewith or added thereto.

"Investment" means any investment in any Person, whether by means of share purchase, capital contribution, loan, time deposit or otherwise.

"IPO" has the meaning set forth in the recitals to this Agreement.

"Item" means any "item" as defined in Section 4-104 of the UCC, and shall also mean and include checks, drafts, money orders or other media of payment.

"Lease Rentals" means, with respect to any period, the sum of the rental and other obligations required to be paid during such period by the Borrower or any Subsidiary as lessee under all leases of real or personal property (other than Capital Leases), excluding any amount required to be paid by the lessee (whether or not therein designated as rental or additional rental) on account of maintenance or repairs, insurance, taxes, assessments, water rates and similar charges, provided that, if at the date of determination, any such rental or
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other obligations (or portion thereof) are contingent or not otherwise definitely determinable by the terms of the related lease, the amount of such obligations (or such portion thereof) (i) shall be assumed to be equal to the amount of such obligations for the period of 12 consecutive calendar months immediately preceding the date of determination or (ii) if the related lease was not in effect during such preceding 12-month period, shall be the amount estimated by the chief financial officer or chief accounting officer of the Borrower on a reasonable basis and in good faith.

"LIBOR Market Index-Based Rate" has the meaning set forth in Section 2.05(a).

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset. For the purposes of this Agreement, the Borrower 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.

"Loans" means the Revolving Loans and the Term Loans made pursuant to Section 2.01.

"Loan Documents" means this Agreement, the Notes and the Security Agreement, collectively, and "Loan Document" means any of them.

"Material Adverse Effect" means (i) any material adverse effect upon the condition (financial or otherwise), results of operations, properties, assets, business or prospects of the Borrower or of the Borrower and its Consolidated Subsidiaries, taken as a whole; (ii) a material adverse effect on the ability of the Borrower to consummate the transactions contemplated hereby to occur on the Closing Date; (iii) a material adverse effect on the ability of the Borrower to perform its obligations under this Agreement and the Notes or (iv) a material adverse effect on the rights and remedies of the Bank under this Agreement and the Notes.

"Material Debt" means Debt (other than the Notes) of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, in an aggregate principal or face amount exceeding $100,000.

"Material Financial Obligations" means a principal or face amount of Debt and/or payment obligations in respect of Derivatives Obligations of the Borrower and/or one or more of its Subsidiaries, arising in one or more related or unrelated transactions, exceeding in the aggregate $100,000.

"Material Plan" means at any time a Plan or Plans having aggregate Unfunded Liabilities in excess of $25,000.

"Multiemployer Plan" means at any time an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA to which any member of the ERISA Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions, including for these purposes any Person which ceased to be a member of the ERISA Group during such five year period.

"Net Monthly Sales" means, for any calendar month, the Borrower's gross sales for said month, less returns, allowances and discounts, and other adjustments.

"Net Unpaid Balance" means at any date the unpaid balance of an Eligible Account at such date not including any unearned finance charges, late payment charges or other charges, or any extension, service or collection fees in respect thereof.

"Notes" means the Revolving Note and the Term Note.

"Notice of Borrowing" means a Notice of Borrowing (as defined in Section 2.02(a)).

"Obligations" means:

(i) 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 the Borrower, whether or not allowed or allowable as a claim in any such proceeding) on any loan, fees payable or reimbursement obligation under, or any note issued pursuant to, this Agreement or any other Loan Document;

(ii) all other amounts now or hereafter payable by the Borrower 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 the Borrower, whether or not allowed or allowable as a claim in any such proceeding) on the part of the Borrower pursuant to this Agreement or any other Loan Document;

(iii) all Derivatives Obligations (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 the Borrower, whether or not allowed or allowable as a claim in any such proceeding) of the Borrower to the Bank;

(iv) all other indebtedness, obligations and liabilities of the Borrower to the Bank, now existing or hereafter arising or incurred, whether or not evidenced by notes or other instruments, and whether such indebtedness, obligations and liabilities are direct or indirect, fixed or contingent, liquidated or unliquidated, due or to become due, secured or unsecured, joint, several or joint and several, related or unrelated to the Loans, similar or

dissimilar to the indebtedness arising out of or in connection with this Agreement or of the same or a different class of indebtedness as the indebtedness arising out of or in connection with this Agreement, including, without limitation, any overdrafts in any deposit accounts maintained by the Borrower with the Bank, all obligations of the Borrower with respect to letters of credit, if any, issued by the Bank for the account of the Borrower any indebtedness of the Borrower that is purchased by or assigned to the Bank;

together in each case with all renewals, modifications, consolidations or extensions thereof.

"Operating Account" means the demand deposit account maintained with the Bank by the Borrower on which the Borrower draws checks to pay its operating expenses, which account is linked to the cash management services provided by the Bank to the Borrower pursuant to the Services Agreement.

"Operating Agreement" means that certain Limited Liability Company Agreement of the Borrower dated August 29, 1996, as amended, among all of the members of the Borrower.

"Parent" means, with respect to the Bank, any Person controlling the Bank.

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

"Perfection Certificate" means a certificate of each of the Borrower and Guarantor, substantially in the form of Exhibit A to the Security Agreement, completed and supplemented with the schedules and attachments contemplated thereby to the satisfaction of the Bank, and duly executed by the chief executive officer, president or chief financial officer of the Borrower and the chief executive officer of the Guarantor, respectively.

"Permitted Liens" means the Security Interests and the other Liens on the Collateral permitted to be created, to be assumed or to exist pursuant to Section 5.09.

"Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Plan" means at any time an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Internal Revenue Code and either (i) is maintained, or contributed to, by any member of the ERISA Group for employees of any member of the ERISA Group or (ii) has at any time within the preceding five years been maintained, or contributed to, by any Person which was at such time a member of the ERISA Group for employees of any Person which was at such time a member of the ERISA Group.

"Prime Rate" means the rate announced by the Bank from time to time as its Prime Rate, as such rate may change from time to time with changes to occur on the date the Bank's Prime Rate changes. The Bank's Prime Rate is one of several interest rate bases used by the Bank. The

Bank lends at rates above and below the Bank's Prime Rate, and the Borrower acknowledges that the Bank's Prime Rate is not represented or intended to be the lowest or most favorable rate of interest offered by the Bank.

"Proceeds" means all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of or other realization upon or payment for the use of, Collateral, including (without limitation) all claims of the Borrower against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

"Quarterly Date" means the first Business Day of each January, April, July and October.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"Reorganization" has the meaning set forth in the recitals to this Agreement.

"Revolving Commitment" means $10,000,000.00, as such amount may be increased or decreased pursuant to this Agreement.

"Revolving Credit Period" means the period from and including the Closing Date to but not including the Termination Date.

"Revolving Loan" means a loan made pursuant to Section 2.01(a).

"Revolving Note" means a promissory note of the Borrower, substantially in the form of Exhibit B-1 hereto, evidencing the obligation of the Borrower to repay the Revolving Loans.

"Securities Purchase Agreements" means those certain Securities Purchase Agreements dated as of August 29, 1996, as amended as of March 1, 1997 and as of December 15, 1997, between the Borrower and the Purchasers (as defined therein) and as further amended from time to time.

"Security Agreement" means the Amended and Restated Security Agreement between the Borrower and the Bank, as it may be amended, modified or supplemented from time to time.

"Services Agreement" means the description of the Sweep Plus Service provided by the Bank to the Borrower, the terms of which are hereby incorporated in this Agreement by reference.

"Subordinated Debt" of any Person means all Debt which (i) bears interest at rates not greater than such Person shall reasonably determine to be the prevailing market rate, at the time such Subordinated Debt is issued, for interest on comparable subordinated debt issued by comparable issuers, (ii) is subordinated in right of payment to such Person's indebtedness,

obligations and liabilities to the Bank under the Loan Documents pursuant to payment and subordination provisions satisfactory in form and substance to the Bank and (iii) is issued pursuant to loan documents having covenants and events of default that are satisfactory in form and substance to the Bank but that in no event are less favorable, including with respect to rights of acceleration, to the Borrower than the terms hereof.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Borrower.

"Term Commitment" means $7,500,000.

"Term Loan" means a loan made pursuant to Section 2.01(b).

"Term Loan Period" means the period from and including the Closing Date to but not including August 31, 1999.

"Term Note" means a promissory note of the Borrower, substantially in the form of Exhibit B-2 hereto, evidencing the obligation of the Borrower to repay the Term Loans.

"Termination Date" means May 31, 2001, as said date may be extended pursuant to Section 2.07(b).

"Total Consolidated Debt" means, as of the date of determination, the total of all Debt of the Borrower and its Subsidiaries outstanding on such date, after eliminating all offsetting debits and credits between the Borrower and its Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Borrower and its Subsidiaries in accordance with GAAP.

"Total Consolidated Capitalization" means, as of any date of determination with respect to the Borrower, the sum of Total Consolidated Debt and Consolidated Net Worth.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the Commonwealth of Virginia; provided that if by reason of mandatory provisions
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of law, for matters pertaining only to the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than Virginia, " UCC " means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

"Unfunded Liabilities" means, with respect to any Plan at any time, the amount (if any) by which (i) the value of all benefit liabilities under such Plan, determined on a plan termination basis using the assumptions prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds (ii) the fair market value of all Plan assets allocable to such liabilities under Title IV of ERISA (excluding any accrued but unpaid contributions), all determined as of the then most

recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the ERISA Group to the PBGC or any other Person under Title IV of ERISA.

"United States" means the United States of America, including the States and the District of Columbia, but excluding its territories and possessions.

"Variance" means a rate per annum (which may be a negative number) above or below the Base Rate which the Bank, in its sole discretion, determines is appropriate to adjust the Base Rate in order that the interest rate on the Loans converted to Base Rate Loans in accordance with Section 7.04 of this Agreement will be comparable to the LIBOR Market Index-Based Rate.

Usage

The following rules of construction and usage shall be applicable to any instrument that is governed by this Appendix:

(a) All terms defined in this Appendix shall have the defined meanings when used in any instrument governed hereby and in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(b) The words "hereof", "herein", "hereunder" and words of similar import when used in an instrument refer to such instrument as a whole and not to any particular provision or subdivision thereof; references in any instrument to "Article", "Section" or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section or subdivision of or an attachment to such instrument; and the term "including" means "including without limitation".

(c) The definitions contained in this Appendix are equally applicable to both the singular and plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

(d) Any agreement, instrument or statute defined or referred to below or in any agreement or instrument that is governed by this Appendix means such agreement or instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" and to the use of our reports with respect to the financial statements of: Trex Company, Inc. dated January 27, 1999; TREX Company, LLC dated January 21, 1999 (except Notes 11 and 12, as to which the date is February 8, 1999); and the Mobil Composite Products Division of Mobil Oil Corporation dated June 24, 1998, in Amendment No. 4 to the Registration Statement (Form S-1 No. 333-63287) and related Prospectus of Trex Company, Inc. for the registration of 3,855,950 shares of its common stock.

/s/ Ernst & Young LLP

Vienna, Virginia
March 23, 1999