
**NOTICE OF CLASS ACTION,
PROPOSED SETTLEMENT AND FAIRNESS HEARING**

**IF YOU OWN OR OWNED TREX® BRAND NON-SHELLED WOOD-PLASTIC COMPOSITE
DECKING, RAILING, OR FENCING PRODUCTS
PURCHASED BETWEEN AUGUST 1, 2004, AND AUGUST 27, 2013,
YOU MAY BE ELIGIBLE FOR BENEFITS FROM A
CLASS ACTION SETTLEMENT. PLEASE CONTINUE
READING FOR FURTHER DETAILS.**

**IMPORTANT -- PLEASE READ THIS NOTICE CAREFULLY.
IT RELATES TO THE PENDENCY OF THE PROPOSED
SETTLEMENT OF THIS CLASS ACTION LITIGATION.
IF YOU ARE A CLASS MEMBER, IT CONTAINS
IMPORTANT INFORMATION AS TO YOUR RIGHTS.**

**IMPORTANTE -- POR FAVOR LEA ESTE AVISO CON CUIDADO.
ESTA RELACIONADO CON LA TRANSACCION O ACUERDO PROPUESTO
PENDIENTE DE ESTE LITIGIO
COLECTIVO DE CLASE. SI USTED ES MIEMBRO DE ESTE LITIGIO COLECTIVO,
CONTIENE INFORMACION IMPORTANTE RESPECTO A SUS DERECHOS.**

**TO: CURRENT AND FORMER OWNERS OF TREX NON-SHELLED WOOD-PLASTIC COMPOSITE DECKING,
RAILING, AND FENCING MATERIAL PURCHASED BETWEEN AUGUST 1, 2004, AND AUGUST 27, 2013**

The purpose of this Notice ("Notice") is to inform you of the proposed settlement ("Settlement") of this class action litigation (the "Action") against Trex Company, Inc. ("Trex") pending in the U.S. District Court for the Northern District of California at San Francisco (the "Court"). The Action is known as *Mahan v. Trex Company, Inc.*, No. 09-CV-00670. This Notice provides only a summary of the terms of the Settlement Agreement. A copy of the complete Settlement Agreement may be obtained as set forth at the end of this Notice.

The Action concerns allegations by the Plaintiffs that certain Trex non-shelled wood-plastic composite decking, railing, and fencing products ("Trex Product") purchased between August 1, 2004, and August 27, 2013 (the "Class Period"), are defective and susceptible to mold, mildew, fungal, or other dark or gray growth or spotting, or color variation or color fading (the "Covered Condition(s)"), and that Trex has misrepresented the susceptibility of Trex Product to such Covered Conditions. Trex denies these allegations. The Plaintiffs and Trex have agreed to settle the Action to avoid the expense and risk of trial. Plaintiffs believe the Settlement is fair, reasonable, and adequate.

I. INFORMATION REGARDING CLASS NOTICE AND FINAL APPROVAL HEARING

YOU ARE HEREBY NOTIFIED that a Fairness Hearing will be held on December 13, 2013, before the Honorable Jeffrey S. White at the U.S. Courthouse, San Francisco Courthouse, Courtroom 11, 19th Floor, 450 Golden Gate Avenue, San Francisco, California 94102, to determine: (1) whether the Action should be finally certified as a class action for settlement purposes; (2) whether the Settlement should be approved as fair, reasonable, and adequate; (3) whether the Action should be dismissed; (4) whether Class Members should be bound by the release contained in the Settlement Agreement; (5) whether Class Members should be barred from filing, commencing, prosecuting, maintaining, intervening in, participating in, or receiving any benefits from, any lawsuit or other proceeding in any jurisdiction based on or relating to the claims and causes of action covered by the release in this Action; (6) whether the application of Plaintiffs for an incentive award should be approved; and (7) whether the application of Plaintiffs' counsel for an award of attorneys' fees, costs, and expenses should be approved.

II. YOUR OPTIONS

You must decide whether you want to be part of the Settlement. If you are a member of the Class, you are automatically included in the Settlement and can apply for certain settlement relief described in this Notice. You may also object to the Settlement or exclude yourself from the Settlement Class. More detailed information about these options is contained in Section VII below.

If you do not want to be included in the Settlement, you must request exclusion from the Settlement Class within forty-five (45) days from the last date that Notice is sent by Trex or first published by the notice provider as set forth in the Notice Plan, which is described in the Settlement Agreement (as certified by Trex and the notice provider) (the "Opt-Out Period"). (Please check

www.trex.com/legal/2013classactionsettlement.aspx for updates on the deadline.) Otherwise, you will be bound by all terms of the proposed Settlement if the Court approves it. If you do not exclude yourself from the Settlement Class, the proposed Settlement (if approved) may affect your right to start or continue any other lawsuit or proceeding involving your Trex Product. Additionally, you will be releasing the claims as set forth in this Notice. More detailed information is contained in Sections V and VII below.

III. DESCRIPTION OF THE CLASS

If you own or owned Trex non-shelled wood-plastic composite decking, railing, or fencing material that was purchased between August 1, 2004, and August 27, 2013, you are a member of the Settlement Class. The full Settlement Class definition is as follows:

All Persons in the United States or its territories who own or owned a Trex Structure built with Trex Product purchased during the Class Period. Included within the Settlement Class are the legal representatives, heirs, successors in interest, transferees, and assignees of all such foregoing holders and/or owners, immediate and remote. Excluded from the Settlement Class are: Defendant and its subsidiaries and affiliates; all Persons who, in accordance with the terms of this Agreement, properly execute and timely file during the Opt-Out Period a request for exclusion from the Settlement Class; all governmental entities; and the judge(s) to whom this case is assigned and any immediate family members thereof.

For purposes of the Settlement, “Trex Structure” is defined as a deck, railing, fencing, or other structure built with “Trex Product.” “Trex Product” is defined as Trex non-shelled wood-plastic composite decking, railing, or fencing material sold under the trademarks “Accents[®]”, “Accents Fire Defense[®]”, “Origins[®]”, “Brasilia[®]”, “Contours[®]”, “Profiles[®]”, “Traditional Railing”, “Designer Series Railing[®]”, “Seclusions[®]”, or “Surroundings[®]”.

The Settlement does not affect the rights of members of the settlement in *Kanefsky v. Trex Company, Inc.*, New Jersey Superior Court, Law Division, Essex County, Docket No. ESX-L-7347-00, and *Ross v. Trex Company, Inc.*, United States District Court for the Northern District of California, Case No. 09-cv-0670. Information relating to the *Kanefsky* class action settlement is available at <http://www.trex.com/legal/classaction.asp>, and information relating to the *Ross* class action settlement is available at <http://www.trex.com/legal/classactionsettlement.aspx>.

IV. SUMMARY OF SETTLEMENT RELIEF

A. Eligibility for Relief and Claim Resolution Process.

After the Court issues an order granting preliminary approval of the Settlement, members of the Class will be eligible to submit a Claim Form and a Supplemental Claim Form. The procedure for making a Claim is as follows:

a. Tier 1: To be eligible for Tier 1 Relief (as described below), Class Members, by May 27, 2014, which is nine (9) months from entry of the Court’s order granting preliminary approval of the Settlement (the “Claims Period”), must submit to Trex by fax, e-mail, or U.S. mail a Claim Form. The Claim Form requires Class Members to: (1) certify under penalty of perjury that they own a Trex Structure (consisting of Trex Product); (2) submit proof of ownership of the property on which the Trex Structure is installed (e.g., a copy of a deed, mortgage bill, or utility bill); (3) submit proof of purchase of the Trex Product during the Class Period (e.g., purchase receipt or contractor receipt); (4) for a claim of mold, mildew, fungal, or other dark or gray growth or spotting, certify under penalty of perjury that they have cleaned their Trex Structure at least one time with a deck cleaning product containing detergent and sodium hypochlorite (bleach), or with another cleaning product recommended at the time of that cleaning by Trex; and (5) submit by e-mail or U.S. mail still-photographic or video proof that the Trex Structure is exhibiting: (i) mold, mildew, fungal, or other dark or gray growth/spotting covering at least one-third of the surface of the Trex Structure, despite cleaning; or (ii) significant color variation or color fading as defined in the Settlement Agreement. Still-photographic proof requires photographs taken during the day with a film camera or a digital camera. Video proof requires video taken during the day with a video camera, including but not limited to a cellular phone or tablet video camera.

b. Tier 2: To be eligible for Tier 2 Relief (as described below), Class Members, within the Claims Period, must submit to Trex by fax, e-mail, or U.S. mail a Claim Form. The Claim Form requires Class Members to: (1) certify under penalty of perjury that they own a Trex Structure; (2) submit proof of ownership of the property on which the Trex Structure is installed (e.g., a copy of a deed, mortgage bill, or utility bill); (3) submit proof of purchase of the Trex Product during the Class Period (e.g., purchase receipt or contractor receipt); (4) certify under penalty of perjury that they have cleaned their Trex Structure at least one time with a deck cleaning product containing detergent and sodium hypochlorite (bleach), or with another cleaning product recommended at the time of that cleaning by Trex; and (5) submit by e-mail or U.S. mail still-photographic or video proof that the Trex Structure is exhibiting mold, mildew, fungal, or other dark or gray growth/spotting covering at least one-third of the surface of the Trex Structure, despite cleaning. Still-photographic proof requires photographs taken during the day with a film camera or a digital camera. Video proof requires video taken during the day with a video camera, including but not limited to a cellular phone or tablet video camera.

In addition, a Class Member seeking Tier 2 Relief must submit to Trex by fax, e-mail, or U.S. mail within the Claims Period a Supplemental Claim Form providing evidence that (a) the Class Member has cleaned his or her Trex Structure a second time (the “Second Required Cleaning”) with a product recommended in Trex’s Mold Bulletin dated September 19, 2011, and pursuant to the Required Cleaning Instructions available at www.trex.com/legal/2013classactionsettlement.aspx or by request via 1-877-495-0068, and (b) that the Second Required Cleaning did not resolve the mold, mildew, fungal, or other dark or gray growth/spotting problem and that the mold, mildew, fungal, or other dark or gray growth/spotting continues to cover at least one-third or more of the surface of the Trex Structure. The Supplemental Claim Form requires Class Members to:

(i) Certify under penalty of perjury that they have performed the Second Required Cleaning;

(ii) Submit still-photographic proof or video proof of the Second Required Cleaning to verify that the Second Required Cleaning was completed. Still-photographic proof requires photographs taken during the day with a film camera or a digital camera. Video proof requires video taken during the day with a video camera, including but not limited to a cellular phone or tablet video camera. If the Class Member opts to use still-photographic proof, the Class Member will be required to take and transmit to Trex, via e-mail or regular mail, six photographs, one of which will be a photograph of the container of the cleaning product placed on the Class Member's Trex Structure, one of which will show the Class Member's Trex Structure immediately before the cleaning, three of which will show someone cleaning the Class Member's Trex Structure with the recommended cleaning product, and one of which will show the Class Member's Trex Structure immediately after the cleaning. If the Class Member chooses video instead, the Class Member must submit to Trex via e-mail or regular mail at least 60 seconds of video, which must include footage of the container of the cleaning product placed on the Class Member's Trex Structure, as well as footage of the Trex Structure immediately before cleaning, footage of someone cleaning the Trex Structure with the recommended cleaning product, and footage of the Trex Structure immediately after the cleaning. The Class Member should use a date stamp for the photographs or video, if available, and regardless of whether a date stamp is available, the Class Member should keep a record of the date of cleaning.

(iii) Submit by e-mail or regular mail still-photographic proof or video proof verifying that the Second Required Cleaning did not resolve the mold, mildew, fungal, or other dark or gray growth/spotting problem and that the mold, mildew, fungal, or other dark or gray growth/spotting continues to cover at least one-third or more of the surface of the Trex Structure. Still-photographic proof requires photographs taken during the day with a film camera or a digital camera. Video proof requires video taken during the day with a video camera, including but not limited to a cellular phone or tablet video camera. In order to prove that the mold, mildew, fungal, or other dark or gray growth/spotting continues to cover at least one-third or more of the surface of the Trex Structure following the Second Required Cleaning, the Class Member must take three additional still-photographs or at least 60 seconds of additional video showing that the mold, mildew, fungal, or other dark or gray growth/spotting continues to cover at least one-third or more of the surface of the Trex Structure. Post-cleaning still-photographs or video showing that the mold, mildew, fungal, or other dark or gray growth/spotting continues to cover at least one-third or more of the surface of the Trex Structure must be sent to Trex within three (3) months of the date of cleaning (and within the Claims Period). If a Class Member shows through relevant weather reports that drought conditions existed in the area where the Class Member's Trex Structure is located such that weather conducive to mold growth did not occur during the nine-month Claim Period, then the Claim Period for that individual Class Member will extend for an additional three (3) months. Proof of when these still-photographs or video were taken will be by date stamp if available, or by certification of the date on which they were taken if a date stamp is not available. If Trex disputes that the still-photographs or video show(s) that mold, mildew, fungal, or other dark or gray growth/spotting continues to cover at least one-third or more of the surface of the Trex Structure, then the Parties will submit the still-photographs or video to Epiq Systems, Inc. ("Epiq"), which will resolve the dispute. Epiq's resolution of the dispute will be final. Epiq may request that the Class Member submit additional still-photographs or video to aid in the process of resolving the dispute. Trex will pay Epiq's costs associated with any such dispute resolution.

(iv) Certify under penalty of perjury that, if the Class Member is eligible for Tier 2 Relief or Tier 3 Relief and opts to receive a non-transferable payment certificate, then the Class Member will use the new Trex product on the Trex Structure that was the subject of the Claim Form and the Supplemental Claim Form. The Class Member will acknowledge that Trex will not issue payment to the Class Member pursuant to the non-transferable payment certificate until the Class Member provides proof of purchase and proof that the Class Member picked up or received delivery of the new Trex product for which the non-transferable payment certificate was issued.

c. Tier 3: Tier 3 Relief (as described below), is available to Class Members who do not opt for Tier 1 or Tier 2 Relief and who have met all the requirements of (including but not limited to the submission of all documents and information required to qualify for Tier 2 Relief) and are entitled to Tier 2 Relief. In lieu of receiving Tier 1 or Tier 2 Relief, such Class Members may elect to submit a sample(s) of their Trex Product for specific gravity testing pursuant to the agreed upon protocol set forth in the Settlement Agreement. The specific gravity testing, which will measure the density of the sample(s) of the Trex Product, will be at Trex's cost. The sample(s) must consist of one of the following (at the Class Member's election): (1) three samples each measuring at least 1 inch in length; or (2) one sample measuring at least 3 inches in length. Each sample must be taken from the Class Member's current Trex Structure (or from leftover Trex Product purchased at the same time as the Trex Product which comprises the Class Member's current Trex Structure). If the specific gravity testing reveals that the specific gravity of the samples is at or below .95 (on average), then the Class Member will be entitled to the Tier 3 Relief described below. If, however, the specific gravity testing reveals that the specific gravity of the samples is higher than .95 (on average), then the Class Member, who has already qualified for Tier 2 Relief, will nonetheless qualify for Tier 2 Relief. Trex will conduct the specific gravity testing promptly upon receipt of the sample(s). Trex will videotape each test and maintain the videotape records for inspection, if requested, by Class Counsel or Class Counsel's expert designee, until 60 days after the Class Member's claim is paid. In addition, Class Counsel will have the right to challenge any specific gravity test results and to have the sample(s) tested at the Class Member's expense (subject to pre-approval by the Class Member). Accordingly, Trex will maintain all sample(s) tested until 60 days after the Class Member's claim is paid. If the result of any further specific gravity testing shows that the result is at or below .95, then the Parties will submit the results to Epiq, which will resolve the dispute between Trex's specific gravity test result(s) and the Class Member's specific gravity test result(s) and whose resolution will be final. Trex will pay Epiq's costs associated with any such dispute resolution.

d. The determination of whether a particular Claim Form or Supplemental Claim Form is valid and complete shall be made by Trex in accordance with the terms of the Settlement Agreement. Upon request from Class Counsel, Trex shall provide all information in support of such a determination to Class Counsel and will reconsider such determination upon request from Class Counsel, who may provide supplemental information to Trex to consider.

e. Trex shall be entitled to inspect any Trex Product that is the basis of a Claim at a reasonable time and at its own expense, upon prior notice to the Class Member and Class Counsel, provided that the inspection must be completed within forty-five (45) days – weather permitting – after providing notice to the Class Member and Class Counsel of Trex’s decision to inspect the Trex Product.

f. In the event that any Class Member disagrees with the claim determination by Trex, that Class Member may appeal the Trex determination to Epiq within thirty-five (35) days of their receipt of the initial determination and Trex shall provide all materials regarding the Claim, including any still-photographs or video and any Claim Form and Supplemental Claim Form, to Epiq. If Class Counsel has asked Trex to reconsider Trex’s initial determination, however, the time for appeal does not run until Trex has made a final decision after reconsideration and notified Class Counsel and the Class Member in writing. If no appeal is timely made, then the initial determination of the Claim shall be final. Epiq’s determination of the validity and amount of any Claim shall be binding, final, and non-appealable. In ruling on any appeal, Epiq is bound by the terms of the Settlement Agreement and may not provide any relief outside or beyond that allowed by the Settlement Agreement.

B. General Relief.

The following options of compensatory relief will be available to all eligible Class Members:

a. Tier 1: Upon proper proof of claim (as set forth above), any qualifying Class Member will be entitled to a one-time cash payment of \$150, subject to *pro rata* reductions if the Tier 1 set-aside described in this paragraph is oversubscribed, but in no event less than \$20 unless *pro rata* reductions are required pursuant to Section D below (“Tier 1 Relief”). At least \$1.4 million will be set aside to pay Tier 1 Claimants. The \$1.4 million amount was arrived at by taking the number of Class Members receiving Class Notice by Regular Mail or E-Mail based on Defendant’s records (approximately 70,000) and multiplying that number by \$20. The \$1.4 million number is provided for illustration purposes; the final number will be determined after Defendant determines the total number of Class Members to whom Class Notice by Regular Mail or E-Mail will be sent. Once all Tier 1 Claimants have received the Tier 1 Relief, then any amount of the Tier 1 set-aside remaining will be available for Tier 2 Relief and Tier 3 Relief. If the Class Member opts for the Tier 1 Relief, then the Tier 1 Relief will be the sole relief to which the Class Member is entitled.

b. Tier 2: Upon proper proof of claim (as set forth above), Tier 2 Relief is available to qualifying Class Members who do not opt for Tier 1 Relief. Tier 2 Relief consists of the following: (1) reimbursement of the cost of purchasing cleaning product (as described above) at a flat rate of \$18 with proof of purchase; and (2) a non-transferable payment certificate (“Tier 2 Certificate”) entitling the qualifying Class Member to a cash reimbursement equal to 40% of the retail purchase price paid by the Class Member for Trex Transcend® or Trex Enhance® decking and Trex-brand fasteners (if the Class Member demonstrates that Trex-brand fasteners were used in the Class Member’s current Trex Structure) in the same quantity as Trex Product and Trex-brand fasteners, if any, that are currently present in the Class Member’s current Trex Structure. The Tier 2 Certificate will be provided to qualifying Class Members after the Class Member submits a Supplemental Claim Form establishing that the Class Member qualifies to receive the Tier 2 Certificate. The non-transferable Tier 2 Certificate and entitlement to the payment will expire within one year of the Class Member’s receipt of the certificate, but no later than one year and seven days after it is transmitted to the Class Member by Trex. Prior to the expiration of the non-transferable Tier 2 Certificate, the Class Member must provide Trex with proof of purchase and proof of pick-up or delivery of the Trex Transcend® or Trex Enhance® decking and Trex-brand fasteners, if applicable. Within thirty (30) days after the date payment is due pursuant to Section IV.D.d. hereof, Trex will send the Class Member a check for the payment due. If the Class Member opts for the Tier 2 Relief, then the Tier 2 Relief will be the sole relief to which the Class Member is entitled.

c. Tier 3: Upon proper proof of claim (as set forth above), Tier 3 Relief is available to any qualifying Class Member who does not opt for Tier 1 or Tier 2 Relief and who has met all the requirements of and is entitled to Tier 2 Relief (as set forth above). In lieu of receiving Tier 1 or Tier 2 Relief, a qualifying Class Member will be entitled to receive the following: (1) reimbursement of the cost of purchasing cleaning product (as described above) at a flat rate of \$18 with proof of purchase; and (2) at the Class Member’s option, either (a) a non-transferable payment certificate and partial labor reimbursement (“Tier 3 Certificate”), or (b) a partial cash refund (“Tier 3 Refund”). If the Class Member opts for the Tier 3 Relief, then the Tier 3 Relief will be the sole relief to which the Class Member is entitled.

(i) Tier 3 Certificate: If a qualifying Class Member elects to receive a Tier 3 Certificate, Trex will provide the Class Member with a non-transferable payment certificate entitling the Class Member to a cash reimbursement equal to 50% of the retail purchase price paid by the Class Member for Trex Transcend® or Trex Enhance® decking and Trex-brand fasteners (if the Class Member demonstrates that Trex-brand fasteners were used in the Class Member’s current Trex Structure) in the same quantity as Trex Product and Trex-brand fasteners, if any, that are currently present in the Class Member’s current Trex Structure. The Tier 3 Certificate will be provided to qualifying Class Members after the Class Member submits a Supplemental Claim Form establishing that the Class Member qualifies to receive the Tier 3 Certificate. The non-transferable Tier 3 Certificate and entitlement to the payment will expire within one year of the Class Member’s receipt of the Tier 3 Certificate, but no later than one year and seven days after it is transmitted to the Class Member by Trex. Prior to the expiration of the non-transferable Tier 3 Certificate, the Class Member must provide Trex with proof of purchase and proof of pick-up or delivery of the Trex Transcend® or

Trex Enhance[®] decking and Trex-brand fasteners, if applicable. Within thirty (30) days after the date payment is due pursuant to Section IV.D.d. hereof, Trex will send the Class Member a check for the payment due. Class Members who qualify for and receive a Tier 3 Certificate also will receive (at the same time) a payment for labor reimbursement at the formulaic rate of \$0.23 cents per linear foot of replacement decking.

(ii) Tier 3 Refund: If a qualifying Class Member elects to receive a Tier 3 Refund, Trex will provide the Class Member with a refund of 20% of the original purchase price of the Class Member's current Trex Product and Trex-brand fasteners (if used). In the event the Class Member is unable to demonstrate the original purchase price of the Class Member's current Trex Product and Trex-brand fasteners (if used), then the refund will be based upon the average retail price of such items, as reasonably shown by Trex's records (and subject to verification by Class Counsel), for the quantities used in the Trex Structure at issue. Trex will send the Class Member a check for the Tier 3 Refund within thirty (30) days of the date payment is due pursuant to Section IV.D.d. hereof.

C. Equitable Relief.

Trex will also provide the following equitable relief:

a. Discontinuance of Non-Shelled Product: By December 31, 2013, Trex will discontinue the manufacture of its current formulation of the non-shelled Trex Product, but not including its Traditional Railing product or Seclusions[®] Fencing product. Trex may continue to sell any Trex Product after December 31, 2013, that was manufactured prior to December 31, 2013, and such Trex Product may continue to be sold by Trex's distributors and retailers after December 31, 2013.

b. Cleaning Instructions: For the duration of the time that it continues to manufacture its current formulation of the non-shelled Trex Product, Trex will produce at its expense, and post to its website, a video demonstrating how to clean mold, mildew, fungal, or other dark or gray growth/spotting on Trex Product.

c. Warranty Information: For the duration of the time that it continues to manufacture its current formulation of the non-shelled Trex Product, Trex will: (i) send warranty pads for its current formulation of non-shelled Trex Product to all retailers, dealers and/or distributors of these products, and (ii) instruct retailers to display these warranty pads near the Trex Product itself, where the warranty pads can be seen and accessed readily by consumers through and until the time that each retailer ceases to sell Trex's current formulation of the non-shelled Trex Product.

D. Cap On Liability, Annual Limitations, and Pro-Rata Contingencies

a. Trex's Costs. For purposes of the Settlement (and the cap on liability set forth below), "Trex's Costs" are defined as the costs for Trex to provide the Tier 1 Relief, Tier 2 Relief, and Tier 3 Relief as set forth above. With respect to Tier 1 Relief, Tier 3 Refund, cleaning product reimbursements, and Tier 3 partial labor reimbursements, Trex Cost's shall be the amount of the payments. With respect to Tier 2 Certificates and Tier 3 Certificates, Trex's Costs shall be Trex's cost for providing such certificates (and not the retail value of the product purchased or the amount of the payment), as identified in the sealed document filed within the Court and incorporated into the Settlement Agreement by reference. Trex's Costs for purposes of the Settlement shall not include the costs of: notice; claims administration, including settlement website expenses; specific gravity testing; dispute resolution as to Class Member claims; incentive awards to the named Plaintiffs; or Plaintiffs' attorneys' fees, costs, and expenses.

b. Cap on Liability. Notwithstanding any other provision of the Settlement Agreement, Trex's Costs shall be capped at, limited to, and shall not exceed under any circumstances a total of \$8.25 million.

c. Annual Costs. Trex's Costs will not exceed \$6.75 million for the first 12-month period and \$1.5 million for the second 12-month period, where the initial 12-month period begins with the first payment of cash by Trex for Tier 1 Relief, Tier 2 Relief, or Tier 3 Relief. If Trex's Costs for payment of Tier 1 Relief, Tier 2 Relief, and Tier 3 Relief exceed \$6.75 million in the first 12-month period, the excess amount will be rolled over to the second 12-month period for payment in the order in which claims became payable vis-à-vis other claims. If Trex's Costs for payment of Tier 1 Relief, Tier 2 Relief, and Tier 3 Relief do not exceed \$6.75 million in the first 12-month period, then the \$1.5 million cap for the second 12-month period will not apply.

d. Pro-Rata Contingencies. In order to determine whether Trex's Costs could exceed the \$8.25 million cost cap described above, within 30 days following the end of the Claims Period, Trex, in its capacity as Settlement Administrator, and in consultation and cooperation with, and subject to verification by, Class Counsel, will, by reference to the designations of relief specified on the Claim Forms, calculate the maximum possible costs ("MPC"), measured in terms of Trex's Costs, of all Claims received during the Claims Period. If the MPC of all such Claims is under \$8.25 million, then all such Claims will be determined and paid as required by the Settlement Agreement without delay. If, on the other hand, the MPC of all such Claims exceeds \$8.25 million, then no payment on any Claims will be made until all such Claims are determined payable in specific sums per the terms of the Parties' Settlement. Determination that Claims are payable will require receipt by Trex, in its capacity as Settlement Administrator, of a Claim Form within the Claims Period; the receipt of a Supplemental Claim Form, if applicable, during the Claims Period; the receipt of all required supporting documentation; completion of specific gravity testing as applicable; resolution of any disputes as provided for under the terms of the Parties' Settlement; and calculation by Trex, in its capacity as Settlement Administrator, and in consultation and cooperation with, and subject to verification by, Class Counsel, of the sum(s) due to each Class Member. Once all such Claims have been determined and the aggregate cost to Trex also has been determined, which calculations shall be made by Trex, in its capacity as Settlement Administrator, and in consultation and cooperation with, and subject to verification by, Class Counsel, then within 30 days of the determination of all such Claims, either the Claims will be paid in full if the \$8.25 million cost cap is not exceeded, or, if the \$8.25 million cost cap is exceeded, then sums otherwise due on the Claims will be reduced *pro rata* such that the Claims will be payable proportionally out of the \$8.25 million available. Trex, in its capacity as

Settlement Administrator, and in consultation and cooperation with, and subject to verification by, Class Counsel, will make any such *pro rata* calculations. Once Trex, in its capacity as Settlement Administrator, has made these necessary *pro rata* calculations and Class Counsel has reviewed them and worked with Trex to resolve any issues with respect to any of them, then Trex will promptly pay all affected Claims in the amounts payable following *pro rata* reductions, in the order that each Claim became payable (subject to the yearly caps described above). Trex shall not make any payments or issue any payment certificates under the Agreement until the terms of this subparagraph have been applied and the occurrence of the Effective Date of the Settlement Agreement.

e. Trex will provide quarterly reports of Trex's Costs to Class Counsel, and those reports will be subject to reasonable verification by Class Counsel.

V. RELEASE

If the Settlement becomes final (as set forth in the Settlement Agreement), Class Members will be releasing Trex and all of its past or present officers, stockholders, directors, agents, employees, attorneys, affiliates, subsidiaries or divisions, and any parent companies, predecessors, successors, assigns, or legal representatives of the foregoing entities or persons, and any vendor, distributor, dealer, contractor, person or entity who sells, distributes and/or installs Trex Product (collectively, the "Released Parties") for claims relating to their Trex decking, railing, and fencing material (as set forth in the Settlement Agreement). The Released Claims (as defined in the Settlement Agreement) do not include the following: any claim for bodily injury, including claims for pain and suffering, emotional distress, mental anguish or similar damages associated with such bodily injury. The Settlement Agreement describes the Released Claims with specific descriptions, in necessary legal terminology, so read it carefully. The Settlement Agreement is available at www.trex.com/legal/2013classactionsettlement.aspx. You can talk to one of the lawyers listed below for free or you can, of course, talk to your own lawyer if you have questions about the Released Claims (as defined in the Settlement Agreement) or what they mean. Terms of the Release are also included at the end of this Notice in Section XI, for your convenience.

VI. ATTORNEYS' FEES, REPRESENTATIVE FEES, AND EXPENSES

At the Fairness Hearing, Class Counsel will ask the Court for an award of attorneys' fees, costs, and expenses of \$1,475,000 to be paid by Trex. Additionally, Plaintiffs will ask the Court for an award to compensate the named Plaintiffs (*i.e.*, Dean Mahan, Gretchen Silverman, Steven McKenna, Thomas Schauppner, Marjorie Zachwieja, John Forcella, Sheila Shapiro, Sabrina W. Hass, Dr. Lanny W. Hass, Amy Biondi-Huffman, and Brian Hathaway) in the amount of \$7,500 each for their service as class representatives (Sabrina W. Hass and Dr. Lanny W. Hass will share one service award). You will *not* be required to pay any portion of the attorneys' or representatives' fees, costs, and expenses. Payment of attorneys' fees and expenses to Class Counsel, and payment of representative fees to the named Plaintiffs (*i.e.*, Dean Mahan, Gretchen Silverman, Steven McKenna, Thomas Schauppner, Marjorie Zachwieja, John Forcella, Sheila Shapiro, Sabrina W. Hass, Dr. Lanny W. Hass, Amy Biondi-Huffman, and Brian Hathaway), will *not* reduce any funds or benefits being made available to you.

VII. RIGHTS OF CLASS MEMBERS, INSTRUCTIONS FOR EXCLUDING YOURSELF FROM THE CLASS, RIGHT TO OBJECT TO CLASS SETTLEMENT, AND RIGHT TO APPEAR AT THE FAIRNESS HEARING

A. Participating in the Class Action Settlement

If you are a Class Member, you do not have to take any action. You are automatically considered a member of the Settlement Class. As a member of the Settlement Class, you will be bound by any judgment in this Action, whether favorable or unfavorable, even if you have other pending lawsuits or claims against any of the Released Parties.

As a Class Member, if you wish to submit a claim, you can complete the enclosed Claim Form and Supplemental Claim Form. You can also obtain a Claim Form and a Supplemental Claim Form at www.trex.com/legal/2013classactionsettlement.aspx or by calling 1-877-495-0068. To obtain relief under the Claim Resolution Process, a Class Member must (a) complete and sign a Claim Form and, if applicable, a Supplemental Claim Form, under penalty of perjury and (b) provide the requested information to support the Claim. The Claim Form, the Supplemental Claim Form, and any supporting documentation, and, as applicable, any supporting items or material, must be sent by U.S. Mail, postmarked no later than May 27, 2014, or by fax to 1-855-301-9935 or e-mail to trexclasssettlement@trex.com no later than May 27, 2014, which is nine (9) months after the entry of the Court's order granting preliminary approval of the Settlement. The deadline for submitting your Claim Form and Supplemental Claim Form is the same however you obtain them.

As a Class Member, you will be represented by the named Plaintiffs and Plaintiffs' Class Counsel unless you enter an appearance through counsel of your own choice. You are not required to obtain your own counsel, but if you choose to do so, it will be at your expense and your counsel must file an appearance on your behalf with the U.S. District Clerk, United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, identifying this Action and its case number, and mail copies of such appearance to Plaintiffs' Class Counsel and Counsel for Trex listed in Sections VIII and IX below. The written notice of intent to object must be: (a) filed with the Clerk of the Court not later than twenty-one (21) days before the date set for the Final Settlement Hearing; and (b) sent by first-class mail, postmarked not later than twenty-one (21) days before the date set for the Final Settlement Hearing, to Plaintiffs' Class Counsel and Counsel for Trex.

B. Objecting to the Class Action Settlement

As a Class Member, you may object to the terms and conditions of the Settlement Agreement only by filing written objections with the U.S. District Clerk, United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, identifying this Action and its case number, and serving those written objections on Class Counsel and Counsel for the Defendant. The written notice of intent to object must be: (a) filed with the Clerk of the Court not later than twenty-one (21) days before the date set for the Final Settlement Hearing; and (b) sent by first-class mail, postmarked not later than twenty-one (21) days before the date set

for the Final Settlement Hearing, to Class Counsel and Counsel for the Defendant. Any Notice of Intent to Object must contain: (a) a heading which refers to the Action; (b) a statement as to whether the objector intends to appear at the Final Settlement Hearing, either in person or through counsel, and, if through counsel, identify counsel by name, address and phone number; (c) a detailed statement of the specific legal and factual bases for each and every objection; (d) a list of any witnesses and photocopies of exhibits which the objector intends to introduce at the Final Settlement Hearing, if any; and (e) the objector's signature, verifying, under penalty of perjury, that they are a member of the Settlement Class and the address of the relevant property. If you fail to comply with these requirements, you are forever barred from objecting to the Settlement Agreement.

You may appear at the Fairness Hearing, either in person or through an attorney, hired at your expense to present your objections to the fairness, reasonableness, or adequacy of the Settlement Agreement. Your written notice of intent to object must include a statement as to whether the objector intends to appear at the Final Settlement Hearing, either in person or through counsel, and, if through counsel, identify counsel by name, address and phone number.

C. Requesting Exclusion from the Class Action Settlement

If you do not want to participate in the Settlement, you must exclude yourself by filing a written request for exclusion. If you exclude yourself, you will receive none of the Settlement benefits, but will be free to pursue on your own behalf whatever legal rights you may have. Written requests for exclusion must include the potential Class Member's name, address, and telephone number, and expressly state the desire to be excluded from the Settlement Class in *Mahan v. Trex Company, Inc.*, No. 09-CV-00670. Such request must be sent by first-class mail to Defendant's counsel identifying this Action and its case number and must be postmarked within forty-five (45) days from the last date that Notice is sent by Trex or first published by the notice provider as set forth in the Notice Plan, which is described in the Settlement Agreement (as certified by Trex and the notice provider) (please check www.trex.com/legal/2013classactionsettlement.aspx for updates on the deadline).

VIII. CLASS COUNSEL

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IX. COUNSEL FOR DEFENDANT

Patrick Perrone
K&L Gates LLP
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Newark, NJ 07102

X. PRELIMINARY AND PERMANENT INJUNCTIONS

The Court has preliminarily enjoined all Class Members from starting, continuing or participating in, or receiving any benefits or other relief from, any other lawsuit, arbitration, administrative, regulatory or other proceeding based on or relating to the claims, facts or circumstances in this case. If you do not ask to be excluded from the Settlement Class, you will be bound by this preliminary injunction. Upon final approval of the Settlement, Plaintiffs and Defendant will ask the Court to enter a permanent injunction enjoining all Class Members from engaging in the activities described above. All Class Members will be bound by the permanent injunction.

XI. RELEASE LANGUAGE

- A. Upon entry of the Final Order and Judgment, Plaintiffs and Class Members who have not timely opted-out of the Settlement Class, on behalf of such Persons and any Person claiming by or through such Persons (the "Releasing Party" or "Releasing Parties"), regardless of whether any Settlement Class member executes and delivers a written release, shall be deemed to and do hereby release and forever discharge the Released Parties, of and from any and all Released Claims and related subrogation claims of the Releasing Party's subrogees or insurance carriers. The Releasing Parties shall be deemed to and do hereby release and forever discharge any other persons or entities from claims for which Defendant could be liable to the Releasing Parties, arising out of or related to a Covered Condition of Trex Product, whether based on the design, specification, manufacture, production, promotion, advertising, sale, representation, distribution, or installation of the Trex Product.
- B. With respect to the Settlement Class members' Released Claims, the Plaintiffs and the Settlement Class members shall be deemed to have, and by operation of the Final Order and Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code (to the extent it is applicable, or any other similar provisions under federal, state, or local laws to the extent any such provisions are applicable). Section 1542 of the California Civil Code states: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."
- C. Plaintiffs and the Class Members acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected, or facts or law in addition to or different from those that they now know or believe to be true with respect to the matters released herein or with respect to the Trex Product. Nevertheless, it is the intention

of Plaintiffs and the Class Members in executing this Agreement to fully, finally, and forever settle and release all Released Claims which exist, might have existed, or which hereafter may exist whether or not previously or currently asserted in any action or proceeding, and to expressly waive any common law or statutory rule which would circumscribe the extent of this full Release, including any statute or rule giving the releasing party the right to complain of facts or claims relating to a Covered Condition of Trex Product that are unknown as of the date of any releases.

- D. For purposes of the Settlement Agreement and this Notice, “Released Claims” means and includes, in addition to all claims set forth in the Complaint by Plaintiffs, any and all causes of action, claims, liabilities, rights, matters, suits, proceedings, damages, equitable, legal and administrative relief, interest, attorneys’ fees, expenses and costs, disbursements, losses, penalties, punitive damages, exemplary damages, damages based on a multiplication of compensatory damages, damages based on emotional distress and mental anguish, demands, obligations, rights, liens, entitlements, indemnities, and contributions of any kind or nature whatsoever related to a Covered Condition of Trex Product, whether known, unknown or presently unknowable, suspected or unsuspected, latent or patent, accrued or unaccrued, asserted or unasserted, fixed or contingent, liquidated or unliquidated, matured or unmatured, and whether based on federal or state statute, regulation, ordinance, contract, common law, or any other source that has been, could have been, may be, or could be directly or indirectly alleged, asserted, described, set forth, or referred to now, in the past, or in the future by Plaintiffs or the Settlement Class relating to a Covered Condition of Trex Product against the Released Parties either in this Action, or in any other court action or proceeding, or before any administrative or regulatory body, tribunal or arbitration panel, on the basis of, connected with, arising out of, or in any way related to, in whole or in part, Defendant’s design, specification, manufacture, production, promotion, advertising, sale, representation, distribution, or installation of Trex Product as it relates to a Covered Condition. The Released Claims include, without limitation, all causes of action related to a Covered Condition of Trex Product and related to the above without regard to whether such cause of action is or could be brought pursuant to common law, or any federal or state statute, regulation, or ordinance, including but not limited to federal or state statutes or regulations concerning unfair competition; unfair or deceptive methods of competition; unfair, deceptive, fraudulent, unconscionable, false or misleading conduct, acts, advertising or trade practices; consumer protection (including violations of the Song-Beverly Consumer Warranty Act and the Magnuson-Moss Warranty Act); or under the common law of any state as a claim for breach of contract, breach of express and implied warranties, reformation of warranty, breach of fiduciary duty, fraud, intentional misconduct, unjust enrichment, misrepresentation (negligent or otherwise), tort, negligence, breach of constructive trust, breach of the implied covenant of good faith and fair dealing, or any other common law or statutory basis. In addition, the Class Members shall be deemed to, and do hereby release and forever discharge, any other persons or entities from claims related to a Covered Condition of Trex Product for which the Defendant could be liable to any Class Members arising out of or related to the design, specification, manufacture, production, promotion, advertising, sale, representation, distribution, or installation of the Trex Product as it relates to a Covered Condition. The term “Released Claims” does not include the following: any claim for bodily injury, including claims for pain and suffering, emotional distress, mental anguish or similar damages associated with such bodily injury.

E. EXAMINATION OF PAPERS AND QUESTIONS

For a more detailed statement of the matters involved in this Action, please refer to the pleadings and other papers in this Action, which may be inspected or obtained from the U.S. District Clerk’s Office, United States Courthouse, 450 Golden Gate Avenue, San Francisco, California 94102, during business hours of each weekday.

If you have any questions about the Settlement, you may call 1-877-495-0068, e-mail trexclasssettlement@trex.com, or visit Trex’s Website at www.trex.com. A complete copy of the Settlement Agreement can be obtained by visiting www.trex.com/legal/2013classactionsettlement.aspx.

PLEASE DO NOT CALL THE COURT OR THE CLERK OF THE COURT WITH QUESTIONS REGARDING THE TERMS OF THE SETTLEMENT