

INDENTURE OF MORTGAGE AND DEED OF TRUST, dated as of September 1, 1964, between FIBER INDUSTRIES, INC., a corporation duly organized and existing under the laws of the State of Delaware and having its principal office at Charlotte, North Carolina (hereinafter called the "Company"), party of the first part, and BANKERS TRUST COMPANY, a corporation duly organized and existing under the laws of the State of New York, having its principal corporate trust office at 16 Wall Street, New York, New York (hereinafter called the "Trustee") and J. C. KENNEDY, residing at 73 Gates Avenue, Montclair, New Jersey (hereinafter called the "Individual Trustee", the Trustee and the Individual Trustee being hereinafter collectively called the "Trustees"), as Trustees, parties of the second part.

WHEREAS, the Company has duly authorized the creation, execution and delivery from time to time of an issue of its bonds (hereinafter called the "Bonds") to be known as its First Mortgage and Collateral Trust Bonds, to be issued in two series, the first series to be designated as its 5¼% First Mortgage and Collateral Trust Bonds due June 1, 1978 (hereinafter sometimes called the "Bonds of the 1978 Series"), limited to the aggregate principal amount of \$15,000,000 as hereinafter provided, and the second series to be designated as its 5% First Mortgage and Collateral Trust Bonds due August 1, 1984 (hereinafter sometimes called the "Bonds of the 1984 Series"), limited to the aggregate principal amount of \$100,000,000 as hereinafter provided, and to be otherwise as hereinafter provided; and

WHEREAS, the Bonds of the 1978 Series, the Bonds of the 1984 Series, and the Certificate of Authentication of the Trustee to be endorsed on all of the Bonds issued under this Indenture are to be respectively in substantially the following forms:

[FORM OF BOND OF THE 1978 SERIES]

FIBER INDUSTRIES, INC.

5¼% FIRST MORTGAGE AND COLLATERAL TRUST BOND
DUE JUNE 1, 1978

No. R

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FIBER INDUSTRIES, INC., a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Company"),