

**Mortgaged Property:**

The term "mortgaged property" shall mean, as of any specified time, all property (real, personal or mixed) upon which this Indenture constitutes a direct first mortgage lien or security interest, subject to no other lien, charge, encumbrance or security interest other than those permitted by the terms of this Indenture and except for the lien of current taxes and assessments, none of which are delinquent, and easements, restrictions and conditions of record which do not materially adversely affect the corporation's use of said property.

**Net income:**

"Net income" for any period shall be determined in accordance with generally accepted accounting principles on an accrual basis. In making such computation, there shall be excluded (i) profits realized and losses sustained in connection with the sale or other disposition of real estate, stock or other securities carried on the books of the Corporation as investments, and (ii) proceeds derived from life insurance, and losses sustained from and proceeds derived from insurance in connection with the damage to or destruction of real estate. The term "net income" shall mean net income of the Corporation and its Subsidiaries computed on a consolidated basis after all taxes based on income.

**Note or Notes:**

The term "Note" or "Notes" shall mean any promissory note or promissory notes executed and delivered prior to the date hereof by Rowan, Thermal Belt and Mid-Carolina to the United States of America or Stromberg-Carlson Corporation, such promissory notes having been hereinbefore called the Notes, and shall also include any refunding, assumption, renewal and substitute note or notes hereafter executed or delivered which are of the same tenor as, and are in lieu of or in substitution for, the Notes.

**Noteholder:**

The term "Noteholder" or "holder of notes" or other similar term shall mean the United States of America, Durham Life Insurance Company, Jefferson Standard Life Insurance Company and Stromberg-Carlson Corporation or any other person who shall at the time be known to the Corporation as the holder of any Note, provided, however, that, as provided in Section 16.14 hereof, if the Government shall at any time assign any Note and insure the payment thereof, the Government, and not such insured holder, shall be considered to be and shall have the rights of, the holder of such Note.

**Officers' certificate:**

The term "officers' certificate" shall mean a certificate signed by the President or a Vice President and by the Treasurer or an Assistant