

Anything herein to the contrary notwithstanding, there is hereby expressly excluded from the lien of this Indenture, whether now owned or hereafter acquired by the Company, or by any of its Subsidiaries, the following:

- (a) The real property now owned by Southern Airways, Inc., an Alabama corporation, in Limestone County, Alabama;
 - (b) All aircraft now owned or hereafter acquired by the Company or any of its subsidiaries.
 - (c) Cash, bills receivable, notes, receiveable^x and accounts receivable acquired in the ordinary course of business; stocks, bonds and other securities other than such as may be specifically pledged hereunder;
 - (d) Patents, patent rights, trademarks and trade names;
 - (e) All materials, supplies and stocks of merchandise and other property held for sale or consumable in the ordinary course of the conduct of the businesses of the Company or of any of its Subsidiaries; and
 - (f) All property of the Company and of any of the Subsidiaries or of any future Subsidiary of the Company, used exclusively in the business of transporting passengers, freight, express or mail on designated routes or lines;
- none of which excepted properties are or are intended to be now or hereafter granted, bargained, sold, assigned, transferred, conveyed, warranted, mortgaged, pledged, aliened, remised, released, confirmed or set-over hereunder.

TO HAVE AND TO HOLD, all and singular, said property aforesaid, real, personal and mixed, granted, bargained, sold, assigned, transferred, conveyed, warranted, mortgaged, pledged, aliened, remised, released, confirmed or set-over by the Company and by each of the Subsidiaries, aforesaid, or intended, agreed or covenanted so to be, with all and singular the improvements thereon and thereto, reversions, remainders, revenues, earnings, rents, issues, income and profits thereof and therefrom, and appurtenances thereto and all estate, right, title and interest of the Company and of each of the Subsidiaries therein and thereto unto the Mortgagee and its successors and assigns forever.

To be held by the Mortgagee for the security first, and in preference to the other indebtednesses secured or intended to be secured hereby, of the Bank Note and any renewals and extensions thereof or of any part thereof and, second, of all of the other indebtednesses hereinabove recited now and hereafter incurred hereunder, in accordance with the provisions of this Indenture. Subject, however, to the provisions of this Indenture and to any supplemental Indenture for the benefit and security of said indebtednesses, and to take effect from the date of the execution and delivery of this Indenture as though all of said indebtednesses were actually incurred on said date.

Provided, however, and these presents are upon condition that if the Company, its successors or assigns, shall pay or cause to be paid the principal and interest of said indebtednesses at the times and in the manner stipulated therein and herein, and the Company and the Subsidiaries shall keep, perform and observe all and singular the covenants and promises in this Indenture expressed to be kept, performed or observed by or on the part of the Company and each of the Subsidiaries, then this Indenture and the estate and rights hereby granted shall cease, determine and be void, otherwise to be and remain in full force and effect.