ENV. - Shell Oil Company
attn: Wendy Battaglia
1304 S. Mequette Road
Prairie Du Chien WI 53821



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DEBORAH L PEYTON, RECORDER/REGISTRAR
DELAWARE COUNTY IOWA

589-1102

MORTGAGE
Recorder's Cover Sheet

Preparer Information:
Joseph R.S. Tyssowski
Gebhardt & Smith LLP
One South Street, 22nd Floor
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Taxpayer Information:
Alpha Petroleum, Inc.
316 E. Main Street
Manchester, Iowa 52057

Return Address:
Ridgestone Bank
13925 W. North Avenue
Brookfield, Wisconsin 53005

Grantors:
Alpha Petroleum, Inc.
316 E. Main Street
Manchester, Iowa 52057

Grantees:
Ridgestone Bank
13925 W. North Avenue
Brookfield, Wisconsin 53005

Legal Description: Lot 130 in the City of Manchester, Delaware County, Iowa according to the plat recorded in Book I, L.D., page 284. Tax Parcel No. 000631294405500

MORTGAGE
(Iowa)

THIS MORTGAGE (hereafter, this "MORTGAGE) is made as of this 16 day of February, 2011, by and between ALPHA PETROLEUM INC., an Iowa corporation (hereafter, the "MORTGAGOR"), and RIDGESTONE BANK (hereafter the "MORTGAGEE").

RECITALS

The MORTGAGOR has as of this date obtained credit facilities from the MORTGAGEE in the aggregate principal sum of Four Hundred Seventy-Five Thousand Dollars ($475,000.00) ("LOAN"), which is evidenced by a Note in the stated principal amount of Four Hundred Seventy-Five Thousand Dollars ($475,000.00), with a final maturity date which is the date occurring twenty-five (25) years after the date of this MORTGAGE ("NOTE").

As used herein, the term "LOAN DOCUMENTS" means collectively the NOTE, this MORTGAGE, a Loan Agreement ("LOAN AGREEMENT") of even date herewith between the MORTGAGOR and the MORTGAGEE, a Security Agreement ("SECURITY AGREEMENT") of even date herewith between the MORTGAGOR and the MORTGAGEE, and all other documents evidencing, securing or otherwise documenting the LOAN.

As used in this MORTGAGE, the defined term "OBLIGATIONS" shall mean all duties of payment, performance and completion owed by the MORTGAGOR to the MORTGAGEE under the LOAN DOCUMENTS, including but not limited to: (a) the duty of the MORTGAGOR to promptly pay the principal, interest, and other sums due on the NOTE, this MORTGAGE, and any other LOAN DOCUMENTS, as well as all future advances and any other indebtedness of the MORTGAGOR to the MORTGAGEE arising out of or relating to the LOAN or the NOTE; and (b) the strict observance and performance of all of the provisions of the NOTE, this MORTGAGE, and all other LOAN DOCUMENTS, including, but not limited to, the repayment of all sums advanced, to be advanced, or which may be advanced by the MORTGAGEE pursuant to or under authorizations contained in this MORTGAGE, or in any other LOAN DOCUMENT.

This MORTGAGE secures future advances and readvances by the MORTGAGEE, whether such advances are obligatory or to be made at the option of the MORTGAGEE.

GRANT

NOW THEREFORE, in consideration of these premises and the extension of the LOAN, and to secure the full and absolute payment and performance of each of the OBLIGATIONS, the MORTGAGOR grants, pledges, assigns, transfers, mortgages, and conveys to the MORTGAGEE all those parcels of real property situate and lying in

Delaware County, Iowa, and more particularly described on Exhibit A attached hereto and made a part hereof (hereafter, the "LAND").

TOGETHER WITH all buildings, structures, or improvements, and replacements thereof, now or hereafter existing on or to be erected upon the LAND (hereafter, the "IMPROVEMENTS"). The LAND and IMPROVEMENTS are hereafter collectively referred to as the "REAL PROPERTY."

AND TOGETHER WITH all plant, equipment, apparatus, machinery, fittings, appliances, furniture, furnishings, fixtures and other chattels and personal property and replacements thereof, owned by the MORTGAGOR now or at any time hereafter affixed or attached to, incorporated in, placed upon, or in any way used in connection with the current or future utilization, enjoyment, occupation, or operation of the REAL PROPERTY including by way of example and not by way of limitation, all lighting, heating, ventilating, air conditioning, incinerating, sprinkling, laundry, lifting and plumbing fixtures and equipment; water and power systems; loading and unloading equipment; burglar alarms and security systems; fire prevention and fire extinguishing systems and equipment; engines; boilers; ranges; refrigerators; stoves; furnaces; oil burners or units; communication systems and equipment; dynamos; transformers; motors; tanks; electrical equipment; elevators; escalators; cabinets; partitions; ducts; compressors; switchboards; storm and screen windows and doors; pictures; sculptures; storage racks; awnings and shades; signs and shrubbery; as well as all building and construction materials and supplies of every kind, nature and description owned by the MORTGAGOR located on, at, or about the REAL PROPERTY, whether or not yet incorporated into any building, structure, or improvement, or located elsewhere and not as yet delivered to the REAL PROPERTY, which are intended to be used for the purpose of erecting, renovating, restoring, or repairing any building, structure, or improvement on the REAL PROPERTY, including by way of example and not by way of limitation, all steel, iron, concrete, sheet rock and plaster board, screws, paint, plaster, plastics, insulation, fiberglass, wood and wood products, glass, bricks, mortar, masonry, pipes, wiring, linoleum and tile and other floor and wall coverings, roofing and roofing materials, framing and molding (hereafter collectively, the "PERSONALTY"), all of which the MORTGAGOR declares to be fixtures and permanent additions to the REAL PROPERTY.

AND TOGETHER WITH a continuing security interest in and to all amounts that may be owing at any time and from time to time by the MORTGAGEE to the MORTGAGOR in any capacity, including, but not limited to, any balance or share belonging to the MORTGAGOR of any deposit or other account with the MORTGAGEE.

AND TOGETHER WITH all plans and specifications, surveys and surveyor's reports, engineer's and architect's reports, diagrams and drawings, all licenses, permits and approvals and applications therefor from governmental authorities, service contracts, books, records, reports, accounting records, invoices, change orders, correspondence, diagrams, drawings, schematics, sales and promotional literature and forms, advertising materials and the like, wherever located and whenever created, compiled, or made with respect to the IMPROVEMENTS, and any leasing of space in the completed IMPROVEMENTS.

AND TOGETHER WITH all easements, rights, liberties, privileges, hereditaments and appurtenances thereunto belonging or in any way appertaining, and all of the right, title, interest, estate, or claim of the MORTGAGOR in or to the streets, ways, alleys, strips and gores of land, waters and watercourses adjoining or adjacent to the REAL PROPERTY, whether now existing or hereafter acquired.

AND TOGETHER WITH all mineral rights and mining rights, as well as all minerals, dirt, sand, gravel, pebbles, stones, rocks, soil and the like (including oil and gas rights) which have not been extracted from the LAND.

AND TOGETHER WITH a security interest into all general intangibles, accounts, and contract rights relating or pertaining to the SECURED PROPERTY (as that term is later defined in this MORTGAGE).

AND TOGETHER WITH all now existing or hereafter acquired rights, benefits, profits, rents, and monies payable under, by reason of, or with respect to any restrictive covenants, easements, agreements applicable to adjoining lands, or contracts of sale with respect thereto with the right to collect any sums of money at any time payable to the MORTGAGOR in consequence of such rights and benefits, including the release, modification, or amendment thereof, for application to sums then due and owing the MORTGAGEE under the NOTE, this MORTGAGE, or any other LOAN DOCUMENT, and to utilize any collection or enforcement rights or remedies to collect the same available to the MORTGAGOR under law, as to all of which, and the proceeds and products thereof, the MORTGAGOR hereby grants to the MORTGAGEE a continuing security interest in and to.

AND ALSO TOGETHER WITH: (a) all of the proceeds of the voluntary or involuntary conversion of the SECURED PROPERTY or any part of the SECURED PROPERTY into cash or liquidated claims, whether by way of condemnation, insured casualty, judgment or otherwise, as well as a security interest which is hereby granted to the MORTGAGEE in the same; (b) all rents, profits, and benefits, including any deposits of tenants to secure payment of the same and performance of the terms and conditions of any oral or written lease, with respect to the leasing of all or any portion of the REAL PROPERTY, with the right to collect such rents, profits, and benefits at any time for application to the OBLIGATIONS and to utilize any collection or enforcement rights or remedies available to the MORTGAGOR under law or any written lease, but without any duty or obligation to perform on behalf of the MORTGAGOR any of the MORTGAGOR'S duties or obligations to any lessee; and (c) all revenues and profits, accounts receivable and contract rights, including any deposits of purchasers to secure payment of the contract price and performance of the terms and conditions of any contract of sale for the REAL PROPERTY, with the right to collect the same at any time for application to the OBLIGATIONS and to utilize any collection or enforcement rights or remedies available to the MORTGAGOR under law or any contract of sale, but without any duty or obligation to perform on behalf of the MORTGAGOR any of the MORTGAGOR'S duties or obligations to any purchase of the REAL PROPERTY.

AND TOGETHER WITH: (a) an irrevocable easement to enter on and upon the REAL PROPERTY at any time after an "EVENT OF DEFAULT" (as hereafter defined) for the purpose of making such audit tests, inspections, and examinations, including subsurface exploration and testing, as the MORTGAGEE, in its discretion, deems necessary, convenient, or proper to determine whether the ownership, use, and operation of the REAL PROPERTY and the conduct of the activities engaged in thereon are in compliance with ENVIRONMENTAL REQUIREMENTS, as defined below; (b) the right at any time and from time to time to inspect and copy all of the MORTGAGOR'S records relating to environmental matters and to enter all buildings or facilities of the MORTGAGOR for such purpose; and (c) all of the MORTGAGOR'S records with respect to environmental matters, whether or not located at the REAL PROPERTY or elsewhere, whether or not in the possession of the MORTGAGOR or some third party (including any federal, state, or local agency or instrumentality), and whether written, photographic, or computerized.

All of the aforementioned property is hereafter referred to collectively as the "SECURED PROPERTY." To the extent all or any of the items of SECURED PROPERTY are not or have not yet become fixtures and permanent additions to and a part of the REAL PROPERTY and are instead personal property, the MORTGAGOR has granted and conveyed and by these present does grant and convey to the MORTGAGEE a continuing security interest under the Iowa Uniform Commercial Code, as amended, in all of such items of personal property and the proceeds and products thereof, as well as in all substitutions, renewals and replacements thereof and in all of such items hereafter acquired and constituting after acquired property, for so long as such items are or remain personal property and not fixtures and permanent additions to the REAL PROPERTY.

TO HAVE AND TO HOLD the SECURED PROPERTY unto the MORTGAGEE, its successors and assigns to and for the own proper use and behoof of the MORTGAGEE, its successors and assigns, forever.

To secure the full, complete, timely and absolute payment, performance, completion and satisfaction of each of the OBLIGATIONS, whether such OBLIGATIONS are existing or hereafter arising; provided always, nevertheless, that if all the OBLIGATIONS are duly paid, performed, completed and satisfied by the MORTGAGOR, its successors and assigns, then and from thence forth, as well as this present MORTGAGE and the estate hereby granted, shall cease, terminate and become void and of no effect, anything hereinbefore to the contrary thereof, in anywise notwithstanding.

ARTICLE 1
COVENANTS AND AGREEMENTS OF THE MORTGAGOR

The MORTGAGOR covenants and agrees with the MORTGAGEE as follows:

Section 1.1. Repayment. The MORTGAGOR shall punctually pay all indebtedness secured by this MORTGAGE, together with interest thereon and any fee, charge, deposit, escrow or assessment, at the times and in the manner and amounts set forth in the NOTE, this MORTGAGE and any other LOAN DOCUMENT.

Section 1.2. Taxes and Expenses. The MORTGAGOR shall pay and discharge, before the same shall become delinquent, all taxes of every kind and nature, real and personal; all general and special assessments and levies; all water, sewer and other utility charges, rents, and assessments; and any and all other public charges, dues, levies, impositions, or assessments of a like or different nature, imposed upon or assessed against the SECURED PROPERTY or the rents, issues, income or profits thereof, and which are or may become liens against the same, as well as any ground rent to which the REAL PROPERTY may be subject, and the MORTGAGOR shall keep the SECURED PROPERTY free and clear of all liens, charges and encumbrances of any kind or nature, other than the lien and security interest of this MORTGAGE and other than (a) liens for taxes, assessments, levies, fees, rents, ground rents, and public charges not yet delinquent; (b) liens and security interests which the MORTGAGEE has specifically and in writing consented to the existence of and with respect to which the MORTGAGOR has paid currently all sums secured thereby; and (c) liens and exceptions stated in the title policy issued on the date hereof and as hereafter amended or endorsed. The MORTGAGOR will, upon the request of the MORTGAGEE, deliver to the MORTGAGEE receipts evidencing the payment of all such taxes, assessments, levies, fees, rents, ground rents, and public charges imposed upon or assessed against the SECURED PROPERTY, or the revenues, rents, issues, income, or profits thereof, as well as the payment of all superior liens and security interests with respect to which the MORTGAGEE may have consented.

Section 1.3. Insurance. The MORTGAGOR shall obtain and shall at all times during the term hereof maintain the following insurance coverages:

Section 1.3.1. Casualty Insurance. The MORTGAGOR shall keep the SECURED PROPERTY insured against loss by fire, casualty, and other such hazards and contingencies as may be specified by the MORTGAGEE for the benefit of the MORTGAGEE. Such insurance shall be written in forms by companies reasonably satisfactory to the MORTGAGEE and shall be in an amount equal to the full insurable value of the SECURED PROPERTY, but in any event shall be in an amount sufficient to prevent co-insurance liability. The MORTGAGEE shall be named as an insured first mortgagee, under a standard mortgage clause, and as the loss payee, and the proceeds arising from any losses thereunder shall be payable to the MORTGAGEE alone. The policy or policies of such casualty insurance shall be delivered to and retained by the MORTGAGEE, and the MORTGAGOR shall provide the MORTGAGEE with receipts evidencing the payment of all premiums due on such policies. All insurance policies shall bear an endorsement prohibiting cancellation, material modification or termination, unless ten (10) calendar days prior written notice thereof is provided to the MORTGAGEE. The MORTGAGOR shall give the MORTGAGEE notice of any loss covered by such casualty insurance within two (2) business days of any such loss, and the MORTGAGEE shall have the right to join the MORTGAGOR in adjusting any loss covered by an insurance policy. The MORTGAGOR may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained above unless the MORTGAGEE is included thereon as a named insured with losses payable to the MORTGAGEE as above provided. The MORTGAGOR shall immediately notify the MORTGAGEE whenever any such separate insurance is taken out and shall promptly deliver to the MORTGAGEE the policy or policies of such insurance.

Section 1.3.2. Commercial Liability and Workers' Compensation Insurance. The MORTGAGOR shall obtain and at all times maintain commercial general liability insurance in amounts and upon policy forms satisfactory to the MORTGAGEE, insuring against liability of the MORTGAGOR for damages (and actions for damages) as a result of any bodily injury, property damage or personal injury. The commercial liability insurance shall also provide products and completed operations and owner's protective liability coverages. The MORTGAGEE shall be named as an additional insured under each commercial liability insurance policy, and the amounts of such insurance shall be at least equal to that customarily maintained by persons under similar circumstances and having facilities and providing services similar to those of the MORTGAGOR, but in any event the amounts of coverage for bodily injury shall not be less than One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in the aggregate. The MORTGAGOR shall also maintain workers' compensation insurance in such amounts as are required by applicable laws. The MORTGAGOR shall supply the MORTGAGEE with certificates summarizing the terms of such liability and workers' compensation insurance policies and paid receipts indicating the payment of premiums due thereon.

Section 1.3.3. Flood Insurance. In the event that at any time all or any portion of the REAL PROPERTY is determined to be located in a specially designated flood hazard area, the MORTGAGOR shall obtain and maintain flood hazard insurance in the full insurable value of the IMPROVEMENTS on the REAL PROPERTY or the full amount of coverage available, if less than the full insurable value of the IMPROVEMENTS, naming the MORTGAGEE as first mortgagee, under a standard mortgage clause, and as the loss payee. The MORTGAGOR shall be required to provide flood hazard insurance as described, unless the MORTGAGOR'S insurance broker or a substitute therefor acceptable to the MORTGAGEE certifies to the MORTGAGEE in writing that the REAL PROPERTY is not in a flood hazard area. The proceeds of any loss payable under a flood insurance policy shall be paid over to the MORTGAGEE. The MORTGAGEE shall be supplied with the original of any flood insurance policy and a paid receipt evidencing payment of the premiums due on the same. Any policy of flood insurance shall bear an endorsement prohibiting cancellation, material modification or termination, unless ten (10) calendar days' prior written notice thereof is provided the MORTGAGEE.

Section 1.3.4. Tank Insurance. Until the full and complete satisfaction of all of the OBLIGATIONS, the MORTGAGOR shall maintain tank insurance in such amounts, with insurance companies, and upon policy forms acceptable to and approved by the MORTGAGEE, naming the MORTGAGEE and the United States Small Business Administration as additional insureds. The MORTGAGOR shall submit to the MORTGAGEE copies of the tank insurance policies and receipts evidencing the payment of premiums due thereon, and certificates from the insurance companies certifying to the existence of the policies, summarizing the terms of the policies, and indicating the payment of premiums due thereon.

Section 1.3.5. General Requirements Applicable to Casualty, Tank Insurance and Flood Insurance. No policy of casualty, tank insurance, or flood insurance shall be subject to an aggregate loss deductible which exceeds any amount designated by the MORTGAGEE as the permitted deductible with respect thereto. Duplicate originals or

certified true copies of all policies of casualty insurance and, if applicable, tank insurance and flood insurance, shall be delivered to and retained by the MORTGAGEE. The MORTGAGOR shall provide the MORTGAGEE with receipts evidencing the payment of all premiums due on such policies. The MORTGAGEE shall be named under each such policy as first mortgagee, under a standard mortgage clause, and as sole loss payee. All casualty, tank insurance and flood insurance shall be written on forms which are satisfactory to the MORTGAGEE, and which bear an endorsement prohibiting cancellation, material modification or termination, unless ten (10) calendar days prior written notice thereof is provided to the MORTGAGEE. Promptly after any casualty loss, the MORTGAGOR shall give the MORTGAGEE notice of the same and the MORTGAGEE shall have the right to join the MORTGAGOR in adjusting any loss resulting from such casualty. The proceeds arising from any casualty loss shall be payable to the MORTGAGEE, to be applied in accordance with paragraph 1.3.7 below.

Section 1.3.6. No Separate Casualty, Tank Insurance or Flood Insurance. The MORTGAGOR shall not obtain any separate casualty, tank insurance or flood insurance policies concurrent in form or contributing in the event of loss with that insurance which is otherwise required to be maintained by the terms of this Section unless the MORTGAGEE is included thereon as a named insured under such policies with losses payable solely to the MORTGAGEE as provided in paragraph 1.3.5 above.

Section 1.3.7. Use Of Casualty Or Flood Insurance Proceeds. The proceeds of any loss payable under the casualty or flood insurance policy, at the sole option of the MORTGAGEE, shall be applied, in whole or in part, either in satisfaction of the OBLIGATIONS, with the balance of the loss proceeds, if any, being paid to the MORTGAGOR, or to the costs of repairing, restoring, renovating or replacing the REAL PROPERTY or the damage thereto.

Section 1.3.8. Other Insurance Coverages. The MORTGAGOR shall maintain such other insurance coverages as are customarily maintained by persons in similar circumstances having facilities of comparable size and offering comparable services or products as those of the MORTGAGOR.

Section 1.3.9. Qualification Of Insurers. The insurance coverages required by this MORTGAGE shall be issued by insurers qualified to issue insurance in the state where the REAL PROPERTY is located (and, where necessary to provide the required coverages, any other jurisdiction in which property of the MORTGAGOR may be located or the MORTGAGOR may conduct operations or provide services). The insurers shall each be otherwise reasonably satisfactory to the MORTGAGEE

Section 1.4. Escrow. The MORTGAGEE may, at any time or from time to time, upon notice to the MORTGAGOR, require the deposit by the MORTGAGOR with the MORTGAGEE, at the time of each payment of an installment of interest, of principal, or of principal and interest under the NOTE, of an additional amount sufficient to discharge the obligations of the MORTGAGOR for: (a) the payment of taxes, assessments, levies, fees, rents, and other public charges imposed upon or assessed against the SECURED PROPERTY or the revenues, rents, issues, income, or profits thereof, as provided in

Section 1.2; or (b) the payment of the premiums for all insurance, as required by Section 1.3 hereof, for the purpose of providing a fund to assure the payment of the aforesaid expenses when and as they come due. The determination of the amount so payable and of the fraction or part thereof to be deposited with the MORTGAGEE, so that the aggregate of such deposits shall be sufficient for this purpose, shall be made by the MORTGAGEE in its sole and absolute discretion. Such amounts shall be applied to the payment of the obligations in respect to which such amounts were deposited or, at the option of the MORTGAGEE, to the payment of such obligations in such order of priority as the MORTGAGEE shall determine, on or before the date they become delinquent. If the MORTGAGEE determines prior to the due date of any of the aforementioned obligations that the amount then on deposit shall be insufficient for the payment of such obligations in full, the MORTGAGOR, within ten (10) calendar days after demand, shall deposit the amount of the deficiency with the MORTGAGEE. The contrary notwithstanding, the MORTGAGEE shall retain the right under the provisions of this MORTGAGE to pay any such amount and to add the amount so paid together with interest at the rate provided in the NOTE to the OBLIGATIONS. In the event any regular monthly payment made by the MORTGAGOR should be insufficient to pay all interest or principal and interest due and any applicable penalties plus the amounts required for the escrow pursuant to this Section, the amount of the regular monthly payment shall be applied first to interest and penalties, if applicable, and next to principal, with the balance, if any, being applied to the escrow.

Section 1.5. Advancements. If the MORTGAGOR should fail to perform any of the covenants contained in this MORTGAGE or to protect or preserve the SECURED PROPERTY or the status and priority of the lien and security interest of this MORTGAGE, the MORTGAGEE, after two (2) calendar days advance notice, may make advances to perform the same on behalf of the MORTGAGOR or to protect or preserve the SECURED PROPERTY or the status and priority of the lien and security interest of this MORTGAGE, and all sums so advanced shall immediately upon advancement become a lien and security interest upon the SECURED PROPERTY and shall be secured by this MORTGAGE. The MORTGAGOR shall repay on demand all sums so advanced on the MORTGAGOR'S behalf, plus any reasonable expenses or costs incurred by the MORTGAGEE, including reasonable attorney's fees, with interest thereon at the default rate provided for in the NOTE. The provisions of this Section shall not be construed to prevent the institution of foreclosure or other rights and remedies of the MORTGAGEE in the event of a default by the MORTGAGOR. The contrary notwithstanding, the authorization contained in this Section shall impose no duty or obligation on the MORTGAGEE to perform any action or make any advancement on behalf of the MORTGAGOR and is for the sole benefit and protection of the MORTGAGEE.

Section 1.6. Condition And Use Of Improvements. The MORTGAGOR shall not at any time abandon the SECURED PROPERTY, nor commit any waste on the SECURED PROPERTY, nor make any change in the use of the SECURED PROPERTY which will in any way increase any ordinary fire or other hazard insurance risk arising out of the operation of, or the construction of IMPROVEMENTS on, the SECURED PROPERTY. The MORTGAGOR shall at all times maintain and keep the SECURED PROPERTY in good operating order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions, and improvements in connection therewith which are

needed or desirable. The MORTGAGOR shall fully and materially comply with all statutes, ordinances, rules, regulations, or laws affecting the SECURED PROPERTY or the use thereof. The IMPROVEMENTS shall not be removed, demolished or substantially altered, without the prior written consent of the MORTGAGEE, except where appropriate replacements, free of superior title, liens, security interests, or claims, are immediately made of a value at least equal to the value of the PERSONALTY removed.

Section 1.7. Title to Real Property; Liens. The MORTGAGOR has, as of the date hereof, and shall at all times during the term of this MORTGAGE maintain, good and marketable title to the SECURED PROPERTY free and clear of any and all liens, charges, restrictions, encumbrances, security interests and adverse claims whatsoever, excepting any liens, charges, restrictions, encumbrances or security interests which: (a) are set forth as exceptions to coverage in any title insurance policy issued in favor of, and approved by, the MORTGAGEE with respect to the REAL PROPERTY; (b) are expressly permitted by the provisions of this MORTGAGE; (c) are otherwise expressly consented to in writing by the MORTGAGEE; or (d) leases approved by the MORTGAGEE.

Section 1.8. Transfer Or Encumbrance. Title to all or any portion of the SECURED PROPERTY shall not be acquired by any person, individual, partnership, association, or corporation, other than the MORTGAGOR, by voluntary or involuntary conveyance, transfer, grant or assignment, by operation of law, or in any other manner, or become encumbered or charged with a lien or security interest of any kind or variety, excepting those permitted by Section 1.7 hereof, including any mechanic's or materialmen's lien or judgment lien, senior, junior, or of equal priority to the lien and security interest of this MORTGAGE, without the prior written consent of the MORTGAGEE. The contrary notwithstanding, in the event that the ownership of the SECURED PROPERTY becomes vested in a person, individual, partnership, association, or corporation other than the MORTGAGOR, the MORTGAGEE may, without notice to the MORTGAGOR, deal with such successor or successors in interest with reference to this MORTGAGE and the indebtedness secured by it in the same manner as with the MORTGAGOR, and any extension of the time of the indebtedness or any other modifications of the terms of the indebtedness at the instance of the then owner of the SECURED PROPERTY shall not relieve the MORTGAGOR of the MORTGAGOR'S liability on the NOTE hereby secured or from the performance of any of the covenants and agreements contained herein or any of the covenants, terms, conditions, provisions, representations, or warranties contained in the LOAN DOCUMENTS, whether the extension or modification be made with or without the consent of the MORTGAGOR.

Section 1.9. Condemnation. The MORTGAGOR, within two (2) business days after upon obtaining knowledge of the institution of any proceedings for the condemnation of the SECURED PROPERTY or any portion thereof will notify the MORTGAGEE of the pendency of such proceedings. The MORTGAGEE may participate in any such proceedings and the MORTGAGOR from time to time will deliver to the MORTGAGEE all instruments requested by them to permit such participation. In the event of such condemnation proceedings, the award or compensation payable is hereby assigned and shall be paid to the MORTGAGEE for application to and reduction of the OBLIGATIONS as provided in this MORTGAGE. The MORTGAGEE shall be under no obligation to

question the amount of any such award or compensation and may accept the same in the amount in which the same shall be paid. In any such condemnation proceedings, the MORTGAGEE may be represented by counsel selected by them. The proceeds of any award or compensation so received shall, at the option of the MORTGAGEE, either be applied, without premium, to the payment of the OBLIGATIONS at the rate of interest provided in the NOTE, regardless of the rate of interest payable on the award by the condemning authority, or be paid over to the MORTGAGOR for restoration and reconstruction of the SECURED PROPERTY.

Section 1.10. Future Advances. The MORTGAGEE may make future advances to the MORTGAGOR and may advance or readvance funds to the MORTGAGOR. This MORTGAGE shall secure not only existing indebtedness but also future advances, whether such future advances are obligatory or to be made at the option of the MORTGAGEE, or otherwise, to the same extent as if such future advances were made on the date of this MORTGAGE.

Section 1.11. Zoning, Etc.; Restrictive Covenants. The MORTGAGOR, in its use and operation of the SECURED PROPERTY, shall comply with all applicable laws, rules and regulations of any federal, state, and local governmental authorities having jurisdiction over the SECURED PROPERTY, including but not limited to all zoning, subdivision, land use, and environmental laws, rules and regulations. The MORTGAGOR shall comply with all restrictions, covenants, easements, set backs and other limitations on the use of the SECURED PROPERTY contained in documents of public record.

Section 1.12. Preservation Of Lien. The MORTGAGOR shall take all steps and do all things necessary, convenient, or proper, to establish, protect, preserve, and maintain the priority and status of the lien and security interest in the SECURED PROPERTY established or intended to be established by this MORTGAGE, except and only to the extent the MORTGAGEE may have specifically and in writing consented to the existence of a senior lien or security interest.

Section 1.13. Security Agreement. This MORTGAGE shall also constitute a security agreement from the MORTGAGOR to the MORTGAGEE under the Iowa Uniform Commercial Code, as amended. The MORTGAGOR agrees to execute and deliver to the MORTGAGEE for filing with the local and central filing offices at MORTGAGOR'S expense such financing and continuation statements as may be required in the MORTGAGEE'S sole opinion to perfect or continue as perfected the security interest created by this MORTGAGE. If the MORTGAGOR fails upon demand to execute and deliver to the MORTGAGEE such financing or continuation statements, the MORTGAGOR shall thereupon automatically and irrevocably have appointed and does hereby appoint the MORTGAGEE as the MORTGAGOR'S attorney-in-fact for the purpose of executing such financing or continuation statements, the power of attorney hereby given by the MORTGAGOR to the MORTGAGEE being a power of attorney coupled with an interest.

Section 1.14. Status. The MORTGAGOR shall maintain in good standing and in full force and effect its status as a corporation and all rights and privileges incident thereto.

ARTICLE 2
EVENTS OF DEFAULT

The occurrence of any of the following events shall constitute events of default (hereafter, "EVENTS OF DEFAULT") under this MORTGAGE and shall entitle the MORTGAGEE to exercise all rights and remedies provided in Article 3:

Section 2.1. Failure To Pay. A failure to make payment when due of any amount of interest, principal, or principal and interest due on the NOTE, or of any fee, charge, penalty, deposit, escrow assessment, or advancement called for in the NOTE, this MORTGAGE, or any other LOAN DOCUMENT.

Section 2.2. Failure To Perform. A failure to perform or observe any of the covenants and agreements of this MORTGAGE or of any other LOAN DOCUMENT.

Section 2.3. Occurrence Of Event Of Default. The occurrence of any "default," or "event of default," as such terms are defined in the LOAN AGREEMENT.

Section 2.4. Existence Of Senior Lien In Bankruptcy. The existence of a lien or security interest senior or of equal priority to the lien and security interest of this MORTGAGE created pursuant to Section 364 of the Bankruptcy Reform Act of 1978.

Section 2.5. Default Under Permitted Liens. A default under any document or instrument creating a lien or security interest in the SECURED PROPERTY, whether senior, junior, or of equal priority to the lien and security interest of this MORTGAGE.

ARTICLE 3
RIGHTS ON EVENT OF DEFAULT

Upon the occurrence of an EVENT OF DEFAULT, the MORTGAGEE may, at its sole and absolute option and without notice or demand, accelerate and declare immediately due and payable all OBLIGATIONS, and institute an action of mortgage foreclosure and may, with or without declaring the aforementioned sums immediately due and payable and with or without foreclosing, exercise any right or remedy provided for herein or in the NOTE, any other LOAN DOCUMENT, or applicable law.

Section 3.1. Acceleration; Foreclosure. Upon the occurrence of any EVENT OF DEFAULT and at any time thereafter while such EVENT OF DEFAULT exists, MORTGAGEE may, at its option, exercise one or more of the following rights and remedies (and any other rights and remedies available to it):

a. MORTGAGEE may declare immediately due and payable all OBLIGATIONS secured by this MORTGAGE, and the same shall thereupon be immediately due and payable, without further notice or demand.

b. MORTGAGEE shall have and may exercise with respect to the *personal property*, all the rights and remedies accorded upon default to a secured party under the Iowa Uniform Commercial Code. If notice to MORTGAGOR of intended disposition of such property is required by law in a particular instance, such notice shall be deemed commercially reasonable if given to MORTGAGOR at least ten (10) days prior to the date of intended disposition.

c. MORTGAGEE may (and is hereby authorized and empowered to) foreclose this MORTGAGE in accordance with the law of the State of Iowa, and at any time after the commencement of an action in foreclosure, or during the period of redemption, the court having jurisdiction of the case shall at the request of MORTGAGEE appoint a receiver to take immediate possession of the SECURED PROPERTY and of the revenues and income accruing therefrom, and to rent or cultivate the same as he may deem best for the interest of all parties concerned, and such receiver shall be liable to account to MORTGAGOR only for the net profits, after application of rents, issues and profits upon the costs and expenses of the receivership and foreclosure and upon the OBLIGATIONS.

Section 3.2. Foreclosure. Any sale of the SECURED PROPERTY, shall be made in accordance with the provisions applicable, general or local laws or judicial rules of procedure relating to the foreclosure of mortgages. The terms of the sale may be cash upon confirmation of the sale or upon such other and additional terms as the MORTGAGEE deems necessary, proper or convenient, except as specifically limited by applicable law or court rule. Such sale may be of the entire SECURED PROPERTY as a unit or of such parts or parcels of the entire SECURED PROPERTY as the MORTGAGEE, in its sole and absolute discretion, deems necessary, proper or convenient. The MORTGAGEE may adjourn from time to time any sale to be made hereunder.

Section 3.3. Application of Proceeds. Upon the sale of the SECURED PROPERTY pursuant to this Article 3, the proceeds shall be applied as follows: (a) to the payment of all expenses incident to instituting and conducting foreclosure proceedings and to repossession and conducting a sale under the Iowa Uniform Commercial Code, including reasonable counsel fees for instituting and conducting the foreclosure proceedings and sale; as used herein, expenses of sale shall include reasonable auctioneer's fees, which shall be computed on the basis of the auctioneer's regular fee schedule, and the cost of a preforeclosure appraisal of the SECURED PROPERTY by an appraiser selected by the MORTGAGEE; (b) to the payment of all claims of the MORTGAGEE, whether the same shall have matured or not, including interest thereon at the default rate provided in the NOTE until the date the schedule of proposed distributions of the foreclosure sale proceeds is prepared by the Sheriff who conducted the sale of the SECURED PROPERTY; and (c) the balance remaining, if any, shall be paid to the MORTGAGOR, or to whomsoever shall be judicially determined to be entitled to the same.

Section 3.3.2. Payment Before Sale. In the event the amount due on the principal debt hereby secured and the interest thereon shall be paid after the filing of a foreclosure proceeding with the appropriate court, but before sale of the SECURED PROPERTY, the MORTGAGOR shall also be required to pay all of the expenses of any advertisement or notice, all court costs, and all other expenses incident to or resulting from the foreclosure proceedings under this MORTGAGE, and reasonable counsel fees; provided, however, that the same may be proceeded with unless, prior to the date on which the sale is scheduled, payment is made by the MORTGAGOR of the principal and interest, costs, expenses, commissions, and fees, as provided herein.

Section 3.3.3. Mortgagee May Bid. Upon any sale made under or by virtue of this Article 3, the MORTGAGEE may bid for and acquire the SECURED PROPERTY or any part thereof.

Section 3.4. Possession; Receivership. The MORTGAGOR may retain possession of the SECURED PROPERTY so long as an EVENT OF DEFAULT has not occurred, but upon the occurrence of an EVENT OF DEFAULT, the MORTGAGEE may assume possession of the SECURED PROPERTY, in whatever manner permitted under applicable law, and dispossess the MORTGAGOR therefrom, although the MORTGAGOR shall remain fully liable to the same extent as though in possession and not dispossessed by the MORTGAGEE. Upon such entry, the MORTGAGEE may lease the SECURED PROPERTY and collect all rents and profits therefrom and, after deducting all costs of collection and administrative expenses, apply the net rents and profits to the payment of taxes, water and sewer rents, charges and claims, insurance premiums and all other carrying charges (including but not limited to agents' compensation and fees and costs of counsel and receivers) or on account and in reduction of the principal or interest or principal and interest, hereby secured, in such order as the MORTGAGEE in the MORTGAGEE'S sole discretion may elect, and have a receiver appointed to enter into possession of the SECURED PROPERTY, collect the rents and profits therefrom, and apply the same as the court may direct, and the MORTGAGEE shall not be liable to account for any rents or profits. For such purposes, the MORTGAGOR hereby authorizes any attorney of any court of record to appear for the MORTGAGOR to sign an agreement for entering an action of ejectment for possession of the SECURED PROPERTY, and to confess judgment therein against the MORTGAGOR in favor of the MORTGAGEE, whereupon a writ may forthwith issue for the immediate possession of the SECURED PROPERTY, without any prior writ or proceeding whatsoever; and for so doing this MORTGAGE or a copy hereof verified by affidavit shall be a sufficient warrant. In the event the MORTGAGEE assumes possession of the SECURED PROPERTY, the MORTGAGEE may make repairs, renovations, and replacements with respect to the SECURED PROPERTY and take all necessary steps to preserve and protect the SECURED PROPERTY, and the costs and expenses of the MORTGAGEE in performing such acts shall be fully secured by this MORTGAGE, even though in excess of the face amount thereof.

Section 3.5. Right to Maintain Separate Action. Following an EVENT OF DEFAULT hereunder, the MORTGAGEE shall be entitled or empowered to institute such action or proceedings at law or in equity as may be advised by its counsel for the collection

of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the MORTGAGOR and collect, out of the property of the MORTGAGOR wherever situated, as well as out of the SECURED PROPERTY, in any manner provided by law, monies adjudged or decreed to be payable. The MORTGAGEE shall be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the provisions of this MORTGAGE, or the foreclosure of the lien hereof. In the event of a sale of the SECURED PROPERTY, and of the application of the proceeds of sale as provided in this MORTGAGE, to the payment of the OBLIGATIONS, the MORTGAGEE shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon the NOTE and to enforce payment of all other charges, payments, and costs due under this MORTGAGE, and any other LOAN DOCUMENT, and shall be entitled to recover judgment for any portion of the OBLIGATIONS remaining unpaid, with interest at the default rate of interest set forth in the NOTE. No recovery of any judgment by the MORTGAGEE and no levy of an execution under any judgment upon the SECURED PROPERTY or upon any other property of the MORTGAGOR shall affect in any manner or to any extent the lien of this MORTGAGE upon the SECURED PROPERTY or any part thereof, or any liens, rights, powers, or remedies of the MORTGAGEE hereunder, but such liens, rights, powers, and remedies shall continue unimpaired as before.

Section 3.6. Waivers of Stay, Exemptions, Etc. The MORTGAGOR will not at any time insist upon, or plead, or in any manner whatsoever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution of sale of the SECURED PROPERTY or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this MORTGAGE, nor claim, take, or insist upon any benefit of advantage of any law now or hereafter in force providing for the valuation or appraisal of the SECURED PROPERTY, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provisions herein, or pursuant to the decree, judgment, or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and the MORTGAGOR hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the MORTGAGEE, but to suffer and permit the execution of every power as though no law or laws had been made or enacted. The MORTGAGOR, for the MORTGAGOR and all who may claim under the MORTGAGOR, waives, to the extent that the MORTGAGOR lawfully may, all right to have the SECURED PROPERTY marshaled upon any foreclosure hereof.

Section 3.7. Assignment of Leases and Rents. The MORTGAGOR collaterally assigns to the MORTGAGEE as security for the OBLIGATIONS all leases and rents of the REAL PROPERTY, independent of whether a receiver is appointed or not; provided, however, that nothing herein shall obligate the MORTGAGEE to perform on behalf of the MORTGAGOR any of the MORTGAGOR'S duties or obligations under any lease or shall entitle any lease to continue in full force and effect after a foreclosure sale unless the MORTGAGOR has affirmatively elected, as provided elsewhere herein, to make the

foreclosure sale subject to a lease. The assignment of leases and rents shall be effective immediately and is not dependent on the existence or declaration of an EVENT OF DEFAULT. In the event the MORTGAGOR has executed a separate lease and rent assignment agreement with the MORTGAGEE, the terms and conditions contained therein are incorporated by reference in this MORTGAGE and such terms and conditions control in the event of any inconsistency with the items and conditions contained herein regarding assignment of leases and rents.

Section 3.8. Uniform Commercial Code. Following the occurrence of an EVENT OF DEFAULT, the MORTGAGEE may exercise all rights and remedies of a secured creditor under the Iowa Uniform Commercial Code, as amended, with respect to any part of the SECURED PROPERTY constituting personal property and subject to the security interest created by this MORTGAGE, including the right to take possession of the aforementioned personal property without the use of judicial process (the MORTGAGOR hereby waiving all right to prior notice and a judicial hearing) and the right to require the MORTGAGOR to assemble the same at the REAL PROPERTY or such other place as the MORTGAGEE may notify the MORTGAGOR. Any disposition of so much of the SECURED PROPERTY as may constitute personal property and subject to the security interest created by this MORTGAGE shall be considered commercially reasonable if made pursuant to a public sale which is advertised in the same manner as the sale of the REAL PROPERTY is advertised pursuant to the provisions of this MORTGAGE. Any notice required by the Iowa Uniform Commercial Code to be given to the MORTGAGOR shall be considered reasonable and properly given if given in accordance with the notice provisions of this MORTGAGE at least ten (10) calendar days prior to the date of any scheduled public sale.

Section 3.9. Remedies Nonexclusive. The rights and remedies provided in this Article on the EVENT OF DEFAULT by the MORTGAGOR shall be nonexclusive and shall be in addition to all other remedies and rights available under this MORTGAGE, the NOTE, and any other LOAN DOCUMENT or applicable law. All rights and remedies available on the occurrence of an EVENT OF DEFAULT shall be cumulative and the exercise of any one or more of the available rights and remedies shall not be considered as or result in a waiver of any other right or remedy and any particular right or remedy may be exercised in conjunction with any or all other rights and remedies provided hereunder or under the NOTE, or any other LOAN DOCUMENT.

Section 3.10. Receivership. Following the occurrence of an EVENT OF DEFAULT, MORTGAGEE shall be entitled, to the full extent permitted by applicable law, to the appointment of a rent receiver, a receiver to manage and operate the SECURED PROPERTY, or both. MORTGAGOR hereby consents to the appointment of a receiver without regard to the condition of the SECURED PROPERTY, the solvency or insolvency of MORTGAGOR or any other person liable for the obligations, the adequacy or inadequacy of the SECURED PROPERTY and any other collateral as security for the OBLIGATIONS, and the management or mismanagement of the SECURED PROPERTY by or for MORTGAGOR. All costs and expenses, including attorneys' fees, of any such receivership shall be paid by MORTGAGOR on demand.

ARTICLE 4
MISCELLANEOUS

Section 4.1. Redemption. It is agreed that if this MORTGAGE covers less than ten (10) acres of land, and in the event of the foreclosure of this MORTGAGE and sale of the REAL PROPERTY by sheriff's sale in such foreclosure proceedings, the time of one (1) year for redemption from said sale provided by the statutes of the State of Iowa shall be reduced to six (6) months, provided the MORTGAGEE in such action files an election to waive any deficiency judgment against the MORTGAGOR which may arise out of the foreclosure proceedings, all to be consistent with the provisions of Chapter 628 of the Iowa Code. If the redemption period is so reduced, for the first three (3) months after sale such right of redemption shall be exclusive to the MORTGAGOR, and the time periods in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to four (4) months. It is further agreed that the period of redemption after a foreclosure of this MORTGAGE shall be reduced to sixty (60) days if all of the three following contingencies develop: (1) the REAL PROPERTY is less than ten (10) acres in size; (2) the Court finds affirmatively that the REAL PROPERTY has been abandoned by the MORTGAGOR at the time of such foreclosure; and (3) the MORTGAGEE in such action files an election to waive any deficiency judgment against the MORTGAGOR or its successors in interest in such action. If the redemption period is so reduced, the MORTGAGOR or its successors in interest shall have the exclusive right to redeem for the first thirty (30) days after such sale, and the time provided for redemption by creditors as provided in Sections 628.5, 628.15 and 628.16 of the Iowa Code shall be reduced to forty (40) days. Entry of appearance by pleading or docket entry by or on behalf of the MORTGAGOR shall be a presumption that the REAL PROPERTY is not abandoned. Any such redemption period shall be consistent with all of the provisions of Chapter 628 of the Iowa Code. This paragraph shall not be construed to limit or otherwise affect any other redemption provisions contained in Chapter 628 of the Iowa Code.

Section 4.2. Notices. Any notice required or permitted by or in connection with this MORTGAGE shall be in writing and shall be made by hand delivery, by Federal Express, or similar overnight delivery service, or by certified mail, return receipt requested, unrestricted delivery, postage prepaid, addressed to the MORTGAGEE or the MORTGAGOR at the appropriate address set forth below or to such other address as may be hereafter specified by written notice by the MORTGAGEE or the MORTGAGOR, and shall be considered given as of the date of hand delivery, delivery to Federal Express or similar overnight delivery service, or three (3) calendar days after the date of mailing, independent of the date of mail delivery or whether mail delivery is ever in fact accomplished, as the case may be.

If to the MORTGAGEE:

RIDGESTONE BANK
13925 W. North Avenue
Brookfield, WI 53002

If to the MORTGAGOR:

ALPHA PETROLEUM, INC.
316 E. Main Street
Manchester, IA 52057

Section 4.3. Warranties. The MORTGAGOR warrants and will warrant generally the property hereby conveyed and the SECURED PROPERTY and that it has good and marketable title thereto, and that it shall forever warrant and defend the same and the validity and priority of the lien and security interest of this MORTGAGE, to the MORTGAGEE against the claims of any and all other persons except for the encumbrances permitted by Section 1.7 of this MORTGAGE. The MORTGAGOR further warrants that the MORTGAGOR shall execute such other and further assurances as may be requisite.

Section 4.4. No Third Party Mortgagee Rights. No person not a party to this MORTGAGE shall have any benefit hereunder nor have third party MORTGAGEE rights as a result of this MORTGAGE or any other loan document, nor shall any person be entitled to rely on any actions or inactions of the MORTGAGEE, all of which are done for the sole benefit and protection of the MORTGAGEE.

Section 4.5. Continuing Obligation of the Mortgagor. The terms, conditions, and covenants set forth herein and in the other LOAN DOCUMENTS shall survive closing and shall constitute an obligation of the MORTGAGOR until all OBLIGATIONS are paid in full.

Section 4.6. Binding Obligation. This MORTGAGE shall be binding upon and inure to the benefit of the MORTGAGEE, the MORTGAGOR and their respective successors and assigns.

Section 4.7. Final Agreement. This MORTGAGE and the LOAN DOCUMENTS contain the final and entire agreement and understanding of the parties, and any terms and conditions not set forth in this MORTGAGE or in the LOAN DOCUMENTS are not a part of this MORTGAGE and the understanding of the parties hereof.

Section 4.8. Amendment. This MORTGAGE may be amended or altered only in a writing signed by the party to be bound by the amendment, change or alteration.

Section 4.9. Photocopies Sufficient. A carbon, photographic, or other reproduction of this MORTGAGE shall be sufficient as a financing statement.

Section 4.10. Waiver. No waiver by the MORTGAGEE of complete performance by the MORTGAGOR with all of the provisions, covenants, and agreements of this MORTGAGE shall constitute a future waiver of complete performance, nor shall any delay or omission on the part of the MORTGAGEE in enforcing complete performance or in enforcing any right or remedy provided hereunder constitute a waiver of complete performance or of the right or remedy.

Section 4.11. Incorporation By Reference. The terms, conditions, and provisions of the NOTE and all other LOAN DOCUMENTS are incorporated by reference in this MORTGAGE to the same extent as if set forth in full in this MORTGAGE.

Section 4.12. Terminology. Whenever used herein, the term the "MORTGAGOR" shall include the successors and assigns of the MORTGAGOR or the MORTGAGORS; the "MORTGAGEE" shall include the successors and assigns of the individual, individuals, partnership, or corporation holding the beneficial interest in the NOTE secured by this MORTGAGE; the use of the singular shall include the plural, and the plural may refer only to the singular. The use of any gender shall be applicable to all genders.

Section 4.13. Invalidity. If any provision or part of any provision contained in this MORTGAGE shall be found for any reason to be illegal, invalid or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions or the remaining part of any effective provisions of this MORTGAGE and this MORTGAGE shall be construed as if such invalid, illegal, or unenforceable provision or part thereof had never been contained herein, but only to the extent of its invalidity, illegality, or unenforceability.

Section 4.14. Exemptions Waived. To the extent permitted by applicable law, the MORTGAGOR hereby waives and renounces the benefit of its exemptions, including but not limited to all valuation and appraisement privileges, and stays, redemption and moratoriums under the constitution and laws of the State of Iowa, of any other state or of the United States, now existing or hereafter enacted.

Section 4.15. Renewal, Extension, Reinstatement. The MORTGAGOR expressly agrees and acknowledges that renewal, extension, and reinstatement are permitted.

Section 4.16. Time of the Essence. Time is of the essence of each of the OBLIGATIONS.

Section 4.17. Survival Of Security Agreement And Assignment Of Leases And Rents. Notwithstanding the institution of any foreclosure proceedings upon this MORTGAGE or any judgment, execution or sale (including sale to the MORTGAGEE) in such proceedings, each provision of this MORTGAGE creating or pertaining to a security interest in PERSONALTY or an assignment of leases, rents and profits shall survive and remain independently valid and enforceable and shall not merge into any such judgment, execution or sale, unless and until all of the OBLIGATIONS are paid, performed or satisfied in full.

Section 4.18. Release Of Rights Of dower, Homestead And Distributive Share. Each of the undersigned hereby relinquishes all rights of dower, homestead and distributive share in and to the SECURED PROPERTY and waives all rights of exemption as to any of the SECURED PROPERTY.

Section 4.19. SBA Loan. The LOAN was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this MORTGAGE, then under SBA regulations:

(A) When SBA is the holder of the NOTE, this MORTGAGE and all other LOAN DOCUMENTS evidencing or securing the LOAN will be construed in accordance with federal law.

(B) MORTGAGEE or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. Neither the MORTGAGOR, nor any debtor or guarantor of the LOAN may claim or assert against SBA any local or state law to deny any obligation of the MORTGAGOR or such debtor or guarantor, or defeat any claim of SBA with respect to the LOAN.

Any clause in this MORTGAGE requiring arbitration is not enforceable when SBA is the holder of the NOTE.

Section 4.20. Acknowledgment Of Receipt Of Copies Of Debt instrument. The MORTGAGOR hereby acknowledges the receipt of a copy of this MORTGAGE, together with a copy of each promissory note secured hereby.

WITNESS, the following signature and seal of the MORTGAGOR as of the date first written above.

WITNESS/ATTEST:

Wendy Abrasch

Wendy Abrasch

MORTGAGOR:

ALPHA PETROLEUM INC., An Iowa Corporation

By: _____ (SEAL)
Name: KARIM HEMANI
Title: PRESIDENT

AND

BY: _____
NAME: FAISAL HEMANI
TITLE: & SEC.

ACKNOWLEDGMENT

STATE OF IOWA)
) SS.
COUNTY OF CLAYTON)

On this 16 day of February, 2011, before me, a Notary Public in and for said county, personally appeared KARIM HEMANI, to me personally known, who being by me duly sworn, did say that HE is the President of ALPHA PETROLEUM INC., and that the foregoing instrument was signed on behalf of the corporation by authority of its board of directors, and the said _____ acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation by it voluntarily executed. ALONG WITH FAISAL HEMANI, SECRETARY OF ALPHA PETROLEUM INC.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the say and year first above written.

Daniel L Parker

Daniel L Parker
(Print Name)

My appointment expires 9-23-11

DANIEL L. PARKER
Commission Number 754926
My Comm. Exp. 9-23-11

EXHIBIT A

(Real Property)

Lot 130 in the City of Manchester, Delaware County, Iowa according to the plat recorded in Book I, L.D., page 284. Tax Parcel No. 000631294405500