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MORTGAGE

THIS MORTGAGE is made on April 24, , 2002, between Blastech Inc., whose address is 411 Blaine Street, Gary, Indiana 46406 (the "Mortgagor"), and T.F. Warren Group Corporation, whose address is 411 Blaine Street, Gary, Indiana 46406, (the "Mortgagee").

The Mortgagor MORTGAGES AND WARRANTS to the Mortgagee real property and all the buildings, structures and improvements on it located in Lake County, Indiana, and described as follows:

> Part of the East Half of the Northwest Quarter of Section 2, Township 36 North, Range 9 West of the Second Principal Meridian, in Lake County, Indiana, more particularly described as follows: Commencing at the "T" rail at the center line of said Section 2; thence West along the East and West centerline of said Section 2, a distance of 100 feet; thence North 00 degrees 15 minutes 30 seconds West and parallel with the North and South centerline of said Section 2 along the West right-of-way line of the Elgin, Joliet and Eastern Railroad, a distance of 569.60 feet to the Northeast corner of West 5th Avenue Third Addition, which is the point of beginning; thence continuing North 00 degrees 15 minutes 30 seconds West, along the West right-of-way line of E.J. & E. Railroad, a distance of 377.96 feet; thence North 89 degrees 58 minutes 12 seconds West and parallel with the East and West centerline of said Section 2, a distance of 1,163.90 feet to the East line of Blaine Street; thence South 00 degrees 15 minutes 30 seconds East, along the East line of Blaine Street, a distance of 154.99 feet to a point of curve; thence Southeasterly along a curve convex to the Southwest with a radius of 447.5 feet and chord bearing South 15 degrees 13 minutes 22 seconds East, a distance of 233.78 feet along the arc; thence South 89 degrees 58 minutes 12 seconds East and parallel with the East and West centerline of said Section 2, a distance of 1,104.23 feet to the point of beginning.

(the "Premises").

This Mortgage secures the following:

A Promissory Note dated March 1, 2002, in the principal sum of one million three hundred thousand dollars ($1,300,000.00) payable on or before May 1, 2022 (the "Debt").

This Mortgage shall also secure the performance of the promises and agreements contained in these Mortgage.

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The Mortgagor promises and agrees as follows:

1. **PAYMENT OF DEBT: PERFORMANCE OF OBLIGATIONS**. The Mortgagor shall promptly pay when due whether by acceleration or otherwise, the debt for which the Mortgagor is liable, and shall promptly perform all obligations to which the Mortgagor has agreed under the terms of this Mortgage and any loan documents evidencing the Debt.

2. **TAXES**. The Mortgagor shall pay when due, and before any interest, collection fees or penalties shall accrue, all taxes, assessments, fines, impositions, and other charges which may become a lien prior to this Mortgage. Should the Mortgagor fail to make such payments, the Mortgagee may, at is option and at the expense of the Mortgagor, pay the amounts due for the account of the Mortgagor. Upon the request of the Mortgagee, the Mortgagor shall immediately furnish to the Mortgagee all notices of amounts due and receipts evidencing payment. The Mortgagor shall promptly notify the Mortgagee of any lien on all or any part of the Premises, and shall promptly discharge any unpermitted lien or encumbrance.

3. **PAYMENT OF OTHER OBLIGATIONS**. The Mortgagor shall also pay all other obligations which may become liens or charges against the Premises for any present or future repairs or improvements made on the Premises, or for any other goods, services, or utilities furnished to the Premises, and shall not permit any lien or charge of any kind securing the repayment of borrowed funds (including the deferred purchase price for any property) to accrue and remain outstanding against the Premises.

4. **EMINENT DOMAIN**. Notwithstanding any taking under the power of eminent domain, alteration of the grade of any road, alley, or the like, or other injury or damage to or decrease in value of the Premises by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay the Debt in accordance with the terms of the underlying loan documents until any award or payment shall have been actually received by Mortgagee. By executing this Mortgage, the Mortgagor assigns the entire proceeds of any award or payment and any reimbursement of all costs and expenses of the Mortgagee, including reasonable attorneys fees of the Mortgagee in collecting the proceeds and then toward payment of the Debt whether or not then due and payable, or the Mortgagee at its option may apply the proceeds, or any part to the alteration, restoration or rebuilding of the Premises.

5. **EVENTS OF DEFAULT/ ACCELERATION**: Upon the occurrence of any of the following, the Mortgagee shall be entitled to exercise its remedies under this Mortgage or as otherwise provided by law: (1) The Mortgagor or, if other than the Mortgagor or all of the undersigned, any principal obligor of the Debt (collectively, the " Principal Obligor") fails to pay when due any amount payable under the note(s), the guaranty, or any other agreement evidencing the Debt; (2) the Mortgagor or Principal Obligor (a) fails to observe or perform any other term of the note(s), the guaranty, or any other agreement evidencing the Debt, or (b) makes any materially incorrect or misleading representation in any financial statement or other information delivered to the Mortgagee; (3) the Mortgage or Principal Obligor defaults under the terms of this Mortgage, any loan agreement, mortgage, security agreement, or other document executed as part of the Debt transaction or any guaranty of the Debt becomes unenforceable in whole or in part, or any guarantor fails to promptly perform under such a guaranty; (4) the Mortgagor fails to pay when due any amount payable under any note or agreement evidencing debt to the Mortgagee or defaults under the terms or any agreement or instrument relating to or securing any debt for borrowed money owing to the Mortgagee; (5) a "reportable event" (as defined in the Employee Retirement Income Security Act of 1974 as amended) occurs that would permit the Pension Benefit Guaranty Corporation to terminate any employee benefit plan of the Mortgagor or Principal Obligor or any affiliate of the Mortgagor or Principal Officer occurs; (6) the Mortgagor or Principal Obligor becomes insolvent or unable to pay its debts as they become due; (7) the Mortgagor or principal Obligor (a) makes an assignment for the benefit of creditors, or (b) consents to the appointment of a custodian, receiver or trustee for itself or for a substantial part of its assets, or (c) commences any proceeding under bankruptcy, reorganization, liquidation, insolvency or similar laws of any jurisdiction; (8) a custodian, receiver or trustee is appointed for the Mortgagor or Principal Obligor or for a substantial part of its assets without the consent of the party against which the appointment is made and is not removed within 60 days after such appointment; or the Mortgagor or Principal Obligor consents to such appointment; (9) proceedings are commenced against the Mortgagor or Principal Obligor under any bankruptcy, reorganization, liquidation, insolvency or similar laws of jurisdiction, and such proceedings remain undismissed for 60 days after commencement; or the Mortgagor or Principal Obligor consents to the commencement of such proceedings; (10) any judgment is entered against the Mortgagor or Principal Obligor, or any attachment, levy, or garnishment is issued against any property of the Mortgagor or

Principal Obligor; (11) any proceedings are instituted for the foreclosure or collection of any mortgage, judgment or lien affecting the Premises; (12) if Mortgagor sells, transfers or hypothecates any part of the premises except as provided in this Mortgage without the prior written consent of the Mortgagee; (13) the Mortgagor or Principal Obligor dies; (14) the Mortgagor or Principal Obligor without the Mortgagee's written consent, (a) is dissolved, (b) merges or consolidates with any third party, (c) sells a material part of its assets or business outside the ordinary course of its business, or (d) agrees to do any of the foregoing; (15) there is a substantial change in the existing or perspective financial conditions of the Mortgagor or Principal Obligor which the Mortgagee in good faith determines to be materially adverse; (16) if at any time or for any reason Mortgagee deems itself insecure; (17) Mortgagor becomes delinquent or defaults on any of the terms and provisions of the note or first mortgage of this property which is to be for a sum no greater than $1,300,000.00.

6. **REMEDIES UPON DEFAULT**. Upon the occurrence of any of the events of default set forth in this Mortgage, the Mortgagee is authorized to commence foreclosure proceedings against the Premises through judicial proceedings, and in addition or alternatively to take any other actions permitted under applicable law. The Premises may be soled in one parcel as an entirety or in such parcels, manner and order as Indiana law allows. The proceeds of such sale shall be retained by the Mortgagee, up to the amounts due it, including costs of the sale, any environmental investigation and remediation paid for by the Mortgagee, and reasonable attorney's fees. By executing this Mortgage, the Mortgagor waives, in the event of foreclosure of this Mortgage or the enforcement by the Mortgagee of any other rights and remedies in this Mortgage, any right otherwise available in respect to marshaling of assets which secure the Debt or require the Mortgage to pursue its remedies against any other such assets.

7. **REPRESENTATIONS**. If the Mortgagor is a corporation, it represents that it is a corporation duly organized, existing and in good standing under the laws of its state of incorporation and that the execution and delivery of this Mortgage and the performance of the obligations it imposes are within its corporate powers, have been duly authorized by all necessary action of its board of directors, and do not contravene the terms of its articles of incorporation or by-laws. Mortgagor represents that the execution and delivery of this Mortgage and the performance of the obligations it imposes do not violate any law, do not conflict with any agreement by which it is bound, do not require consent or approval of any governmental authority or any third party, and that this Mortgage is a valid and binding agreement, enforceable in accordance with its terms.

8. **MISCELLANEOUS**. If any provision of this Mortgage is in conflict with any statute or rule of law or is otherwise unenforceable for any reason whatsoever, then the provision shall be deemed null and void to the extent of such conflict or unenforceability and shall be deemed several from but shall not invalidate any other provisions of this Mortgage. No waiver by the Mortgagee of any right or remedy granted or failure to insist on strict performance by the Mortgagor shall affect or act as a waiver of any right or remedy of the Mortgagee, nor affect the subsequent exercise of the same right or remedy by the Mortgagee for any subsequent default by the Mortgagor, and all rights and remedies of the Mortgagee are cumulative.

These promises and agreements shall bind and these rights shall be to the benefit of the parties and their respective heirs, successors and assigns. If there is more than one Mortgagor or Pledgor, the obligations under this Mortgage shall be joint and several.

This Mortgage shall be governed by Indiana law except to the extent it is preempted by federal law or regulation.

9. **WAIVER OF JURY TRIAL**. The Mortgagee and the Mortgagor after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this Mortgage or any related instrument or agreement of any of the transactions contemplated by this Mortgage or any course of conduct, dealing, statements, whether oral or written or actions of either of them. Neither the Mortgagee nor the Mortgagor shall seek to consolidate, by counterclaim or otherwise, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Mortgagee or the Mortgagor except by a written instrument executed by both of them.

BLASTECH INC.

T.F. Warren, President
MORTGAGOR

ATTEST: _______________

T. F. Warren, Secretary

ACKNOWLEDGMENT

PROVINCE OF ONTARIO
~~STATE OF INDIANA~~
SS:
COUNTY OF ~~LAKE~~ BRANT

Before, me a notary public in and for the stated County and Province ~~State~~ on April 24, 2002, came Blastech Inc. by T.F. Warren, President, and T. F. Warren, Secretary, who acknowledged the execution of the foregoing instrument and, if the instrument is being executed on behalf of a business organization, then the representative appearing before me certified that all required action for the authorization, execution and delivery of the instrument by the representative has been taken by the organization.

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Patrick Robin Corless, Notary Public

My Commission ~~Expires~~: Does Not Expire.
Residing in Brant County, ~~Indiana~~ Ontario

This instrument was prepared by:
Charles F.G. Parkinson
HARRIS WELSH & LUKMANN
107 Broadway
Chesterton, Indiana 46304
LUKMANN/Blastech/Real Estate/mortgage/jy

When Recorded Return to:
T.F. Warren, President
T.F. Warren Group Corporation
411 Blaine Street
Gary, Indiana 46406