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Calumet National Bank
1800 Robinhood Blvd. N
Scherverville, IN 46375

Loan # 15483

MORTGAGE

THIS INDENTURE, made this 10th day of November 1995, by and between New Age Video, Inc. an Illinois Corporation, hereinafter called "Mortgagor," or "Mortgagors," party of the first part, and CALUMET NATIONAL BANK, Hammond, Indiana, a corporation duly organized and existing under and by virtue of the laws of the United States of America, hereinafter sometimes called the "Mortgagee," party of the second part, WITNESSETH:

THAT WHEREAS, in consideration for and to secure the payment of the principal sum of EIGHTY TWO THOUSAND DOLLARS AND NO/100 (\$82,000.00), as evidence by that certain mortgage note of even dated herewith in said principal amount, payable with interest and in such manner as set forth therein, all of said principal and interest payments being payable in legal tender of the United States of America at such place in the United States of America as the legal holder thereof from time to time direct, and all principle and interest payments being with attorney's fees and without relief from valuation and appraisement laws of Indiana, and bearing interest after maturity until paid at the highest rate for which it is now lawful to contract in Indiana, which mortgage note shall mature and be due and payable in full on or before the 10th day of November 1996 with the privilege of making extra payments at any time.

NOW THEREFORE, the mortgagor(s), in consideration of the money concurrently loaned as aforesaid, and in order to secure the prompt payment of said principal note and interest, and to better insure the punctual and faithful performance of all and singular the covenants and agreements herein undertaken to be performed by the mortgagor(s), do(es) hereby MORTGAGE and WARRANT unto the mortgagee, its successors and assigns, all and singular the real estate situated, lying and being in the County of LAKE and State of INDIANA known and described as follows, to-wit:

Parcel I: Lot 1 to 11, both inclusive, Block 9 in Golfmoor, in the City of Gary, as per plat thereof, recorded in Plat Book 18 page 35, in the Office of the Recorder of Lake County, Indiana.
a/k/a 3673-3693 Grant Street, Gary, Indiana 46403

Parcel II: Lots 53, 54 and 55 and part of the South half of vacated Alley No. 7-B South, lying adjacent to and North of said lots, in Dunes Highway Realty Company's First Addition, Block A, as per plat thereof, recorded in Plat Book 20 page 6, in the Office of the Recorder of Lake County, Indiana.
a/k/a 5700 East Melton Road, Gary, Indiana 46403

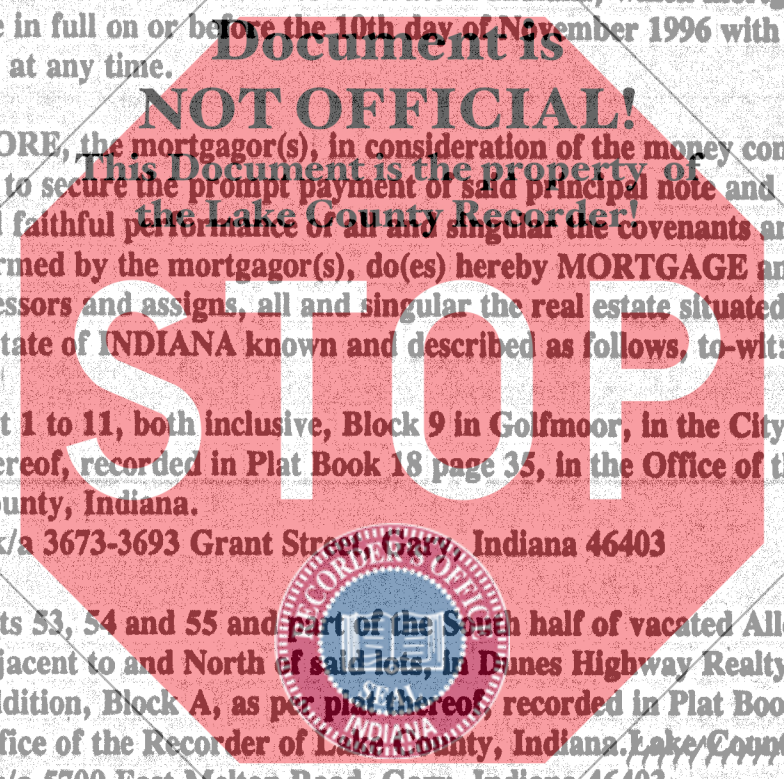
together with all singular the tenement, hereditaments, privileges and appurtenances thereunto and belonging or in any wise appertaining, and the rents, issues and profits thereof, and all buildings and improvements thereon, or that may hereafter be placed thereon; also all the fixtures of every kind and nature necessary or proper for the use and maintenance of said real estate and premises that are now or may hereafter be placed thereon; and, also all the right, title, interest and estate of the mortgagor (s) in and to said premises, hereby releasing and waiving all rights under and by virtue of any and all valuation and appraisement laws of the State of Indiana, and all right to retain possession of said premises after any default in payment of the indebtedness hereby secured, or any part thereof, or breach of any of the covenants or agreements herein contained.

MOREOVER, the mortgagor(s) expressly covenant(s) and agree(s) with the mortgagee as follows, to-wit:

1. That the mortgagor(s) will pay all the said note and indebtedness herein mentioned according to the tenor and effect of said note, and will pay all sums of money hereby secured or intended to be secured, all with attorney's fees and without relief from valuation and appraisements laws.

2. That the mortgagor(s) will keep the building(s), fences, fixtures, improvements and betterments now on said premises, or that may hereafter be erected thereon, in as good condition as at the present time, and will neither commit nor permit waste on said premises, and will neither do nor permit to be done upon said premises anything that may tend to diminish the value thereof.

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3. That the mortgagor(s) will pay, before the same become delinquent, all taxes, assessments and special assessments of every kind that may be levied upon said premises or any part thereof.

4. That the mortgagor(s) will keep all buildings that may be at any time on said premises during the continuance of said indebtedness insured against fire and windstorm, in such company or companies as may be satisfactory to the mortgagee, and for such amount as the mortgagee may from time to time direct (the loss or damage to be made payable to the mortgagee as its interest may appear), and forthwith upon issuance thereof will deposit such policies with the mortgagee.

5. That in case the mortgagor(s) fail(s) to pay any tax, assessment, or special assessment, or fail(s) to keep the buildings, fences, and fixtures on said premises in good repair and insured as above provided, the mortgagee may pay such taxes, assessments or special assessments, or may redeem said premises from sale for taxes, assessments or special assessments, make repairs or procure insurance, and may pay, remove or discharge any claim, lien or encumbrance or may purchase any tax title or claim against said premises, and protect the title and possession thereof, in order to preserve the priority of the lien of the mortgage thereon, and may employ attorneys at law to perform any service connected with this mortgage, or to prosecute or defend any suit affecting or involving this mortgage or the title or possession of said premises, and that all moneys paid for any such purpose and all moneys laid out by the mortgagee to protect the lien of this mortgage and the security intended to be effected hereby shall be immediately due and payable with interest thereon at the highest rate of interest permissible by law and become so much additional indebtedness secured by this mortgage, and the mortgagor(s) agree(s) to pay all sums so advanced with interest, without relief from valuation and appraisal laws; provided, however, that it shall not be obligatory upon the mortgagee to advance money for any of the purposes aforesaid, or to inquire into the validity of such taxes, assessment or special assessments, or tax sales (the receipts of the proper officers being conclusive evidence of the validity and amount thereof), or into the necessity of such repairs.

6. That if default be made in the performance of any of the covenants or agreements herein or in said note contained, on the part of the mortgagor(s) to be kept and performed, then the whole of said indebtedness secured hereby, including all payments for liens, taxes, assessments, special assessments, insurance, attorney's fees, costs, charges or expenses shall, at the election of the mortgagee, and without notice of such election, at once become due and payable at the place of payment aforesaid, anything in said note or herein to the contrary notwithstanding, and thereupon the mortgagee shall have the right (either with or without process of law, using such force as may be necessary) to enter upon and possess, hold and enjoy said property, and to lease the same or any part thereof upon such terms as to it shall seem best, and to collect and receive all the rents, issues and profits thereof, and to make alterations, improvements and repairs, effect insurance, pay taxes, assessments and special assessments, and do all such other things as may be deemed necessary for the proper protection of the property; and the mortgagee shall have the right to foreclose this mortgage and shall have all other rights and remedies that the law provides and sale under foreclosure decree shall be without relief from valuation and appraisal laws.

7. That upon commencement of any foreclosure, or at any time thereafter, and prior to the expiration of the time for redemption from any sale of said premises on foreclosure, any court of competent jurisdiction, upon application of the mortgagee, may appoint a receiver for said premises to take possession thereof, to collect the rents, issues and profits of said premises during the pendency of such foreclosure, and until the time to redeem the same from foreclosure sale shall expire, and out of rents, issues and profits, to make necessary repairs and to keep the premises in proper condition and repair and to pay all taxes, assessments and special assessments, to redeem from sale for taxes, assessments and special assessments, and to pay insurance premiums necessary to keep said premises insured in accordance with the provisions of this mortgage and to pay the expense of the receivership, and said receiver shall apply the net proceeds to the payment of the indebtedness secured hereby, and such receiver shall have all the other usual powers of receivers in such cases.

8. That in case suit be brought to foreclose this mortgage, an adequate and reasonable sum shall be allowed to the mortgagee in such proceedings for attorney's fees and the costs of a complete abstract of title to said premises, which several sums shall be so much additional indebtedness secured hereby, and shall be recoverable as such whether the suit proceeds to decree or not and shall be included in the decree entered in such foreclosure.


9. That the mortgagee, at its option, may extend the maturity of the note and indebtedness secured hereby, or any balance due thereon, from time to time, upon written agreement executed by the mortgagor(s), for such further periods, at such rate of interest, and upon such conditions as may then be agreed upon, and no such extension, and no forbearance or delay of the mortgagee in enforcing any of the provisions of this indenture, shall operate to impair the lien hereof or waive any rights accrued or that might accrue hereunder.

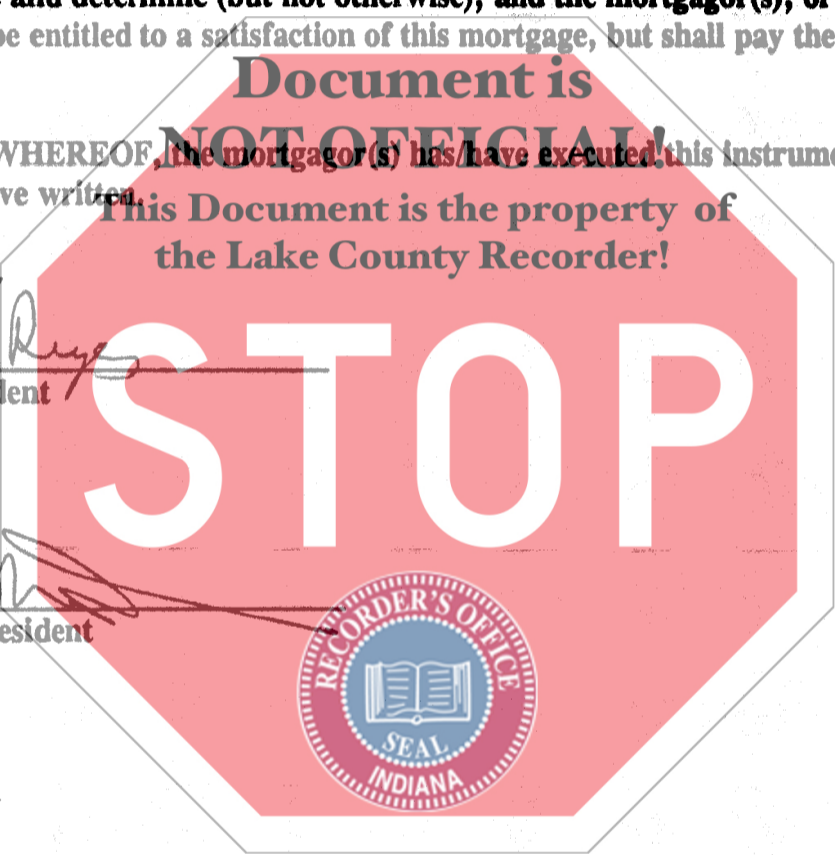
10. That this indenture and the note secured hereby are made and executed under, and are, in all respects, to be construed by the laws of the State of Indiana, and that the various rights, powers, options, elections, appointments and remedies herein contained shall be construed as cumulative, and no one of them as exclusive of any other or of any right or remedy allowed by law, and all shall inure to the benefit of the successors and assigns of the mortgagee and of all holder of said note.

11. That whenever the mortgagor(s) shall have fully paid the indebtedness hereby secured, with all the interest thereon, and up to that time, shall have will and truly performed all and singular the covenants and agreements herein undertaken to be performed, then all of such covenants and agreements shall cease and determine (but not otherwise), and the mortgagor(s), or the successors or assigns thereof, shall be entitled to a satisfaction of this mortgage, but shall pay the expense of recording the same.

IN WITNESS WHEREOF, the mortgagor(s) has/have executed this instrument under seal the day and year first above written.


Carmelo Reyes, President
New Age Video, Inc.


Ruben Nodal, Vice President
New Age Video, Inc.



STATE OF INDIANA

COUNTY OF LAKE


I, Linda J. McBride, a Notary Public in and for said county and state, do hereby certify that, Carmelo Reyes and Ruben Nodal* personally appeared before me and are known or proved to me to be the person who, being informed of the contents of the foregoing instrument, has executed same, and acknowledged said instrument to be their free and voluntary act and deed and that they executed said instrument for the purposes and uses therein set forth.

*President and Vice President of New Age Video, Inc.

Witness my hand and official seal this 17th day of November, 1995

My commission expires: 1-26-99

My County of residence: Lake


Notary Public Linda J. McBride

This instrument was prepared by Terrence J. Farrell, Senior Vice President