SECOND MODIFICATION OF MORTGAGE

SECOND MODIFICATION OF MORTGAGE made on the 31st day of January, 1992 by Mary Jo Paris and Mary Jo Paris as Executrix and on behalf of the Estate of Stephen D. Paris (the "Mortgagor") and Balfour Maclaine International, Ltd., a Delaware corporation, with an office at Wall Street Plaza, New York, New York 10005 ("Balfour").

WITNESSETH:

WHEREAS, Paris & Sons, Inc., an Iowa corporation ("Paris & Sons"), Aurora Supply, Inc., an Iowa corporation ("Aurora"), Stephen D. Paris and Mary Jo Paris entered into a Credit Agreement dated August 21, 1989 (the "Credit Agreement") with Drexel Burnham Lambert Trade Finance, Inc., a Delaware corporation ("Drexel");

WHEREAS, as security for indebtedness owed to Drexel pursuant to the Credit Agreement, Stephen D. Paris and Mary Jo Paris granted to Drexel that certain Real Estate Mortgage-Iowa dated August 20, 1989 and recorded August 23, 1989, in Book 108 at Page 295 in the office of the Recorder of Deeds for Delaware County, Iowa (the "Mortgage") which is a lien on the real property described on Exhibit A attached hereto and made a part hereof (the "Mortgaged Property");

WHEREAS, the Credit Agreement was amended by a Modification and Extension Agreement, dated January 13, 1990 (the "Modification Agreement") pursuant to the terms of which Mortgagor agreed that the Mortgaged Property would secure, in addition to the obligations

For Assignment to Rec Enterprises, Ltd
See Book 123 Page 99
5-13-94

FILE No. 160-2182
RECORDING FEE $ 35.00
TRANSFER FEE $

FILED FOR RECORD THE 10 DAY OF February 19 92 AT 3:49 O'CLOCK P. M. BOOK 114 PAGE 356

STATE OF IOWA, DELAWARE COUNTY
Jane A. Lloyd, Recorder
LM

described in the Mortgage, certain other obligations as described in the Modification Agreement;

WHEREAS, the Mortgage was modified by that certain First Modification of Mortgage, dated January 13, 1990, and recorded January 26, 1990, in Book 109 at Page 318 in the Office of the Recorder of Deeds for Delaware County, Iowa (the "First Mortgage Modification");

WHEREAS, on or about February 19, 1990, Drexel and Balfour entered into that certain Purchase and Sale Agreement pursuant to which Drexel assigned and transferred to Balfour its interest in and to the Mortgage as modified by the First Mortgage Modification, and the notes secured thereby;

WHEREAS, on or about September 18, 1990, Aurora merged with and into Paris & Sons under Iowa law with Paris & Sons remaining as the surviving corporation pursuant to Articles of Merger filed in the Iowa Secretary of State's office on September 18, 1990;

WHEREAS, Balfour, Paris & Sons, Mortgagor, Ross Dean Paris, Mary J. Paris, Joseph J. Paris, Linda L. Paris, Thomas J. Paris, Debra A. Paris, and Paris Brothers, an Iowa general partnership ("Paris Brothers"), have entered into a Modification Agreement dated January 31, 1992, (the "Second Modification") pursuant to which there was a modification in the amount of the debt and consolidation of part thereof, the repayment terms were extended and other provisions of the Credit Agreement, as previously modified, were modified; and

WHEREAS, Mortgagor and Balfour desire to modify the Mortgage to reflect the Second Modification.

NOW, THEREFORE, in consideration of the modification in the amount of the indebtedness and the consolidation of part thereof, the extension of the repayment terms thereof and the other terms and provisions contained in the Second Modification, which Balfour would be unwilling to do but for this Second Modification of Mortgage and the mutual terms and conditions contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Mortgaged Property shall hereafter be security for (i) all indebtedness described in the Mortgage, as modified by the First Mortgage Modification and this Second Modification of Mortgage, (ii) the Credit Agreement, as modified by the Modification Agreement and the Second Modification, (iii) the Notes (as defined in the Second Modification), including without limitation that certain Consolidated Promissory Note dated January 31, 1992 in the principal amount of $815,000 executed by Paris & Sons, Mortgagor, Joseph J. Paris, Linda L. Paris, Thomas J. Paris, Debra A. Paris, Ross Dean Paris, Mary J. Paris and Paris Brothers and that certain Promissory Note dated September 18, 1989 in the principal amount of $260,000 executed by Ross Dean Paris and Mary J. Paris, (iv) the Credit Agreement dated January 13, 1990, as modified by the Second Modification, and (v) any document given as security for any of the foregoing or in connection with any loan described therein and the extent to which the Mortgage shall secure

all such indebtedness shall not be limited in any manner.

2. A default shall hereafter exist under the Mortgage and the obligations secured thereby, in addition to any matter now described in the Mortgage, upon an event of default under the Second Modification.

3. The reference in the Mortgage to the Credit Agreement shall hereafter be deemed to refer to the Credit Agreement as modified by the Modification Agreement and Second Modification.

4. Mortgagor does hereby sell, convey and mortgage to Balfour, in addition to the Mortgaged Property, all real property now or hereafter owned by the Mortgagor or either or them and located in the State of Iowa.

5. Except as expressly modified herein, the Mortgage and all the terms and conditions contained therein are hereby ratified and affirmed and shall remain in full force and effect from the date thereof as if originally modified as herein provided.

IN WITNESS WHEREOF, the parties have executed this Second Modification of Mortgage as of the day and year first above written.

Mary Jo Paris
MARY JO PARIS

Mary Jo Paris
MARY JO PARIS AS EXECUTRIX
AND ON BEHALF OF THE ESTATE OF
STEPHEN D. PARIS

BALFOUR MACLAINE INTERNATIONAL LTD.

By _____
Name: John Shilling
Title: President

STATE OF Iowa)
) ss.
COUNTY OF Linn)

On this 31st day of January, 1992, before me, appeared Mary Jo Paris, to me personally known, who being by me duly sworn, did say that she executed the foregoing instrument, individually and as executrix and on behalf of the Estate of Stephen D. Paris and said Mary Jo Paris acknowledged said instrument to be her free act and deed, individually and as executrix of and on behalf of the Estate of Stephen D. Paris.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Lisa A. Taylor
Notary Public
LISA A. TAYLOR

My Commission Expires:
4-27-92

STATE OF New York)
) ss.
COUNTY OF Queens)

On this 5th day of February, 1992, before me, appeared John Shilling, to me personally known, who being by me duly sworn, did say that he is the President of Balfour Maclaine International, Ltd., a Delaware corporation, and that the seal affixed to the foregoing instrument is a facsimile of the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said John Shilling acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Grace Filardi
Notary Public

My Commission Expires:

GRACE FILARDI
Notary Public, State of New York
No. 41-4989720
Qualified in Queens County
Commission Expires December 16, _

I:[PLW]BAL-M-C2A 1/30/92

EXHIBIT A

The Southwest 1/4 of the Southwest Fractional 1/4 of Section 6, Township 89 North, Range 6, West of the 5th P.M., Delaware County, Iowa;

and

Lot 71, Town of Masonville, Delaware County, Iowa.