

**Ken and Linda Lay**  
**Balance Sheet Comparison**  
**August 31, 2001**

*Draft*

ENE \$ 45.3500 \$ 34.9900  
 CPQ \$ 14.9400 \$ 12.3500

	<u>7/31/01</u>	<u>8/31/01</u>	<u>Variance</u>	
<b>Current Assets</b>	9,109,015	8,253,041	(855,974)	Stock option exercise proceeds remaining in brokerage acct to offset margin account; \$ released 8/01
<b>Marketable Investments</b>				
<b>Com &amp; Pref Stocks</b>	81,886,399	55,306,297	(26,580,102)	441,707 shares of ENE stock used to pay off LOCs plus 68,620 shares from stock opt exec
<b>Executive Stock Options</b>	50,650,403	23,316,733	(27,333,670)	68,620 ENE stock opt exec to hold
<b>Bonds</b>	652,273	652,273	-	
<b>Mutual Funds</b>	5,466,391	5,120,028	(346,363)	
<b>Partnerships (Family)*</b>	16,801,271	11,062,017	(5,739,254)	
<b>Long Term Investments</b>	55,896,276	56,052,700	156,424	SMH LifeSciences \$125K, BBT \$250K, Chase \$312.5K, Country Watch.com 250K, CPC Yell \$250K etc. less 2000 Sch K-1s
<b>Retirement/Deferred Assets</b>	44,385,420	37,480,254	(6,905,166)	
<b>Personal Non Earning Assets</b>	3,602,995	3,624,156	21,161	
<b>Current Liabilities</b>	(39,086,221)	(26,409,005)	12,677,216	\$18M paydown from sale of ENE to ENE less investments and expenses (taxes on stock opt exe)
<b>Long Term Liabilities</b>	(60,824,518)	(42,914,401)	17,910,117	Decrease in Def. Tax Liability
<b>Business Liabilities</b>	<u>(363,979)</u>	<u>(377,218)</u>	<u>(13,239)</u>	
<b>NET WORTH</b>	<u>\$ 168,175,725</u>	<u>\$ 131,166,875</u>	<u>(37,008,850)</u>	

\* Value based on FMV of partnership assets. No discount for partnership interest is shown.

NOTE: Net Worth of \$131,166,875 does not reflect 1,468,416 unvested Enron stock options and 151,948 restricted shares of Enron Corp. Based on a FMV of \$34.99/share as of 8/31/01, these options are valued at \$1,428,339 and the restricted shares are valued at \$5,316,661 totaling \$6,745,000. The total value less deferred tax liability of 40% would add approximately \$4,047,000 to the net worth.

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**CONTINGENT LIABILITIES:**

Ken and Linda have guaranteed a mortgage in the amount of \$900,000 maturing on January 1, 2014 with an interest rate of 6.88% at Bank of America for their daughter, Robyn Vermeil. This loan is collateralized by property appraised at \$965,000 as of December 9, 1998.

Ken has guaranteed three secured notes in the amounts of \$250,000 and \$275,000 maturing on October 23, 2001 and a construction loan in the amount of \$1,230,000 maturing on January 17, 2003 for his sister, Sharon Lay. These loans all have an interest rate of 30-Day LIBOR + 1.5% and are collateralized by residential real estate. He has also guaranteed an unsecured note in the amount of \$50,000 for Sharon Lay Productions, Inc. which matures 2/21/02.

Linda has guaranteed a note secured by a 2000 Toyota Avalon in the amount of \$26,949 and a note secured by a 2001 Toyota in the amount of \$19,381.

Linda has guaranteed a note in the amount of \$130,000 maturing November 28, 2005 with an interest rate of 8.15% for Randy Gray. This loan is secured by residential real estate in Galveston.

Ken and Linda have guaranteed an unsecured \$5,000,000 line of credit for MILAND Investments, L.L.C. at Bank of America. The line of credit matures on April 5, 2002 with a floating interest rate of 30-Day LIBOR plus 1.25%. The amount currently funded on the line of credit is \$4,502,010.

On September 1, 2001, Ken and Linda have guaranteed an unsecured \$1,000,000 line of credit for KLL & LPL Investments, Ltd. at Bank of America. The line of credit matures on September 1, 2002 with a floating interest rate of 30-Day LIBOR plus 1.25%. The line of credit is fully funded.

The outstanding commitments for various investments total \$ 17,988,880.



**List of Outstanding Commitments**  
**As of August 31, 2001**

<b>PERSONAL</b>	<b>Total Commitment</b>	<b>Total Invested</b>	<b>Outstanding Commitment</b>	
Broadwing, LLC	96,000	48,000	48,000	
Capricorn Investors II LP	500,000	500,000	-	
Capricorn Investors III LP	750,000	402,811	347,189	
Carson Private European Fund	1,625,000	1,300,000	325,000	
<b>Chase Cap Ptrs Private Eq Fund</b>	<b>5,000,000</b>	<b>2,476,864</b>	<b>2,523,136</b>	<b>8/09-\$312,500</b>
Corporate Opportunities Funds	750,000	375,000	375,000	
Environmental Opportunities Fund	500,000	475,000	25,000	
<b>Environmental Opportunities II Fund</b>	<b>400,000</b>	<b>216,000</b>	<b>184,000</b>	<b>8/24-\$48,000</b>
Genesis Park LP	500,000	144,758	355,242	
Jester Apartments-Slidell, LA	350,000	80,000	270,000	
Lazard Technology Partners II LP	1,000,000	389,365	610,635	
Murphree Venture Partners V, LP	500,000	100,000	400,000	
<b>SMH LifeSciences Opportunity Fund</b>	<b>250,000</b>	<b>125,000</b>	<b>125,000</b>	<b>8/03-\$125,000</b>
SRE Properties Partnership No. 1, L.P.	2,500,000	1,673,342	826,658	
Sterling Group Partners I, L.P.	2,500,000	437,500	2,062,500	
Vanguard VII LP	3,000,000	900,000	2,100,000	
<b>Westbridge Ventures, L.P.</b>	<b>1,000,000</b>	<b>263,480</b>	<b>736,520</b>	<b>8/09-\$13,563</b>
<b>SUBTOTAL</b>	<b>\$ 21,221,000</b>	<b>\$ 9,907,120</b>	<b>\$ 11,313,880</b>	

List of Scheduled Commitments:

Houston NFL Holdings	11,675,000	5,000,000	6,675,000
(Offset by Credit Facility at Bank of Am)			
<b>TOTAL</b>	<b>\$ 32,896,000</b>	<b>\$ 14,907,120</b>	<b>\$ 17,988,880</b>

September 18, 2001

Kenneth L. & Linda P. Lay  
SUMMARY BALANCE SHEET  
As of: August 31, 2001

ASSETS

CURRENT ASSETS

Cash on Hand	\$ 2,353.48
Checking Accounts	140,212.29
Money Market Accounts	90,000.00
Brokerage Accounts	500,493.54
Savings Accounts	46.01
Treasury Bills	600.00
Short-term Receivables	6,060,547.67
Notes Receivable	1,458,788.27

TOTAL CURRENT ASSETS \$ 8,253,041.26

MARKETABLE INVESTMENTS

Enron Corp.	\$ 25,334,264.57
Common Stock	6,523,002.00
Fayez Sarofim Mgmt.-Com	2,840,409.39
Sanders Morris Mundy-Com	364,538.92
Cypress Asset Mgmt.-Com.	2,975,753.90
Caprock Capital Advisors	499,702.10
PaineWebber Core Hold.	2,343,073.48
TCW Core Equity	540,259.90
TCW Mid Cap Equity	1,212,533.39
Privately-Held Stock	12,672,760.37
Vested Exec Stock Options	23,316,732.56
Corporate Bond-Convertibl	652,273.00
Mutual Funds (Gold Sachs Eschey)	5,120,028.10
Partnerships-other	11,062,017.00

TOTAL MARKETABLE INVESTMENTS 95,457,348.68

LONG-TERM INVESTMENTS

Residence	\$ 10,149,552.79
Real Estate Other Homes	20,285,399.08
Real Estate Active Rental	2,103,490.81
Real Estate Passive	6,750,062.41
Farming Interests	4,500.00
Other Investments	16,759,694.59

TOTAL LONG-TERM INVESTMENTS 56,052,699.68

RETIREMENT/DEFERRED ASSETS

IRA	\$ 37,650.93
IRA/Spouse	37,677.36
Retirement Plan	13,034,406.63
Deferred Compensat'n Plan	24,370,518.75

TOTAL RETIREMENT/DEFERRED ASSETS 37,480,253.67