

NationsBank

Credit Approval Report for the General Bank

Bank Nations Bank of Texas	City/Unit Houston / Private Client Group	Profit Center No. 3055	Effective Date 9/1/97	Ownership/Stock Traded N/A
Borrower Name & Address Kenneth L. & Linda Lay Houston, TX	Tax ID No./SS No. [REDACTED]	Officer No. 236	Customer No. 4419073 (\$30mm) 4324810 (\$750m)	SIC/NB Industry Code 1312 (Natural Gas Independent)

Principals/Guarantors	Title	Amount of Gty	GTR ONW	GTR CB Score	Lotus Notes ID#	CRA Code:
1.					1).BS70711134511 (\$30mm) ✓	Company Revenues:
2.					2).BS70711134309 (\$750m) ✓	
3.					3).BS70730150227 Terf \$1,578m ✓	
					4).BS70730152851 Terf \$4.5mm ✓	

Nature of Business Chairman & CEO of Enron Corp. (NYSE-ENE)	Credit Exposure Strategy Inc. <input type="checkbox"/> Dec. <input type="checkbox"/> Main. <input checked="" type="checkbox"/> Out. <input type="checkbox"/>	Borrower Risk Rating Existing Rating <u>5</u> Proposed Rating <u>5</u>	DOD Pre Approved Limits <i>(MARKETABLE SECURITIES)</i>	CB Score 758/777 Public Debt Rating
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New Credit Requests	Amount	Type	Projected Avg. Outstanding	Rate	Maturity Date	Collateral Description	GL Code	Loan Value	Basis of Loan Value	Liquidation Value	Risk Rating
1.	\$30,000,000	CLN	\$28,000,000	Labor +100	9/1/98	Marketable sec 70%/75% adv/call	100	\$31.2mm	70% MV		4
2.	\$750,000	CLN	\$600,000	P - 1/4	9/1/98	Unsecured	100	n/a			5
3.											
4.	\$30,750,000	Subtotal									
5.	\$37,868,150	Existing Commitment Totals (from Page 2, Section I)									

6. \$68,618,150	Total Amount (sum lines 5 & 6)	Total Corporate Exposure \$41,134,150	Seasonal Line Activity
7. \$30,750,000	Less: Existing Credit Renewed/Replaced by New Request	Pre Authorized Limit (PAL)	Payout Req'd/# of days:
8. \$37,868,150	Total Proposed Direct Exposure (This name only, this state only)	Amount <u>\$42mm</u>	Was it met? _____
9. \$3,266,000	Plus: Indirect & Related Exposure (from Page 2, Section II)	Effective Date <u>Sept 1, 1997</u>	When? _____
10. _____	Plus: Other NationsBank Exposure (from Page 2, Section III)	Maturity Date <u>Sept 1, 1998</u>	12 mo. avg. O/S _____
11. _____	Plus: Trading Exposure (Page 3 required)		
12. \$41,134,150	Sum of lines 9, 10, 11 & 12, Equals TCE		

Multi-Bank Facility	Is Coll. Specifically Cross Pledged?	Credit Assessment (must check one)	Yes	No
Agent _____	Yes _____ No <u>X</u>	1. Existing or Proposed Policy Exception?	<input checked="" type="checkbox"/>	
Total Facility _____	Yes Except Nos. _____	Address in CAR Comments to Justify Exception		
NB Underwritten _____	Are Notes Cross Defaulted?	2. Material Doc or Collateral Exception or	<input checked="" type="checkbox"/>	
NB Hold _____	Yes <u>X</u> No _____	Approved Underwriting Variance? (See Page 2)		
Syndication Rtg: _____	Yes Except Nos. _____	3. Proposed Loan Agreement Covenants Attached?		<input checked="" type="checkbox"/>

Loan/Commitment Fee Agreement(s) (By requested Facility No.)	1) None	2) None	4. Covenant Compliance Form Attached?	<input checked="" type="checkbox"/>
			5. Base memo prepared/updated? Date _____	<input checked="" type="checkbox"/>
			6. Annual Exposure Review Prepared?	<input checked="" type="checkbox"/>
			7. Borrower has subsidiaries/affiliates not party to credit	<input checked="" type="checkbox"/>

Purpose of Credit (By requested Facility No.)	1) To renew an existing \$30mm Line of Credit which will continue to be used to finance business investments & personal expenses (non-purpose)	8. Is this an HLT transaction?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2) To renew an existing \$750m Line of Credit which will continue to be used for business investments	9. Does borrower have foreign guarantor? (Country of Risk _____)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Terms of Payment (By requested Facility No.)	1) Interest only payable quarterly with full principal due at maturity	10. Is Credit related to NationsBank Correspondent bank insider or related interest?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2) Interest only payable quarterly with full principal due at maturity	11. Is Credit related to a NationsBank Director or related interest? (Director Credit Limit \$ _____) (Date Approved: _____)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Source of Repayment (By Requested Facility No. - Primary & Alternate)	1 & 2) Primary: Conversion of assets & cash flow of Borrower	12. Is loan Real Estate Dependent?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	1 & 2) Alternate: Liquidation of collateral	13. Is this a Shared National Credit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Loan Agreement Yes: _____ Tickler Date: _____ Drawn By: BK Counsel coll. maint. agree.		14. Pledged Securities qua. SEC Rule 17-f-1?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Req: No: <u>X</u> Frequency: _____ Bank Standard Form _____ Bk Outside Counsel _____		15. Is this transaction permitted by General Bank Bulletin #GB006-95 and the referenced Firewalls flowchart?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Annual Exp. Review: Tickler Date: _____		16. Does Cust use derivatives in its operations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Annually Renew. LC Yes: _____ No: _____ Date Notice Req'd: _____ Tickler Dt: _____		17. Is a CPM or CRISP form attached?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Was credit committed/funded prior to proper approval? Yes _____ No <u>X</u>		18. Does loan exceed FDICA Supervisory LTV Limits? (CPG B-35) If yes, which one? (circle one) Raw Land (65%); Land Dev (75%); Approved Prop (85%); Owner Occ 1-4 Fam & Home Eqty (90%); Const Cml, Multifamily & Other Non-Res (80%); Const 1-4 Family Residential (85%)		

Line Officers (Concurred/Approved)		Credit Policy (Concurred/Approved)	
Name	Initial Date	Name	Initial Date
J. Shelton	JAS 9/16/97	J. Burns	[Signature] 9/12/97
T. Pruden	TAP 9/16/97	M. Washington	[Signature] 9/15/97
B. Scott	[Signature] 9/16/97	F. Lindholm	[Signature] 9/23/97
J. Morton	[Signature] 10/6/97		

Approving Officer's Comments & Conditions (Initialed) (Continued on page 2 if necessary)

Serves as Term loan review for
Cust# 4539664: Notes: 5311493
Cust# 4419073: Notes: 5008057, 5231485
Cust# 4380143: Notes: 4933636, 5147475

