

Beau

Ken and Linda Lay
Balance Sheet Comparison
July 31, 2001

ENE \$ 49.1000 \$ 45.3500
CPQ \$ 15.3200 \$ 14.9400

	<u>6/30/01</u>	<u>7/31/01</u>	<u>Variance</u>	
Current Assets	8,387,876	9,109,015	721,139	Stock option exercise proceeds remaining in brokerage acct to offset margin account; \$ released 8/01
Marketable Investments				
Com & Pref Stocks	89,788,181	81,886,399	(7,901,782)	85,720 shares of ENE stock used to pay off LOCs plus 50,000 shares from stock opt exec
Executive Stock Options	64,368,202	50,650,403	(13,717,799)	52,500 ENE stock opt exec under plan plus 50,000 stoc opt exec to hold
Bonds	649,440	652,273	2,833	
Mutual Funds	5,525,885	5,466,391	(59,494)	
Partnerships (Family)*	18,914,951	16,801,271	(2,113,680)	
Long Term Investments	55,363,346	55,896,276	532,930	Sterling Group, MILAND and partnerships
Retirement/Deferred Assets	46,524,051	44,385,420	(2,138,631)	
Personal Non Earning Assets	3,549,034	3,602,995	53,961	
Current Liabilities	(40,228,139)	(39,086,221)	1,141,918	\$4M paydown from sale of ENE to ENE less investments and expenses (taxes on stock opt exe)
Long Term Liabilities	(69,283,279)	(60,824,518)	8,458,761	Decrease in Def. Tax Liability
Business Liabilities	<u>(350,281)</u>	<u>(363,979)</u>	<u>(13,698)</u>	
NET WORTH	<u>\$ 183,209,267</u>	<u>\$ 168,175,725</u>	<u>(15,033,542)</u>	

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

NOTE: Net Worth of \$168,175,725 does not reflect 1,523,300 unvested Enron stock options and 151,948 restricted shares of Enron Corp. Based on a FMV of \$45.35/share as of 7/31/01, these options are valued at \$8,593,149 and the restricted shares are valued at \$6,890,842 totalling \$15,483,991. The total value less deferred tax liability of 40% would add approximately \$9,290,395 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 \$4,214,684.

The outstanding commitments for various investments total \$ 18,237,943.

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List of Outstanding Commitments
As of July 31, 2001

PERSONAL	Total Commitment	Total Invested	Outstanding Commitment
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
Chase Cap Ptrs Private Eq Fund	5,000,000	2,164,364	2,835,636
Corporate Opportunities Funds	750,000	375,000	375,000
Environmental Opportunities Fund	500,000	475,000	25,000
Environmental Opportunities II Fund	400,000	168,000	232,000
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
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
Westbridge Ventures, L.P.	1,000,000	249,917	750,083
SUBTOTAL	\$ 20,971,000	\$ 9,408,057	\$ 11,562,943

List of Scheduled Commitments:

Houston NFL Holdings	11,675,000	5,000,000	6,675,000
(Offset by Credit Facility at Bank of Am)			
TOTAL	\$ 32,646,000	\$ 14,408,057	\$ 18,237,943

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Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: July 31, 2001

August 20, 2001

	<u>Balance</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash on Hand:	
CASH ON HAND/SK	20.67
CASH ON HAND/PSTOKES	779.03
CASH ON HAND/MSTURGIS	200.00
CASH ON HAND/LEONA	381.63
CASH ON HAND/PRAKER	219.33
CASH ON HAND/BVLILT	4,312.47
Total Cash on Hand:	5,913.13
Checking Accounts:	
BANK OF AMERICA 0707	47,506.46
BANK OF AMER/LPL PROP	4,039.24
BANK OF AMER/STOKES	1,788.68
CHASE BANK CHECKING	1,578.35
VECTRA BANK	4,650.20
UNITY 109-900	-2,075.09
Total Checking Accounts:	57,487.84
Money Market Accounts:	
WASHINGTON DC ACCT	90,000.00
Total Money Market Accounts:	90,000.00
Brokerage Accounts:	
GOLDMAN SACHS/GS-61	619.75
PAINE WEBBER MMA/PW-22	1,305,409.81
PAINE WEBBER CYPRESS/PW-43	11,639.21
PAINE WEBBER CAP/PW-46	135,720.47
SANDERS MORRIS MMA/SMH-JT	0.49
PAINE WEBBER TCW CE/PW-71	25,847.09
PAINE WEBBER TCW MC/PW-72	27,004.93
Total Brokerage Accounts:	1,506,241.75
Savings Accounts:	
ENRON CREDIT UNION/KLL	46.01
Total Savings Accounts:	46.01
Treasury Bills:	
SAVINGS BONDS	600.00
Total Treasury Bills:	600.00
Short-term Receivables:	
ACCT RECV-KLL & LPL INVEST	2,523,500.00 ←
ACCT RECV-TDH	500,000.00

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L & L Properties?

	<u>Balance</u>
ACCT RECV-MKL	150,000.00
ACCT RECV-RENT DEP (#1000)	2,102.08
ACCT RECV-RENT DEP (#811)	1,058.33
ACCT RECV-S. HOBBS	75,000.00
ACCT RECV-D. HOBBS	75,000.00
ACCT RECV-RRH	20,000.00
ACCT RECV-BJONES	103,234.68
ACCT RECV-RV	84,643.00
ACCT RECV-ELV(FL)	580,000.00
ACCT RECV-ELV(TX)	790,242.27
ACCT RECV-G KINNEAR	900,000.00 ←
ACCT RECV-JANE TRAN	25,000.00
ACCT RECV-E MCELROY	1,250.00
ACCT RECV-MISC	3,351.63
ACCT RECV-RANDY GRAY	600.00
ACCT RECV-S. ADARO	6,900.00
ACCT RECV-A. PHILLIPS	37,000.00
ACCT RECV-JIM EMERSON	18,000.00
ACCT RECV-P TERRAZAS	14,246.78
ACCT RECV-T. ZILBERFARB	15,000.00
ACCT RECV-HUGUES HEYMAN	31,593.12
ACCT RECV-LEONA ARMSTRONG	600.00
ACCT RECV-J EMERSON	28,615.85
ACCT RECV-VAN STOKES	3,000.00
Total Short-term Receivables:	<u>5,989,937.74</u>

= Paid 6/7/01 (20,778.34)

Notes Receivable:

FAM PTRNS ANNUITY-2/KLL	730,081.17
FAM PTRNS ANNUITY-2/LPL	728,707.10
Total Notes Receivable:	<u>1,458,788.27</u>
TOTAL CURRENT ASSETS	<u>9,109,014.74</u>

MARKETABLE INVESTMENTS

Enron Corp.	\$ 49,754,845.50
Common Stock	7,744,680.80
Fayez Sarofim Mgmt.-Com	2,987,807.23
Sanders Morris Mundy-Com	318,958.36
Cypress Asset Mgmt.-Com.	3,186,248.36
Caprock Capital Advisors	609,950.24
PaineWebber Core Hold.	2,879,560.40
TCW Core Equity	597,918.70
TCW Mid Cap Equity	1,395,669.43
Privately-Held Stock	12,410,760.37

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Vested Exec Stock Options:

CPQ ESO 4-97 4370SH	30,240.40
CPQ ESO 4-98 2,424 SHS	1,212.00
CPQ ESO 4-99 2,953 SHS	9,124.77
ENE ESO 12-95 8,632 SHS	226,935.28
ENE ESO 12-96 68,620 SHS	1,632,469.80
ENE ESO 1-97 113,090 SHS	2,612,379.00
ENE ESO 1-97 1,275,000 SHS	30,166,500.00
ENE ESO 1-98 127,184 SHS	3,216,483.36
ENE ESO 12-98 442,988 SHS	7,451,058.16
ENE ESO 12-99 650,000SHS	5,304,000.00
Total Vested Exec Stock Options:	50,650,402.77

Corporate Bond-Convertibl:

LAKWOOD SPORT CONV/SMH-JT	52,250.00
LAKWOOD SPORT-1/SMH-JT	52,250.00
LAKWOOD SPRT CONV2/SMH-JT	30,041.00
EARTHCARE CO DEB/SMH-JT	100,000.00
EARTHCARE CO 1534SH/SMH-JT	1,534.00
EARTHCARE CO 2531SH/SMH-JT	2,531.00
EARTHCARE CO 2594SH/SMH-JT	2,594.00
EARTHCARE CO 2688SH/SMH-JT	2,688.00
EARTHCARE CO 2756SH/SMH-JT	2,756.00
EARTHCARE CO 1SH/SMH-JT	1.00
EARTHCARE CO 2794SH/SMH-JT	2,794.00
EARTHCARE CO 1SH-2/SMH-JT	1.00
EARTHCARE CO 2833/SMH-JT	2,833.00
FLASHFIND CORPORATION	250,000.00
FLASHFIND CORP NOTE 3/01	75,000.00
FLASHFIND CORP NOTE 5/01	75,000.00
Total Corporate Bond-Convertibl:	652,273.00

Mutual Funds:

GS 1999 EXCH FND/GS-61	5,466,390.50
Total Mutual Funds:	5,466,390.50

Partnerships-other:

KLL & LPL INVESTMENT PTRNS	15,840,919.00
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BALANCE SHEET ANALYSIS
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	<u>Balance</u>
KLL & LPL FAMILY PTRNS	960,352.00
Total Partnerships-other:	<u>16,801,271.00</u>
TOTAL MARKETABLE INVESTMENTS	<u>155,456,736.66</u>

LONG-TERM INVESTMENTS

Residence:	
REAL ESTATE/HUNTINGDON	10,128,137.50
Total Residence:	<u>10,128,137.50</u>

Real Estate Other Homes:

REAL ESTATE/ASPEN1	2,869,323.52
REAL ESTATE/ASPEN2	5,651,101.47
REAL ESTATE/ASPEN3	6,257,394.11
PIRATES' COVE LOTS	299,742.66
REAL ESTATE/B-3431	713,153.42
REAL ESTATE/B-3429	760,410.06
REAL ESTATE/B-3433	872,199.64
REAL ESTATE/REBA	492,639.61
REAL ESTATE/ASPEN4	1,758,282.14
REAL ESTATE/WESTGATE	284,873.38
REAL ESTATE/2514 AVALON	288,433.94
Total Real Estate Other Homes:	<u>20,247,553.95</u>

Real Estate Active Rental:

REAL ESTATE/1741SR	147,309.00
REAL ESTATE/1852MAR	104,044.97
REAL ESTATE/1856MAR	173,048.67
REAL ESTATE/1918SR	243,875.17
REAL ESTATE/KINGS	190,000.00
REAL ESTATE/VIKING	60,000.00
REAL ESTATE/MEXICO MO	240,026.00
REAL ESTATE/2403 AVALON	944,179.00
Total Real Estate Active Rental:	<u>2,102,482.81</u>

Real Estate Passive:

BLENHEIM APARTS, LTD.	175,412.00 ✓
CREEKSTONE SOUTH RICE PTRS	266,115.00
CREEKSTONE WALNUT LP	748,409.00
DYMATION APARTMENTS, LTD	21,943.00
HAINES APARTMENTS, LTD.	100,000.00 ✓
JESTER APTS PARTNERS, LTD	552,654.00 ✓
J.T.FAM, SR. INVEST., LTD.	490,020.00
LAKE CHARLES APTS., LTD.	176,023.00 ✓
MILAND INVESTMENTS LLC	1,038,455.08
NOLANA, LTD.	186,000.00 ✓

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	<u>Balance</u>
RESACA DE LAS PALMAS	240,000.00 ✓
SAJG KIRBY BRAESWOOD	180,000.00
SRE PROPERTIES PTR NO. 1	1,675,807.33
TRAILSIDE APTS, LTD.	486,208.00
W.E. TRADE INVESTMENTS LTD	277,558.00
W.A.REHAUSENLOT INV LTD	115,658.00
Total Real Estate Passive:	6,730,262.41

Farming Interests:

11 ACRES ILLINOIS	4,500.00
Total Farming Interests:	4,500.00

Other Investments:

BROADWING, LLC	114,331.00 → Move to direct
CAPRICORN INVESTORS II LP	510,441.00
CAPRICORN INVESTORS III	378,855.00
CARSON PRIV CAP EUROPE LP	1,254,212.00
CHASE CAP PTRS PRV FUND	2,167,855.15
CORPORATE OPPT FUND/SMH-JT	339,000.00
CHAMPION L.L.C/SMH-JT	96,812.00
ENVIR OPP 500,000SH/SMH-JT	235,500.00
ENVIRON OPP FUND II/SMH-JT	74,800.00
GENESIS PARK LP	144,758.00
HOUSTON NFL HOLDINGS 2.5%	5,000,000.00
SMH INDX LLC/SMH-JT	10,928.60 → Move to direct
LAZARD TECH PTRS II LP	397,833.00
LOMBARDI LLC/SMH-JT	40,832.50 → Move to direct
MURPHREE VENTURE PTRS LP	90,610.00
MV PTRNS-CYBER DIALOGUE	346,478.00 } → Move to direct
MV PARTNERS	250,000.00 }
SANDERS OPPORT FUND/SMH-JT	952,645.84
STERLING GROUP I LP	437,500.00
TACONIC CAPITAL PTRS LP	2,738,460.00
TCW WESTBRIDGE VENTURES	247,549.00
VANGUARD VII LP	853,938.00
Total Other Investments:	16,683,339.09
TOTAL LONG-TERM INVESTMENTS	55,896,275.76

*Kentrel?
Red Sky?*

RETIREMENT/DEFERRED ASSETS

IRA:

PAINE WEBBER-IRA/KLL-PW	44,676.10
Total IRA:	44,676.10

IRA/Spouse:

PAINE WEBBER-IRA/LPL-PW	44,707.46
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- Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: July 31, 2001

	<u>Balance</u>
Total IRA/Spouse:	44,707.46
Retirement Plan:	
ENRON-RETIREMENT	4,220,212.93
ENRON SAVINGS RO/PW401K	3,701,330.95
ENRON SAV RO MMA/PW401K	-74,629.60
KEOGH MMA/PW-18	2,324.18
KEOGH MUNDER TECH/PW-18	155,059.88
ENRON SAVINGS 401(K)	844,287.75
ENRON ESOP	5,502.77
FID GROWTH CO 401(K)/KLL	19,913.21
FID OTC 401(K)/KLL	10,856.83
FID OVERSEAS 401(K)/KLL	20,711.33
FID MAGELLAN 401(K)/KLL	56,965.34
MANULIFE ANN KLL/PW-R	2,996,410.56
MANULIFE ANN LPL/PW-R	2,616,676.34
Total Retirement Plan:	<u>14,724,881.67</u>

Pension
calculation given
by Enron Benefits
Group

Rollover from Enron

← KEOGH from py
Self-employment
income

Enron Plan
Northern Trust,
Trustee
(Managed by FTU)

Deferred Compensat'n Plan:	
HNG PLAN-85	83,604.00
ENRON DEFERRED COMP-85	3,737,057.12
ENRON DEFERRED COMP-94	1,312,037.00
ENRON PHANTOM STOCK DEF	22,981,991.84
ELI LILLY DEFERRED COMP	1,420,213.67
TCW DEFERRED COMP	36,251.17
Total Deferred Compensat'n Plan:	<u>29,571,154.80</u>
TOTAL RETIREMENT/DEFERRED ASSETS	<u>44,385,420.03</u>

Total Working Assets
\$264,847,447.19

PERSONAL/NON-EARNING ASSET

Automobile(s):

90 JEEP WRANGLER	5,700.00
92 4WD JEEP CHEROKEE	7,400.00
93 MERCEDES 600SL	40,000.00
95 LT SUBURBAN CHEVY	13,000.00
96 RANGE ROVER	30,000.00
99 MERCEDES ML430	39,000.00
97 SUBURBAN CHEVY	15,280.15
00 MERCEDES ML55	73,348.19
00 MERCEDES G500 LWB	149,176.18
00 YELLOW JEEP WRANGLER	20,400.00
00 SILVER JEEP WRANGLER	20,400.00
00 RED JEEP WRANGLER	20,400.00
01 GMC DENALI	48,272.40
01 GRAND CHEROKEE	37,801.28
Total Automobile(s):	<u>520,178.20</u>

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	<u>Balance</u>
Home Furnishings:	
HOME FURNISHINGS/HUNT	2,164,312.11
HOME FURNISHINGS/ASPEN1	138,984.11
HOME FURNISHINGS/B-3431	189,455.63
HOME FURNISHINGS/B-3429	80,833.15
HOME FURNISHINGS/B-3433	103,872.74
HOME FURNISHINGS/ASPEN2	259,141.69
HOME FURNISHINGS/ASPEN3	553.86
HOME FURNISH/2514AVALON	1,536.28
Total Home Furnishings:	<u>2,938,689.57</u>
Other Vehicles & Equip:	
BW 21' OUTRAGE BOAT	49,327.00
DUFFY 18'-I	19,098.00
DUFFY 18'-II	19,098.00
HURRICANE 19'	22,695.14
SPIRIT CANOE	406.43
SUPER SPORT BOAT 1997	33,502.74
Total Other Vehicles & Equip:	<u>144,127.31</u>
TOTAL PERSONAL/NON-EARNING ASSET	<u>3,602,995.08</u>
TOTAL ASSETS	<u>268,450,442.27</u>

LIABILITIES

CURRENT LIABILITIES

Notes Payable:

CHASE BANK LOC	7,042,000.00
COMPASS BANK LOC	3,489,871.12
ENRON CORP. LOAN	4,000,000.00
BANK OF AMER \$40M NON	7,854,391.70
PAINE WEBBER-LOC/PW-42	-5,142.58
ACCT PAYABLE (ST)-ENRON	371,823.79
Total Notes Payable:	<u>22,752,944.03</u>

Security Deposits:

SEC DEPOSIT/Z-1918SR	850.20
SEC DEPOSIT/Z-1856MAR	125.00
SEC DEPOSIT/Z-MCDUF	400.00
Total Security Deposits:	<u>1,375.20</u>

Margin Acct Liability:

PAINE WEBBER MARGIN/PW-44	1,658,580.59
PAINE WEBBER MARGIN/PW-33	3,762,708.16
FIRST UNION MARGIN/UN	<u>10,910,612.62</u>

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	<u>Balance</u>
Total Margin Acct Liability:	16,331,901.37
TOTAL CURRENT LIABILITIES	<u>39,086,220.60</u>

LONG-TERM LIABILITIES

Home Mortgage:	
BANK OF AMER/HUNTINGDON	4,340,566.36
BANK OF AMER/HUNT #2 LIEN	487,491.65
BANK OF AMER/HUNT #3 LIEN	488,711.24
Total Home Mortgage:	<u>5,316,769.25</u>

Other Real Estate Mtge:

BANK OF AMER/ASPEN1	1,496,422.30
CITICORP MORTGAGE/B-3431	185,894.34
BANK OF AMER/B-3429	236,337.63
BANK OF AMER/B-3433	522,044.93
BANK OF AMER/REBA	316,854.60
BANK OF AMER/2514 AVALON	225,000.00
BANK OF AM/ASPEN2	4,257,610.39
BANK OF AM/ASPEN3	5,486,570.10
BANK OF AMER/ASPEN4	1,200,000.00
BANK OF AMER/2403 AVALON	837,471.38
Total Other Real Estate Mtge:	<u>14,764,205.67</u>

Investment Liabilities:

BANK OF AMER/GALV LOTS	91,400.89
BANK OF AMER/WESTGATE LOT	191,250.00
BK OF AM/CREDIT FACILITY	5,000,000.00
Total Investment Liabilities:	<u>5,282,650.89</u>

Deferred Tax Liabilities:

DEF TAX LIAB-STK OPT ONLY	35,460,892.00
Total Deferred Tax Liabilities:	<u>35,460,892.00</u>
TOTAL LONG-TERM LIABILITIES	<u>60,824,517.81</u>

BUSINESS LIABILITIES

Employer Taxes/Bus:

MEDIC WITHHELD-EE (TX)	65,959.12
SOC SEC WITHHELD-EE (TX)	15,046.21
MEDIC WITHHELD-LPL EE(TX)	8,597.94
SOC SEC WITHHELD-LPL (EE)	1,989.12
FIT WITHHELD-EE (TX)	162,496.22
FIT WITHHELD-LPL EE(TX)	18,122.00
SIT WITHHELD-EE (HH-CO)	176.00
Total Employer Taxes/Bus:	<u>272,386.61</u>

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	<u>Balance</u>
Accrued FICA Tax/Business:	
MEDIC PAYABLE-ER (TX)	65,959.12
SOC SEC PAYABLE-ER (TX)	15,046.21
MEDIC PAYABLE-LPL ER(TX)	8,597.94
SOC SEC PAYABLE-LPL ER(TX)	1,989.12
Total Accrued FICA Tax/Business:	<u>91,592.39</u>
TOTAL BUSINESS LIABILITIES	<u>363,979.00</u>
TOTAL LIABILITIES	<u>100,274,717.41</u>

NET WORTH

TOTAL NET WORTH	<u>168,175,724.86</u>
TOTAL LIABILITIES AND NET WORTH	<u>268,450,442.27</u>

< \$ 3,602,995.08 > Personal Assets
264,847,447.19