

Bank NationsBank of Texas, N.A.		City/Unit Private Banking/Houston		Profit Center No. 3055	Effective Date 8/22/94	Ownership/Stock Traded: NA		
Borrower Name & Address Kenneth L. Lay & Linda P. Lay Houston, Texas 77019				Tax ID No./ SS No.	Officer No. 0236/Shelton	Customer No. 4324810	SIC/NB Industry Code 8811	
Principals/Guarantors		Title	Amount of Gty	GTR ONW	Treasury Management Exposure:		CRA Code:	
Nature of Business		Credit Exposure Strategy		Borrower Risk Rating		Company Revenues:		
Chairman & CEO of Enron Corp.		Inc. <input type="checkbox"/> Dec. <input type="checkbox"/> Main. <input checked="" type="checkbox"/> Out. <input type="checkbox"/>		Existing Rating <u>4/5</u> Proposed Rating <u>4/5</u>		\$		
New Credit Requests		Projected Avg. Outstanding	Both Facilities Rate	Maturity Date	Collateral Description	Loan Value	Basis of Loan Value	Risk Rating
1 CLN \$ 7,500,000		\$ 3,420,000	LIBOR+175bp;	364 days	Listed stock & other investments	\$4,788,000	70% Mkt Value	4
2 \$		\$						
3 \$		\$						
4 \$		\$						
5 \$ 7,500,000		\$ 3,420,000						
6 \$ 19,500,000		Existing Commitment Totals (from Page 2, Section I)						
7 \$27,000,000 Total Amount (sum lines 5 & 6)				Total Corporate Exposure <u>27,000,000</u>		Seasonal Line Activity		
8 \$0 Less: Existing Credit Renewed/Replaced by New Request				\$ 19,500,000				
9 \$27,000,000 Total Proposed Direct Exposure (This name only, this state only)				Pre Authorized Limit (PAL)		Payout Req'd/# of days		
10 \$0 Plus: Indirect & Related Exposure (from Page 2, Section II)				Amount		Was it met? _____		
11 \$0 Plus: Other NationsBank Exposure (from Page 2, Section III)				Effective Date		When? _____		
12 \$27,000,000 Sum of lines 9, 10 & 11, Equals TCE				Maturity Date		12 mo. avg. outsta _____		
Are Notes Cross Defaulted?		Is Collateral Specifically Cross Pledged?		Credit Quality Assessment (must check one)				
Yes ___ No <u>X</u>		Yes ___ No <u>X</u>		1. Existing or Proposed Policy/Collateral Exceptions (See Page 2)				
Yes Except Nos. _____		Yes Except Nos. _____		2. Proposed Loan Agreement Covenants Attached?				
				3. Covenant Compliance Form Attached?				
				4. Annual Review/Base Memo Prepared?				
				5. Is this to be Annual Term Loan Review?				
				6. Borrower has subsidiaries/affiliates not party to credit				
				7. Financials include results for other than borrower/guarantor				
				8. Is this an HLT transaction?				
				9. Does borrower have foreign guarantor? (Country of Risk _____)				
				10. Is Credit related to a NationsBank Correspondent bank insider or related interest?				
				11. Is Credit related to a NationsBank Director or related interest? (Director Credit Limit \$ _____) (Date Approved: _____)				
				12. Is loan Real Estate dependent?				
				13. Is this a Shared National Credit?				
				14. Is loan for the purpose of acquiring or secured by NCM1 ineligibile securities?				
				15. Does this loan exceed FDICIA Supervisory Loan to Value Limits? (CP Bulletin 002-93) If Yes, which one? (Circle) Raw Land (65%); Land Dev (75%); Improved Prop (85%); Owner Occ 1-4 Family & Home Equity (90%); Const Cml, Multifamily & Other Non-Res (80%); Const 1-4 Family Residential (85%)				
Loan Agreement Required:		Drawn by:		Bank Counsel <u>X</u>				
Yes <u>X</u> No ___		Borrower Counsel ___						
Line Officers (Concurred/Approved)		Credit Policy (Concurred/Approved)						
Name	Initial	Date	Name	Initial	Date	Approving Officer's Comments & Conditions (Initialed) (Continued on page 2 if necessary)		
J. Shelton	L. Beth	8/23/94	A. Pryde	AP	8/23/94	Proposed credit facility was committed to customer on 8/22/94 based on verbal approval of CPO & CPE. See attached CAR Comments for details.		
K. Wilson	KW	8/24/94	M. Reily	MR	8-24-94			
W. Helms	WH	8/31/94						

Energy CFG Acknowledgement: \_\_\_\_\_ Jo Tamalis

BOA/FBI/LAY: 30339

**GOVERNMENT EXHIBIT 194**

RELATIONSHIP SUMMARY (\* - Facilities Being Renewed/Replaced)

I. Existing Commitments					Maturity	Risk	Collateral	Loan	Basis of
Amount	CFG	Rate	Type	Outstandings	Date	Rating	Description	Value	Loan Value
1 \$500,000	PH	Prime	CLN	\$ 383,939	12/12/94	5	Unsecured	NA	NA
2 \$8,000,000	PB	LIBOR+175bp	CLN	\$ 5,270,000	12/12/94	4	Listed Stock	7,378,000	70% Mkt Value
3 \$8,000,000	PB	LIBOR+175bp	CLN	\$ 4,000,000	12/12/94	4	Listed Stock	5,600,000	70% Mkt Value
4 \$3,000,000	PB	Prime ARM	IC/PBCM	\$ 0	16 years	5	Homestead	3,000,000	75% Appraised Value
5				\$					
<u>\$19,500,000</u>		Total Section I. (to page 1, line 6)							

II. Indirect and Related Exposure Included in TCE (This State Only - Use Second Page if Necessary)					Maturity	Risk	Type of
Borrower Name	CFG	Amount	Rate	Type	Date	Rating	GTY
1		\$				\$	
2		\$				\$	
3		\$				\$	
4		\$				\$	
5		\$				\$	
		0 Total Section II. (to page 1, line 10)					

III. Other NationsBank Exposure (Exposure Outside of this State or CFG)					Maturity	Risk
Borrower Name	CFG	Amount	Rating	Type	Date	Rating
1		\$				\$
2		\$				\$
3						
4						
5						
		0 Total Section III. (to page 1, line 11)				

Material Documentation, Collateral, and Underwriting Exceptions (\*\*\*\* - Permanent Waiver Not Permitted; Will Continue as Exception Until Obtained)

Exception	Type	Waive	Exception	Type	Waive	Exception	Type	Waive
1 Will not get annual F/S or other required financial info (B23, B24, C23/1, C25/6c)	Doc/		16 No tri-party agreement and/or commitment/sales agreement, if req'd by CFG (C23/14)	Doc		10 Landlord lien waiver will not be obtained (C24/9)	Coll	
2 Will not get appraisal as required (B26, C23/2, C25/6b)	Doc/		17 Hotel/Condo collateral; No docs. as req'd per CFG policy (C23/15)	Doc		11 Assignment of Lease will not be obtained and/or recorded (B28, C24/10)	Coll	
3 CAR not doc. within 30 days (C23/3)	Doc		18 No construction related docs per CFG policy (C23/16)	Doc		12 No confirmation letter from Sr. lienholder on Jr. lien collateral (C24/11)	Coll	
4 Will not get proper borrowing authorization (C23/4, C25/6g)	Doc/	****	19 No environmental due diligence as req'd (B27, C23/17, C25/6h)	Doc/				
5 Will not get note (C23/5)	Doc	****		Doc/		1 Loan is unauthorized or discouraged facility including subordinated loans, demand loans, holding companies. (B17, B18, C25/1, E17, E22, E31, E32)	Ud	
6 Will not get Grays as req'd by policy (non-public borrowers) (B22, C23/6, C25/6a)	Doc/		1 Security instruments will not be obtained (D/T, S/A) (C24/1)	Coll	****	2 TCE will exceed house limits (A13, C5, C14, C25/2)	Ud	
7 Will not get lien search (UCC-II) (C23/7)	Doc		2 Title or title documentation will not be obtained (C24/2)	Coll	****	3 Terms of credit exceed established limits (as defined) incl. mat., amort., int. cap., int. only period. (B11-13, B15, B29, B31, C25/3)	Ud	
8 Will not have Loan Agreement if req'd by policy (B25, C23/8, C25/6f)	Doc/		3 Negotiable collateral will not be in possession or security interest will not be perfected (C24/3)	Coll		4 Cash flow coverage ratios violated per CFG or General Policy Guides and Supplements (C25/4)	Ud	
9 Will not get A/R listing and aging (C23/9)	Doc		4 Negotiable collateral will not be endorsed (C24/4)	Coll		5 Credit advance exceeds maximum advance ratio allowed or req. margin not obtained (B21-A, C25/5)	Ud	
10 Will not get inventory certificates or reports (C23/9)	Doc		5 Financing Statement expired or not filed properly (C24/5)	Coll		6 Will not get acknowledgement of collateral assignments (C25/6d)	Ud	
11 Will not have Borrowing Base Certificate (C23/9)	Doc		6 Title Insurance will not be obtained (C24/6)	Coll		7 No Commitment Letter on binding commitment (C25/6e)	Ud	
12 Will not get Contractor Status Reports (C23/10)	Doc		7 Hazard Insurance will not be obtained (C24/7)	Coll		8 No real estate presale/prelease requirements per CFG (C25/7)	Ud	
13 Reg U-1 (Stk. or Bond Sec.) (C23/11)	Doc	****	8 Flood letter/flood insurance will not be obtained (C24/7)	Coll	****			
14 Will not have Participation Certif. and/or Agreement (B16, C23/12)	Doc	****	9 Bank will not be shown as "party in interest" on insurance policy(s) (C24/8)	Coll				
15 No current boundary/as-built survey or plat as req'd by CFG (C23/13)	Doc							

Approving Officer's Comments & Conditions  
(Initialed) (Continued from Page 1)

*KW*  
*10/24/94*

