

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 <input type="checkbox"/> No <input checked="" type="checkbox"/>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		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 <input checked="" type="checkbox"/>					
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		Bank Counsel <input checked="" type="checkbox"/>		Borrower Counsel <input type="checkbox"/>					
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		Amount	CFG	Rate	Type	Outstandings	Maturity Date	Risk Rating	Collateral Description	Loan Value	Basis of 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						\$					
		\$19,500,000	Total Section I. (to page 1, line 6)								

II. Indirect and Related Exposure Included in TCE (This State Only - Use Second Page if Necessary)		Borrower Name	CFG	Amount	Rate	Type	Outstandings	Maturity Date	Risk Rating	Type of 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)		Borrower Name	CFG	Amount	Rating	Type	Outstandings	Maturity Date	Risk 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/		1 Loan is unauthorized or discouraged facility including subordinated loans, demand loans, holding companies. (B17, B18, C25/1, E17, E22, E31, E32)	Ud	
5 Will not get note (C23/5)	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	
6 Will not get Grays as req'd by policy (non-public borrowers) (B22, C23/6, C25/6a)	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	
7 Will not get lien search (UCC-II) (C23/7)	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	
8 Will not have Loan Agreement if req'd by policy (B25, C23/8, C25/6f)	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	
9 Will not get A/R listing and aging (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	
10 Will not get inventory certificates or reports (C23/9)	Doc		6 Title Insurance will not be obtained (C24/6)	Coll		7 No Commitment Letter on binding commitment (C25/6e)	Ud	
11 Will not have Borrowing Base Certificate (C23/9)	Doc		7 Hazard Insurance will not be obtained (C24/7)	Coll		8 No real estate presale/prelease requirements per CFG (C25/7)	Ud	
12 Will not get Contractor Status Reports (C23/10)	Doc		8 Flood letter/flood insurance will not be obtained (C24/7)	Coll	****			
13 Reg U-1 (Stk. or Bond Sec.) (C23/11)	Doc	****	9 Bank will not be shown as "party in interest" on insurance policy(s) (C24/8)	Coll				
14 Will not have Participation Certif. and/or Agreement (B16, C23/12)	Doc	****						
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*

BAR COLLATERAL SECTION
 BORROWER: Kenneth L. Lay & Linda P. L
 DATE: 8/22/94
 Law Firm & Attorney Preparing Collateral Documentation: Initial loan documents based on standard bank documents with Linda Zimmerman review. Will likely be replaced with attorney prepared documents (Sewell & Riggs) which will conform to terms and conditions of the other \$8MM credit facilities.

COLLATERAL DESCRIPTION (Denotes New Collateral)	VALUATION METHOD & SO (Include Borrowing Base Form Date of Appraisal/Financial Statement)	BOOK VALUE OR APPRAISAL	LOAN %	VALUE Amount
Initial advance will be secured by Enron stock based on 50% advance. Approximately 228,000 shares.	Enron stock price at 8/22 was \$30/share. The \$7.5MM credit facility will be governed by a collateral maintenance agreement which will limit advances on traded <i>margin</i> stock to 50% and will include a margin call based on a 75% LTV. Collateral coverage will be based on the outstanding principal balance.	\$6,840,000	70%	\$4,788,000
Total Debt Secured By Above Collateral \$7,500,000	Total Collateral Value	\$6,840,000		\$4,788,000

RESPOND (Y/N) TO EACH QUESTION (*,*) means not applicable to collateral listed above. If "N", please explain below.

(N) 1. Is all debt (direct and indirect) cross collateralized?

(-) 2. Have UCC-11 searches reported a perfected senior lien position for the bank?

(-) 3. Have liens on real property (real estate, oil & gas, fixtures, etc.) indicating proper priority been confirmed by:
 () title binder?
 () title policy?
 () attorney's opinion?

(Y) 4. Has collateral requiring possession for perfection been received?

(Y) 5. Have legal opinions been received (required for credits \$250,000 or more and collateral outside of Texas)?

Explanation:
 1 Real estate collateral above is homestead property and cannot be crossed to other debt. Also, the margin stock facilities cannot be crossed under Regulation U.

Names of Add'l Support Entity (Guarantors, Endorsers, Co-Makers, General Partners)	For This Request (Y/N)	Capacity (Guarantor, Co-Maker, etc.)	INDIRECT LIABILITY		NET WORTH		TOTAL NATIONS BANK EXPOSURE
			(Limit/Date)		Amount	Statement Date	

APPROVAL AUTHORITIES
 3 KW 10/20/94