

Beau

Ken and Linda Lay
Balance Sheet Comparison
May 31, 2001

	ENE	\$	58.1000	\$	52.9100	
	CPQ	\$	18.2000	\$	15.9900	
			<u>4/30/01</u>		<u>5/31/01</u>	<u>Variance</u>
Current Assets			11,540,415		6,811,938	(4,728,477) KLL & LPL Investments A/R-paid \$450,000; Mark, David & Beau pd off house notes- approx \$3.8M; Harris Bretall acct. liquidated
Marketable Investments						
Com & Pref Stocks			147,475,642		122,125,910	(25,349,732) \$8,000,000 ENE stock used to pay off ENE LOC
Executive Stock Options			112,337,387		78,241,368	(34,096,019) 55,000 ENE stock opt exec under plan
Bonds			874,440		649,440	(225,000) \$300,000 Evelocity notes converted New \$75,000 note to Flashfind
Mutual Funds			5,621,311		5,586,557	(34,754)
Partnerships (Family)*			26,430,582		21,078,350	(5,352,232)
Long Term Investments			54,078,789		54,513,450	434,661 Chase Cap Pts., SRE Properties; 2000 Sch K-1s recorded and carried forward
Retirement/Deferred Assets			55,489,519		49,461,390	(6,028,129)
Personal Non Earning Assets			3,492,543		3,499,009	6,466
Current Liabilities			(73,319,616)		(61,258,765)	12,060,851 \$8M paydown from sale of ENE to ENE, proceeds from stock option exercise & repay of notes pd debt
Long Term Liabilities			(99,309,489)		(78,401,004)	20,908,485 Increase in Def. Tax Liability
Business Liabilities			<u>(321,165)</u>		<u>(334,413)</u>	<u>(13,248)</u>
NET WORTH			<u>\$ 244,390,358</u>		<u>\$ 201,973,230</u>	<u>(42,417,128)</u>

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

NOTE: Net Worth of \$201,973,230 does not reflect 1,523,300 unvested Enron stock options and 151,948 restricted shares of Enron Corp. Based on a FMV of \$52.91/share as of 5/31/01, these options are valued at \$17,016,751 and the restricted shares are valued at \$8,039,569 totaling \$25,056,320. The total value less deferred tax liability of 40% would add approximately \$15,033,792 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 \$772,142.

The outstanding commitments for various investments total \$ 18,827,657.

List of Outstanding Commitments
For May 31, 2001

PERSONAL	Total Commitment	Total Invested	Outstanding Commitment
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	1,137,500	487,500
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	104,544	395,456
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	32,500	2,467,500
Vanguard VII LP	3,000,000	600,000	2,400,000
Westbridge Ventures, L.P.	1,000,000	249,917	750,083
SUBTOTAL	\$ 20,525,000	\$ 8,372,343	\$ 12,152,657
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	\$ 32,200,000	\$ 13,372,343	\$ 18,827,657

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June 16, 2001

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

	<u>Balance</u>
<u>ASSETS</u>	
CURRENT ASSETS	
Cash on Hand:	
CASH ON HAND/SK	83.32
CASH ON HAND/PSTOKES	597.46
CASH ON HAND/MSTURGIS	200.00
CASH ON HAND/LEONA	381.63
CASH ON HAND/PRAKER	219.33
CASH ON HAND/BVLILT	1,889.14
Total Cash on Hand:	<u>3,370.88</u>
Checking Accounts:	
BANK OF AMERICA 0707	63,621.84
BANK OF AMER/LPL PROP	17,647.98
BANK OF AMER/STOKES	4,927.51
CHASE BANK CHECKING	1,578.35
VECTRA BANK	-196.56
UNITY 109-900	4,221.11
Total Checking Accounts:	<u>91,800.23</u>
Money Market Accounts:	
DIVIDEND RECVBLE ACCT	10.00
WASHINGTON DC ACCT	90,000.00
Total Money Market Accounts:	<u>90,010.00</u>
Brokerage Accounts:	
CHARLES SCH-CAPROCK/SCH-CR	523.72
GOLDMAN SACHS/GS-61	499.50
GOLDMAN SACHS/GS-42	116.35
PAINE WEBBER MMA/PW-22	338,816.53
PAINE WEBBER CYPRESS/PW-43	7,818.74
PAINE WEBBER EGA/PW-11	-1,656.73
PAINE WEBBER CAP/PW-46	106,061.97
PAINE WEBBER TCW CE/PW-71	18,789.49
PAINE WEBBER TCW MC/PW-72	27,304.09
Total Brokerage Accounts:	<u>498,273.66</u>
Savings Accounts:	
ENRON CREDIT UNION/KLL	45.73
Total Savings Accounts:	<u>45.73</u>
Treasury Bills:	
SAVINGS BONDS	600.00
Total Treasury Bills:	<u>600.00</u>

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	<u>Balance</u>
Short-term Receivables:	
ACCT RECV-KLL & LPL INVEST	1,403,500.00
ACCT RECV-TDH	500,000.00
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-RRH (DICKEY)	135,000.00
ACCT RECV-BJONES	103,773.45
ACCT RECV-RV	84,643.00
ACCT RECV-ELV(FL)	580,000.00
ACCT RECV-ELV(TX)	790,242.27
ACCT RECV-G KINNNEAR	625,000.00
ACCT RECV-JANE TRAN	25,000.00
ACCT RECV-E MCELROY	1,550.00
ACCT RECV-MISC	2,282.27
ACCT RECV-RANDY GRAY	1,900.00
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	14,000.00
ACCT RECV-T. ZILBERFARB	15,000.00
ACCT RECV-HUGUES HEYMAN	1,198.12
ACCT RECV-LEONA ARMSTRONG	900.00
Total Short-term Receivables:	<u>4,669,049.52</u>
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>6,811,938.29</u>

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		<u>Balance</u>
MARKETABLE INVESTMENTS		
Enron Corp.	\$	87,139,859.95
Common Stock		8,287,466.80
Fayez Sarofim Mgmt.-Com		3,094,095.49
Sanders Morris Mundy-Com		350,238.92
Cypress Asset Mgmt.-Com.		3,367,151.50
Caprock Capital Advisors		680,791.05
PaineWebber Core Hold.		3,253,702.00
TCW Core Equity		640,195.70
TCW Mid Cap Equity		1,573,795.42
Privately-Held Stock		13,738,613.91

Vested Exec Stock Options:		
CPQ ESO 4-97 4370SH		34,828.90
CPQ ESO 4-98 2,424 SHS		3,757.20
CPQ ESO 4-99 2,953 SHS		12,225.42
CPQ ESO 4-00 2,666SHS		2,639.34
ENE ESO 12-95 113,632 SHS		3,846,443.20
ENE ESO 12-96 118,620 SHS		3,718,737.00
ENE ESO 1-97 113,090 SHS		3,467,339.40
ENE ESO 1-97 1,275,000 SHS		39,805,500.00
ENE ESO 1-98 127,184 SHS		4,177,994.40
ENE ESO 12-98 442,988 SHS		10,800,047.44
ENE ESO 12-99 650,000SHS		10,218,000.00
ENE ESO 1-00 384,617 SHS		2,153,855.20

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	<u>Balance</u>
Total Vested Exec Stock Options:	78,241,367.50
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
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:	649,440.00
Mutual Funds:	
GS 1999 EXCH FND/GS-61	5,586,556.84
Total Mutual Funds:	5,586,556.84
Partnerships-other:	
KLL & LPL INVESTMENT PTRNS	19,914,908.00
KLL & LPL FAMILY PTRNS	1,163,442.00
Total Partnerships-other:	21,078,350.00
TOTAL MARKETABLE INVESTMENTS	227,681,625.08
LONG-TERM INVESTMENTS	
Residence:	
REAL ESTATE/HUNTINGDON	10,117,049.07
Total Residence:	10,117,049.07
Real Estate Other Homes:	
REAL ESTATE/ASPEN1	2,878,481.52
REAL ESTATE/ASPEN2	5,647,481.97
REAL ESTATE/ASPEN3	6,255,514.11
PIRATES' COVE LOTS	299,742.66
REAL ESTATE/B-3431	528,552.77
REAL ESTATE/B-3429	741,843.05
REAL ESTATE/B-3433	865,265.62
REAL ESTATE/REBA	492,639.61
REAL ESTATE/ASPEN4	1,746,505.14

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	<u>Balance</u>
REAL ESTATE/WESTGATE	284,873.38
REAL ESTATE/2514 AVALON	288,433.94
Total Real Estate Other Homes:	20,029,333.77
 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/2403AVALON	944,179.00
Total Real Estate Active Rental:	2,102,482.81
 Real Estate Passive:	
BLLENHEIM APARTS, LTD.	175,412.00
CREEKSTONE SOUTH RICE PTRS	266,115.00
CREEKSTONE WALNUT LP	748,409.00
DYMAXION APARTMENTS, LTD	21,943.00
HAINES APARTMENTS, LTD.	100,000.00
JESTER APTS PARTNERS, LTD	472,654.00
J.T.FAM, SR. INVEST., LTD.	455,370.00
LAKE CHARLES APTS., LTD.	176,023.00
MILAND INVESTMENTS LLC	1,026,132.00
NOLANA, LTD.	186,000.00
RESACA DE LAS PALMAS	240,000.00
SRE PROPERTIES PTR NO. 1	1,673,342.33
TRAILSIDE APTS, LTD.	486,208.00
W.E. TRADE INVESTMENTS LTD	239,443.00
W.A.REHAUSENLOT INV LTD	102,788.00
Total Real Estate Passive:	6,369,839.33
 Farming Interests:	
11ACRES ILLINOIS	4,500.00
Total Farming Interests:	4,500.00
 Other Investments:	
BROADWING, LLC	114,331.00
CAPRICORN INVESTORS II LP	510,441.00
CAPRICORN INVESTORS III	378,855.00
CARSON PRIV CAP EUROPE LP	1,091,712.00
CHASE CAP PTRS PRV FUND	2,256,903.24
CORPORATE OPPT FUND/SMH-JT	339,000.00
CHAMPION L.L.C/SMH-JT	96,812.00

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	<u>Balance</u>
CON-EQUIP LLC/SMH-JT	66,670.68
CON-EQUIP II LLC/SMH-JT	21,800.00
ENVIR OPP 500,000SH/SMH-JT	235,500.00
ENVIRON OPP FUND II/SMH-JT	74,800.00
GENESIS PARK LP	104,544.00
HOUSTON NFL HOLDINGS 2.5%	5,000,000.00
SMH INDX LLC/SMH-JT	10,928.60
LAZARD TECH PTRS II LP	392,833.00
LOMBARDI LLC/SMH-JT	40,832.50
MURPHREE VENTURE PTRS LP	90,610.00
MV PTRNS-CYBER DIALOGUE	346,478.00
MV PARTNERS	250,000.00
SANDERS OPPORT FUND/SMH-JT	925,250.94
STERLING GROUP I LP	32,500.00
TACONIC CAPITAL PTRS LP	2,712,956.00
TCW WESTBRIDGE VENTURES	242,549.00
VANGUARD VII LP	553,938.00
Total Other Investments:	<u>15,890,244.96</u>
TOTAL LONG-TERM INVESTMENTS	<u>54,513,449.94</u>
 RETIREMENT/DEFERRED ASSETS	
IRA:	
PAINE WEBBER-IRA/KLL-PW	46,728.87
Total IRA:	<u>46,728.87</u>
 IRA/Spouse:	
PAINE WEBBER-IRA/LPL-PW	46,760.02
Total IRA/Spouse:	<u>46,760.02</u>
 Retirement Plan:	
ENRON-RETIREMENT	4,220,212.93
ENRON SAVINGS RO/PW401K	4,318,355.47
ENRON SAV RO MMA/PW401K	63,963.29
KEOGH MMA/PW-18	2,308.48
KEOGH MUNDER TECH/PW-18	170,306.95
ENRON SAVINGS 401(K)	982,799.55
ENRON ESOP	6,420.10
FID GROWTH CO 401(K)/KLL	20,640.00
FID OTC 401(K)/KLL	11,177.00
FID OVERSEAS 401(K)/KLL	22,156.00
FID MAGELLAN 401(K)/KLL	58,592.99
MANULIFE ANN KLL/PW-R	3,304,897.95
MANULIFE ANN LPL/PW-R	2,865,270.14
Total Retirement Plan:	<u>16,047,100.85</u>

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Deferred Compensat'n Plan:	
HNG PLAN-85	83,604.00
ENRON DEFERRED COMP-85	3,737,057.12
ENRON DEFERRED COMP-94	1,298,757.00
ENRON PHANTOM STOCK DEF	26,657,514.88
ELI LILLY DEFERRED COMP	1,517,306.99
TCW DEFERRED COMP	26,560.25
Total Deferred Compensat'n Plan:	33,320,800.24
TOTAL RETIREMENT/DEFERRED ASSETS	49,461,389.98

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	15,000.00
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	47,272.40
01 GMC YUKON	1,000.00
01 GRAND CHEROKEE	37,801.28
Total Automobile(s):	519,898.05

Home Furnishings:

HOME FURNISHINGS/HUNT	2,107,147.62
HOME FURNISHINGS/ASPEN1	138,984.11
HOME FURNISHINGS/B-3431	166,950.25
HOME FURNISHINGS/B-3429	80,833.15
HOME FURNISHINGS/B-3433	103,872.74
HOME FURNISHINGS/ASPEN2	236,641.69
HOME FURNISHINGS/ASPEN3	553.86
Total Home Furnishings:	2,834,983.42

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

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	Balance
SUPER SPORT BOAT 1997	33,502.74
Total Other Vehicles & Equip:	144,127.31
TOTAL PERSONAL/NON-EARNING ASSET	3,499,008.78
TOTAL ASSETS	341,967,412.07

LIABILITIES

CURRENT LIABILITIES

Notes Payable:

CHASE BANK LOC	7,042,000.00
COMPASS BANK LOC	3,489,871.12
BANK OF AMER \$40M NON	15,344,391.70
PAINÉ WEBBER-LOC/PW-42	27,271,343.14
ACCT PAYABLE (ST)-ENRON	239,140.03
Total Notes Payable:	53,386,745.99

Security Deposits:

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

Margin Acct Liability:

PAINÉ WEBBER MARGIN/PW-44	1,654,647.36
PAINÉ WEBBER MARGIN/PW-33	6,215,996.04
Total Margin Acct Liability:	7,870,643.40
TOTAL CURRENT LIABILITIES	61,258,764.59

LONG-TERM LIABILITIES

Home Mortgage:

BANK OF AMER/HUNTINGDON	4,345,477.76
BANK OF AMER/HUNT #2 LIEN	488,018.92
BANK OF AMER/HUNT #3 LIEN	489,222.13
Total Home Mortgage:	5,322,718.81

Other Real Estate Mtge:

BANK OF AMER/ASPEN1	1,500,356.03
CITICORP MORTGAGE/B-3431	185,894.34
BANK OF AMER/B-3429	237,434.81
BANK OF AMER/B-3433	522,675.62
BANK OF AMER/REBA	317,279.18
BANK OF AMER/2514 AVALON	225,000.00
BANK OF AM/ASPEN2	4,261,518.24
BANK OF AM/ASPEN3	5,491,430.50
BANK OF AMER/ASPEN4	1,200,000.00

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	<u>Balance</u>
BANK OF AMER/2403AVALON	839,320.72
Total Other Real Estate Mtge:	14,780,909.44
Investment Liabilities:	
BANK OF AMER/GALV LOTS	93,498.49
BANK OF AMER/WESTGATE LOT	191,250.00
BK OF AM/CREDIT FACILITY	5,000,000.00
Total Investment Liabilities:	5,284,748.49
Deferred Tax Liabilities:	
DEF TAX LIAB-STK OPT ONLY	53,012,627.20
Total Deferred Tax Liabilities:	53,012,627.20
TOTAL LONG-TERM LIABILITIES	78,401,003.94
BUSINESS LIABILITIES	
Employer Taxes/Bus:	
MEDIC WITHHELD-EE (TX)	64,187.14
SOC SEC WITHHELD-EE (TX)	10,261.87
MEDIC WITHHELD-LPL EE(TX)	8,465.02
SOC SEC WITHHELD-LPL (EE)	1,420.80
FIT WITHHELD-EE (TX)	148,457.96
FIT WITHHELD-LPL EE(TX)	16,934.00
SIT WITHHELD-EE (HH-CO)	352.00
Total Employer Taxes/Bus:	250,078.79
Accrued FICA Tax/Business:	
MEDIC PAYABLE-ER (TX)	64,187.14
SOC SEC PAYABLE-ER (TX)	10,261.76
MEDIC PAYABLE-LPL ER(TX)	8,465.02
SOC SEC PAYABLE-LPL ER(TX)	1,420.80
Total Accrued FICA Tax/Business:	84,334.72
TOTAL BUSINESS LIABILITIES	334,413.51
TOTAL LIABILITIES	139,994,182.04
<u>NET WORTH</u>	
TOTAL NET WORTH	201,973,230.03
TOTAL LIABILITIES AND NET WORTH	341,967,412.07