

Kenneth L. Lay
Balance Sheet Comparison
October 31, 1999

	<u>9/30/99</u>	<u>10/31/99</u>	<u>Variance</u>	
Current Assets	3,395,902	3,189,963	(205,939)	Add'l monies invested
Marketable Investments				
Com & Pref Stocks	71,591,417	69,993,093	(1,598,324)	ENE dec \$1.125/sh & CPQ dec \$3.75/sh from pr mo; \$552,000 reclass. to LT Inv
Executive Stock Options	87,594,948	83,123,750	(4,471,198)	ENE dec \$1.125/sh & CPQ dec \$3.75/sh from pr mo;
Bonds	134,541	234,541	100,000	Earthcare Co Debentures
Mutual Funds	7,548,359	7,946,866	398,507	
Partnerships (Family)*	22,221,743	21,510,848	(710,895)	
Long Term Investments	25,209,288	26,422,371	1,213,083	Trailside Apts, Reclass. from stocks & Huntingdon
Retirement Deferred Assets	12,991,208	12,968,300	(22,908)	
Personal Non Earning Assets	1,657,073	1,849,585	192,512	3 Jeeps & Furniture for Huntingdon & Petite #3
Current Liabilities	(50,070,841)	(51,961,732)	(1,890,891)	Borrowings for new invest. & net expenses
Long Term Liabilities	(53,219,042)	(50,856,452)	2,362,590	Dec. in Deferred Tax Liab. due to decrease stock opt.
Business Liabilities	<u>(109,947)</u>	<u>(122,762)</u>	<u>(12,815)</u>	
NET WORTH	<u>\$ 128,944,649</u>	<u>\$ 124,298,371</u>	<u>(4,646,278)</u>	

CONTINGENT LIABILITIES:

Ken has guaranteed an unsecured note in the amount of \$350,000 maturing on December 7, 1999 with an interest rate of 6.5% at Bank of America for his sister, Sharon Lay.

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 also guaranteed two unsecured notes in the amounts of \$185,000.00 maturing on May 27, 2000 and \$1,200,000 maturing on June 25, 2000-both with an interest rate of 30-Day LIBOR (Daily floating rate) at Bank of America for his sister, Sharon Lay.

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

LAY-G39 0170

November 18, 1999

Kenneth L. & Linda P. Lay
BALANCE SHEET ANALYSIS
As of: October 31, 1999

	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on Hand:			
CASH ON HAND/SK	42.59	.0%	.0%
CASH ON HAND/PSTOKES	379.16	.0%	.0%
CASH ON HAND/MSTURGIS	186.82	.0%	.0%
Total Cash on Hand:	<u>608.57</u>	.0%	.0%
Checking Accounts:			
NATIONSBANK 0707	20,099.88	.0%	.0%
NATIONSBANK/CONTRIBUTIONS	211.39	.0%	.0%
NATIONSBANK/LPL PROPERTIES	-41,560.02	.0%	.0%
NATIONSBANK/STOKES	1,934.43	.0%	.0%
VECTRA BANK	9,933.34	.0%	.0%
UNITY 109-900	5,119.38	.0%	.0%
Total Checking Accounts:	<u>-4,261.60</u>	.0%	.0%
Money Market Accounts:			
WASHINGTON DC ACCT	90,000.00	.0%	.0%
Total Money Market Accounts:	<u>90,000.00</u>	.0%	.0%
Brokerage Accounts:			
GOLDMAN SACHS/GS-61	261,767.25	.1%	.1%
GOLDMAN SACHS/GS-42	67,344.52	.0%	.0%
SANDERS MORRIS MMA/SMM-JT	5,458.01	.0%	.0%
SANDERS MORRIS MMA/SMM-KLL	21.85	.0%	.0%
PAINE WEBBER MMA/PW-KLL	11.86	.0%	.0%
PAINE WEBBER CYPRESS/PW-98	6,026.89	.0%	.0%
PAINE WEBBER MMA/PW-94	-51,984.76	.0%	.0%
CHARLES SCHWAB-CYPRESS/SCH	2,210.99	.0%	.0%
WATERHOUSE SEC-MMA/WSI	1,013.99	.0%	.0%
Total Brokerage Accounts:	<u>291,870.60</u>	.1%	.1%
Savings Accounts:			
ENRON CREDIT UNION/KLL	43.96	.0%	.0%
Total Savings Accounts:	<u>43.96</u>	.0%	.0%
Treasury Bills:			
SAVINGS BONDS	2,400.00	.0%	.0%
Total Treasury Bills:	<u>2,400.00</u>	.0%	.0%
Short-term Receivables:			
ACCT RECV-TDH	390,000.00	.2%	.2%
ACCT RECV-TDH (AVALON)	171,550.04	.1%	.1%
ACCT RECV-MKL	190,278.26	.1%	.1%

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	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
ACCT RECV-RENT DEP (#1000)	2,102.08	.0%	.0%
ACCT RECV-S. HOBBS	150,000.00	.1%	.1%
ACCT RECV-D. HOBBS	150,000.00	.1%	.1%
ACCT RECV-RRH (DICKY)	135,000.00	.1%	.1%
ACCT RECV-BJONES	128,285.91	.1%	.1%
ACCT RECV-JWALLS	3,768.62	.0%	.0%
ACCT RECV-JAL	22,878.89	.0%	.0%
ACCT RECV-E MCELROY	6,650.00	.0%	.0%
Total Short-term Receivables:	<u>1,350,513.80</u>	.6%	.6%
Notes Receivable:			
FAM PTRNS ANNUITY-2/KLL	730,081.17	.3%	.3%
FAM PTRNS ANNUITY-2/LPL	728,707.10	.3%	.3%
Total Notes Receivable:	<u>1,458,788.27</u>	.6%	.6%
TOTAL CURRENT ASSETS	<u>3,189,963.60</u>	1.4%	1.4%

MARKETABLE INVESTMENTS

Enron Corp.	\$ 48,198,626.51
Common Stock	7,780,972.59
Fayez Sarofim Mgmt.-Com	3,176,793.50
Sanders Morris Mundy-Com	1,490,031.37
Cypress Asset Mgmt.-Com.	3,480,874.29
Goldman Sachs-Com	1,907,242.02
Goldman Sachs-Internet	1,106,422.49
Paine Webber Managed	2,777,130.00

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	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
Vested Exec Stock Options:			
CPQ ESO 4-97 25000SH (98)	15,475.00	.0%	.0%
CPQ ESO 4-97 25000SH (99)	77,375.00	.0%	.0%
CPQ ESO 4-97 4370SH	48,528.85	.0%	.0%
CPQ ESO 4-98 2,424 SHS	11,356.44	.0%	.0%
ENE ESO 2-93 100,000 SHS	2,634,750.00	1.2%	1.2%
ENE ESO 2-94 168,000 SHS	3,895,500.00	1.7%	1.7%
ENE ESO 2-94 2,000,000 SHS	45,875,000.00	20.2%	20.4%
ENE ESO 12-94 180,560 SHS	4,457,575.00	2.0%	2.0%
ENE ESO 12-94 84,670 SHS	2,090,290.63	.9%	.9%
ENE ESO 12-95 162,512 SHS	3,392,844.28	1.5%	1.5%
ENE ESO 1-96 147,700 SHS	3,184,042.75	1.4%	1.4%
ENE ESO 12-96 88,965 SHS	1,634,954.29	.7%	.7%
ENE ESO 1-97 113,090 SHS	2,000,279.38	.9%	.9%
ENE ESO 1-97 595,000 SHS	10,857,262.50	4.8%	4.8%
ENE ESO 1-98 63,592 SHS	1,264,049.98	.6%	.6%
ENE ESO 12-98 147,663 SHS	1,684,465.67	.7%	.7%
Total Vested Exec Stock Options:	<u>83,123,749.77</u>	36.6%	36.9%
Preferred Stocks:			
OPENPLUS 7,500SH/SMM-JT	75,000.00	.0%	.0%
Total Preferred Stocks:	<u>75,000.00</u>	.0%	.0%
Corporate Bond-Convertibl:			
LAKWOOD SPORT CONV/SMM-JT	52,250.00	.0%	.0%
LAKWOOD SPORT-1/SMM-JT	52,250.00	.0%	.0%
LAKWOOD SPRT CONV2/SMM-JT	30,041.00	.0%	.0%
EARTHCARE CO DEB/SMM-JT	100,000.00	.0%	.0%
Total Corporate Bond-Convertibl:	<u>234,541.00</u>	.1%	.1%
Mutual Funds:			
GS 1999 EXCH FND/GS	6,087,838.98	2.7%	2.7%
TCW SELECT EQUITIES FUND	1,074,805.20	.5%	.5%
TCW MID CAP GRWTH/NB	784,222.16	.3%	.3%
Total Mutual Funds:	<u>7,946,866.34</u>	3.5%	3.5%
Partnerships-other:			
KLL & LPL INVESTMENT PTRNS	20,863,855.00	9.2%	9.3%
KLL & LPL FAMILY PTRNS	646,993.00	.3%	.3%
Total Partnerships-other:	<u>21,510,848.00</u>	9.5%	9.5%
TOTAL MARKETABLE INVESTMENTS:	<u>182,809,097.88</u>	80.4%	81.1%
LONG-TERM INVESTMENTS			
Residence:			
REAL ESTATE/HUNTINGDON	9,541,466.04	4.2%	4.2%

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REAL ESTATE/LOOSCAN	1,282,327.75	.6%	.6%
Total Residence:	<u>10,823,793.79</u>	4.8%	4.8%
Real Estate Other Homes:			
REAL ESTATE/ASPEN	2,863,697.02	1.3%	1.3%
REAL ESTATE/B-3431	447,544.79	.2%	.2%
REAL ESTATE/SPRING ST	728,346.45	.3%	.3%
PIRATES' COVE LOTS	299,742.66	.1%	.1%
REAL ESTATE/B-3429	695,917.34	.3%	.3%
REAL ESTATE/B-3433	831,240.06	.4%	.4%
REAL ESTATE/REBA	492,639.61	.2%	.2%
REAL ESTATE/CREEKSTONE LOT	1,679,069.25	.7%	.7%
REAL ESTATE/WESTGATE	283,195.50	.1%	.1%
REAL ESTATE/2514 AVALON	283,421.38	.1%	.1%
Total Real Estate Other Homes:	<u>8,604,814.06</u>	3.8%	3.8%
Real Estate Active Rental:			
REAL ESTATE/1741SR	147,309.00	.1%	.1%
REAL ESTATE/1852MAR	104,044.97	.0%	.0%
REAL ESTATE/1856MAR	167,250.00	.1%	.1%
REAL ESTATE/1918SR	242,622.73	.1%	.1%
REAL ESTATE/KINGS	190,000.00	.1%	.1%
REAL ESTATE/VIKING	60,000.00	.0%	.0%
Total Real Estate Active Rental:	<u>911,226.70</u>	.4%	.4%
Real Estate Passive:			
BLENHEIM APARTS, LTD.	225,000.00	.1%	.1%
COLORADO OASIS LTD.	254,888.00	.1%	.1%
CREEKSTONE SOUTH RICE PTRS	300,000.00	.1%	.1%
LAKE CHARLES APTS., LTD.	240,000.00	.1%	.1%
JESTER APTS PARTNERS,LP	400,000.00	.2%	.2%
TRAILSIDE APTS, LTD.	500,000.00	.2%	.2%
MILAND INVESTMENTS LLC	170,000.00	.1%	.1%
J.T.FAM,SR. INVEST., LTD.	252,450.00	.1%	.1%
W.E. TRADE INVESTMENTS LTD	227,700.00	.1%	.1%
W.A.REHAUSENLOT INV LTD	105,930.00	.0%	.0%
Total Real Estate Passive:	<u>2,675,968.00</u>	1.2%	1.2%
Farming Interests:			
11ACRES ILLINOIS	4,500.00	.0%	.0%
Total Farming Interests:	<u>4,500.00</u>	.0%	.0%
Other Investment-Passive:			
CAPRICORN INVESTORS II LP	562,622.00	.2%	.2%
CAPRICORN INVESTORS III	15,000.00	.0%	.0%

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CARSON PRIV CAP EUROPE LP	300,000.00	.1%	.1%
CORPORATE OPPT FUND/SMM-JT	225,000.00	.1%	.1%
KESTREL VENTURES, LLC	59,920.00	.0%	.0%
USA CAFE LLC/SMM-JT	30,526.00	.0%	.0%
CHAMPION L.L.C/SMM-JT	100,000.00	.0%	.0%
CON-EQUIP LLC/SMM-JT	100,000.00	.0%	.0%
ENVIR OPP 500,000SH/SMM-JT	398,500.00	.2%	.2%
ENVIRON OPP FUND II/SMM-JT	154,000.00	.1%	.1%
Y2K ENERGY CO., LTD.	1,110,000.00	.5%	.5%
MV PTRNS-CYBER DIALOGUE	346,500.00	.2%	.2%
Total Other Investment-Passive:	<u>3,402,068.00</u>	1.5%	1.5%
TOTAL LONG-TERM INVESTMENTS	<u>26,422,370.55</u>	11.6%	11.7%
 RETIREMENT/DEFERRED ASSETS			
IRA:			
FIDELITY MAGELLAN/KLL-PW	58,332.88	.0%	.0%
Total IRA:	<u>58,332.88</u>	.0%	.0%
 IRA/Spouse:			
FIDELITY MAGELLAN/LPL-PW	58,387.42	.0%	.0%
Total IRA/Spouse:	<u>58,387.42</u>	.0%	.0%
 Keogh Account:			
SCUDDER GRWTH & INC/KLL	344,813.15	.2%	.2%
SCUDDER INCOME/KLL	23,603.07	.0%	.0%
SCUDDER ST BOND/KLL	25,200.50	.0%	.0%
Total Keogh Account:	<u>393,616.72</u>	.2%	.2%
 Retirement Plan:			
ENRON-RETIREMENT	2,961,560.00	1.3%	1.3%
ENRON SAVINGS RO/PW401K	3,249,674.44	1.4%	1.4%
ENRON SAVINGS 401(K)	727,864.53	.3%	.3%
ENRON ESOP	6,369.23	.0%	.0%
FID GROWTH CO 401(K)/KLL	16,402.93	.0%	.0%
FID OTC 401(K)/KLL	11,072.74	.0%	.0%
FID OVERSEAS 401(K)/KLL	19,463.07	.0%	.0%
FID MAGELLAN 401(K)/KLL	50,012.39	.0%	.0%
Total Retirement Plan:	<u>7,042,419.33</u>	3.1%	3.1%
 Deferred Compensat'n Plan:			
ENRON DEFERRED COMP-85	3,178,450.76	1.4%	1.4%
ENRON DEFERRED COMP-94	771,385.52	.3%	.3%
ENRON PHANTOM STOCK DEF	421,928.51	.2%	.2%
ELI LILLY DEFERRED COMP	1,043,779.34	.5%	.5%
Total Deferred Compensat'n Plan:	<u>5,415,544.13</u>	2.4%	2.4%

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	<u>Balance</u>	<u>% of Total Assets</u>	<u>% of Working Assets</u>
TOTAL RETIREMENT/DEFERRED ASSETS	12,968,300.48	5.7%	5.8%
TOTAL WORKING ASSETS	<u>225,389,732.51</u>	99.2%	100.0%

PERSONAL/NON-EARNING ASSET

Automobile(s):

90 JEEP WRANGLER	6,825.00	.0%
92 4WD JEEP CHEROKEE	11,750.00	.0%
93 MERCEDES 600SL	63,975.00	.0%
96 RANGE ROVER	43,525.00	.0%
99 MERCEDES ML430	52,693.33	.0%
97 SUBURBAN CHEVY	29,893.30	.0%
00 MERCEDES S500V	98,701.59	.0%
00 YELLOW JEEP WRANGLER	22,778.61	.0%
00 SILVER JEEP WRANGLER	22,822.50	.0%
00 RED JEEP WRANGLER	21,970.05	.0%
Total Automobile(s):	<u>374,934.38</u>	.2%

Home Furnishings:

HOME FURNISHINGS/HUNT	852,480.62	.4%
HOME FURNISHINGS/LOOSCAN	42,025.59	.0%
HOME FURNISHINGS/ASPEN	138,984.11	.1%
HOME FURNISHINGS/B-3431	163,984.20	.1%
HOME FURNISHINGS/B-3429	80,833.15	.0%
HOME FURNISHINGS/B-3433	73,057.99	.0%
HOME FURNISHINGS/SPRING	1,100.00	.0%
Total Home Furnishings:	<u>1,352,465.66</u>	.6%

Other Vehicles & Equip:

BW 21' OUTRAGE BOAT	49,327.00	.0%
DUFFY 18' ELECTRIC BOAT	14,131.25	.0%
LYNN SAILBOAT	1,400.00	.0%
HURRICANE 19'	22,695.14	.0%
SPIRIT CANOE	406.43	.0%
WATERWHEELER MK III	722.44	.0%
SUPER SPORT BOAT 1997	33,502.74	.0%
Total Other Vehicles & Equip:	<u>122,185.00</u>	.1%
TOTAL PERSONAL/NON-EARNING ASSET	<u>1,849,585.04</u>	.8%
TOTAL ASSETS	<u>227,239,317.55</u>	100.0%

LIABILITIES

CURRENT LIABILITIES

Credit Cards:

AMER. EXPRESS/RL	-26,018.06	.0%	.0%
AMERICAN EXPRESS	-41,495.95	.0%	.0%

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MASTERCARD 5551	4,272.72	.0%	.0%
NEIMAN MARCUS 1314	-46,658.66	.0%	.0%
NEIMAN MARCUS 7487	-213.57	.0%	.0%
VISA GOLD 4151	5,244.87	.0%	.0%
Total Credit Cards:	<u>-104,868.65</u>	.0%	.0%
 Notes Payable:			
CHASE BANK LOC	6,767,000.00	3.0%	3.0%
COMPASS BANK LOC	4,489,871.12	2.0%	2.0%
ENRON CORP. LOAN	4,000,000.00	1.8%	1.8%
NATIONSBANK \$37.5M NON PUR	25,859,999.56	11.4%	11.5%
PAINE WEBBER-LOC/PW-97	9,374,790.10	4.1%	4.2%
ACCT PAYABLE (ST)-ENRON	41,506.11	.0%	.0%
Total Notes Payable:	<u>50,533,166.89</u>	22.2%	22.4%
 Security Deposits:			
SEC DEPOSIT/Z-1918SR	1,550.20	.0%	.0%
SEC DEPOSIT/Z-1856MAR	125.00	.0%	.0%
SEC DEPOSIT/Z-MCDUF	150.00	.0%	.0%
Total Security Deposits:	<u>1,825.20</u>	.0%	.0%
 Margin Acct Liability:			
GOLDMAN SACHS MARG-FS/GS	1,531,608.56	.7%	.7%
Total Margin Acct Liability:	<u>1,531,608.56</u>	.7%	.7%
TOTAL CURRENT LIABILITIES	<u>51,961,732.00</u>	22.9%	23.1%
 LONG-TERM LIABILITIES			
Home Mortgage:			
NATIONS BANK/LOOSCAN	627,389.98	.3%	.3%
NATIONS BANK/HUNTINGDON	4,430,695.70	1.9%	2.0%
NATIONSBANK/HUNT #2 LIEN	497,135.57	.2%	.2%
NATIONSBANK/HUNT #3 LIEN	498,025.80	.2%	.2%
Total Home Mortgage:	<u>6,053,247.05</u>	2.7%	2.7%
 Other Real Estate Mtge:			
NATIONS BANK/ASPEN	1,537,822.79	.7%	.7%
CITICORP MORTGAGE/B-3431	220,228.89	.1%	.1%
NATIONS BANK/LOTS	105,000.00	.0%	.0%
NATIONSBANK/B-3429	247,767.96	.1%	.1%
NATIONSBANK/B-3433	533,821.35	.2%	.2%
NATIONSBANK/REBA	324,822.16	.1%	.1%
NATIONSBANK/2514 AVALON	225,000.00	.1%	.1%
NATIONSBANK/CREEKSTONE LOT	1,200,000.00	.5%	.5%
Total Other Real Estate Mtge:	<u>4,394,463.15</u>	1.9%	1.9%

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Investment Liabilities:			
NATIONSBANK/WESTGATE LOT	191,250.00	.1%	.1%
Total Investment Liabilities:	191,250.00	.1%	.1%
Deferred Tax Liabilities:			
DEF TAX LIAB-STK OPT ONLY	40,217,492.40	17.7%	17.8%
Total Deferred Tax Liabilities:	40,217,492.40	17.7%	17.8%
TOTAL LONG-TERM LIABILITIES	50,856,452.60	22.4%	22.6%
BUSINESS LIABILITIES			
Employer Taxes/Bus:			
FICA WITHHELD-EE (TX)	28,005.29	.0%	.0%
FICA WITHHELD-LPL EE(TX)	3,187.40	.0%	.0%
FIT WITHHELD-EE (TX)	54,756.14	.0%	.0%
FIT WITHHELD-LPL EE(TX)	5,200.00	.0%	.0%
SIT WITHHELD-EE (MO)	355.20	.0%	.0%
SIT WITHHELD-EE (HH-CO)	63.40	.0%	.0%
Total Employer Taxes/Bus:	91,567.43	.0%	.0%
Accrued FICA Tax/Business:			
FICA PAYABLE-ER (TX)	28,007.16	.0%	.0%
FICA PAYABLE-LPL ER(TX)	3,187.40	.0%	.0%
Total Accrued FICA Tax/Business:	31,194.56	.0%	.0%
TOTAL BUSINESS LIABILITIES	122,761.99	.1%	.1%
TOTAL LIABILITIES	102,940,946.59	45.3%	45.7%
<u>NET WORTH</u>			
TOTAL NET WORTH	124,298,370.96	54.7%	55.1%
TOTAL LIABILITIES AND NET WORTH	227,239,317.55	100.0%	