ENRON

11/27/01
BoD

Noticed
Began 6:42

Ken called on Ray B. for liquidity report.

$40 MM short ... yesterday
$90 MM into

$600 Today's balance
40 to come

300 LoC's maturing 11/30/12/1

Jeff added that $500 MM collateral demanded; not pd
$1500MM " not yet called
Notified (verbally) of default on project loan due to inaccurate financials
Unlikely able to prevent a debt default; then cross-defaults occur
Jeff reported that all 3 agencies will downgrade
w/o certainty of merger

All uncertain
-lack of public support by DYN

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Jack Borden & John Lamont joined

- decline of stk price & out-of-money to DYN
- business impact of current trade credit

Moodys, thru DYN, may downgrade late tomorrow if merger not certain. Downgrade triggers debt defaults.

Greg reported on wholesale ops:

Out of physical mkt., as sellers won't sell us.

N.Am Reasonably balanced for Dec., adequately balanced in Nov., ∴ reducing need to be in physical mkt.

Europe: short power & unable to purch. adequate power to settle, so we're settling in imbal mkt. & uncomfortable w/ that situation

Jeff noted that the settlement from sale of CER/Rio from Petrobras may be in accts involved in Rawhide/Lehman standstill agreement

Ken - No bus. devel. to report

Ken - Update on merger agreement

3pm est Mon - All 4 parties agreed.

4:30 est Mon - Watson said he didn't like the deal, not convinced deal would be well-rec'd by mkt

Banks joined call. Watson/Bergstrom had not participated over the weekend.

Tues. am - Revised amendment delivered,

Softening MAC, no price Δ, tough std. for

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(3)

wholesale ops co = MAC

[Greg Out]

Banks have not agreed to DYN's conv. pref

- Banks auto conv. @ $40 equiv.

- Diff. in $ amount, ranging from $500 MM - $1 bil.

Message from Shapiro says ~~is~~ deal is dead, as DYN is demanding $ amt. unacceptable to Banks.

9:30 CST board mtg. if

Must conserve cash if deal doesn't go

tomorrow

Ken called for comments from attorneys & others.

- Peg asked what ~~the~~ impact on DYN would be if Co. filed B. Discussion of potential claims to DYN, due to ~~in~~ statements made by ~~DYN~~ DYN inconsistent w/ merger agreement. Discussion of DYN comments & actions. Discussion of banks refusal to convert debt to equity

[Bob Jaedicke Out] [Whalley In]

- Banks consistently worked diligently to respond / work w/ DYN's demands.

- Bank's concerns incl. Rawhide-related limits on collateral & adequacy of TW collateral.

- Discussion of strategic discussions under consideration

④

commented on stand off between 2 banks & DYN.

Greg ~~[illegible] of banks come up w/ [illegible]~~
He stated the need to decide on degree of cash preservation to pursue.

Jeff indicated he did not think the [illegible] under discussion, was not strong enough to prevent a rating downgrade & Discussion ensued on benefits of preserving cash & pursuing alternative strategies, likely response of DYN & on merger deal future claims on DYN.

and it would be prudent to preserve cash

Greg summarized possible near-term scenarios (w & w/o deal) & [illegible] for each scenario, incl preservation of cash & discussion ensued.

[illegible]

Steve Lelin, Tom Roberts Out

Butler, Cochran, Friedman, Lelin, Schuler, Bowen, [illegible], Gradicity, McMahon, Whalley Glenn [illegible] left

Ken - Summarized background & goal of Bay [illegible]
- [illegible] by Board
- [illegible] committed [illegible] Bays
① Duncan
② [illegible]
approved
- Establish Sp. Litig. Comm. - [illegible]
Members? [illegible] & L. Bowen
Will investigate all claims in deriv. lawsuit
& will det [illegible]

| Respect | Integrity | Communication | Excellence | EC38749A0031515

Form 000-0466 (3/98)

EXH012-02722

(5)

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Hire counsel of their choice, possibly separate counsel.
① Blake
② Graham

Chair will be needed.
Mtg elected a Chair
① Blake
② Graham

- Mtg on LOL -
Had agreed to elect
Action to rescind at his request
① ~~Savage~~ LeMaistre
② Chan

Steve Sussman summarized (litigation and doc retention policy)
- Retain documents
- Do not purge documents on email
Steve also updated on ERISA claims

[Derrick out, Sussman Out]
Ken reported on further discussion w/ Watson on requested effort changes.
Watson wants to expedite changes if deal gets done

8:30 Adj.

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EC38749A0031516

Form 000-0466 (3/98)

EXH012-02723

Ken - Pls. advise if some attorneys should drop off for Exec Session, perhaps all but Lead.

Weil Goshel

- X Tom Roberts - Lead
- ✓ Greg Danilow
- ✓ Glenn West

Skedden

- ✓ Peter Atkins - Lead
- X Jack Butler
- ✓ John Lerner
- X Eric Cochran

Susman Godfrey

- ✓ Steve Susman - Lead

Blackstone

- X Bob Friedman
- X Steve Zelin

Mr. Kenneth L. Lay, Chairman
Mr. Robert A. Belfer
Mr. Norman P. Blake, Jr.
Mr. Ronnie C. Chan
Mr. John H. Duncan
Dr. Wendy L. Gramm
Dr. Robert K. Jaedicke
Dr. Charles A. LeMaistre
Dr. John Mendelsohn
Mr. Paulo V. Ferraz Pereira
Mr. William C. Powers, Jr.
Mr. Frank Savage
Lord John Wakeham
Mr. Herbert S. Winokur, Jr.

AGENDA
MEETING OF THE BOARD OF DIRECTORS
ENRON CORP.
5:00 p.m., C.S.T., November 27, 2001

Open Session

1) Update on Operations – Mr. Whalley

2) Update on Liquidity and Credit Ratings – Mr. McMahon

3) Update on Recent Business Developments – Mr. Lay

4) Consider Revisions to the Merger Agreement with Dynegy, Inc. – Messrs. Lay and Roberts

Executive Session

5) Report on New Independent Candidate for the Board – Mr. Lay
   a) Consideration of Suggested Resolution

6) Consider Establishment of a Special Litigation Committee of the Board of Directors – Messrs. Lay and Susman

7) Ratify Decision by the Board of Directors on November 26, 2001 Regarding Candidate Previously Considered for the Board of Directors – Mr. Lay

8) Discussion on Document Retention Policy – Mr. Susman

9) Other Business – update on ERISA litigation – Mr. Susman

10) Adjournment ~~– Comp~~
- Mgmt. changes

EC387494A0031500

EXH012-02725

REVISED
AGENDA ITEM 5
(SUGGESTED FORM OF RESOLUTIONS)

WHEREAS, the Board of Directors desires to add an additional member to the Board who was not present on the Board at the time of any of the transactions that are the subject of the investigation by the Securities and Exchange Commission; and

WHEREAS, the Board is apprised of the outstanding reputation and accomplishments of Mr. Raymond S. Troubh, and believes that he will contribute to the work of the Board; and

NOW, THEREFORE, IT IS RESOLVED, that the number of members on the Board is increased from fourteen to fifteen members; therefore, creating a vacancy on the Board;

RESOLVED FURTHER, that Raymond S. Troubh hereby is elected a director of the Company, effective, November 27, 2001, to fill the vacancy on the Board and to serve during the ensuing year until the next Annual Meeting of Shareholders and until his successor shall have been duly elected and qualified.

RAYMOND S. TROUBH

Raymond S. Troubh is a Financial Consultant in New York City and has been a Non-Executive Director of more than twenty-five public companies. He has written and lectured extensively on the duties and responsibilities of Directors of public companies and has served as Chairman of the Compensation, Audit, and Finance Committees of a number of Boards of Directors.

Mr. Troubh has served as a Law Clerk to Mr. Justice Harold H. Burton of the United States Supreme Court and to Chief Judge Thomas W. Swan, United States Court of Appeals, 2nd Circuit, and was an Associate at Sullivan & Cromwell, and a Partner of Lazard Freres & Co., specializing in mergers & acquisitions.

He presently serves as a member of the Board of Directors of Starwood Hotels & Resorts, HealthNet, Inc., Diamond Offshore Drilling, Triarc Companies, and Gentiva Health Services, among other companies. Certain of his prior Directorships include Time Warner, Becton, Dickinson & Co., Johns Manville Corporation, and America West Airlines, among others.

Mr. Troubh is a graduate of Bowdoin College and Yale Law School.

RAYMOND S. TROUBH

Born: Portland, Maine - May 3, 1926

1940 - 1944	Portland (Maine) High School
1944 - 1946	Employed in defense industries plant
1946 - 1949	Bowdoin College - A.B.
1949 - 1952	Yale Law School - LL.B.
1952 - 1953	Law Clerk, Chief Judge Thomas W. Swan United States Court of Appeals, 2nd Circuit New York, New York
1953 - 1954	Law Clerk, Mr. Justice Harold W. Burton United States Supreme Court, Washington, D.C.
1954 - 1958	Associate, Sullivan & Cromwell (Lawyers) New York, New York
1958 - 1961	Secretary and Treasurer, The Lazard Fund, Inc.
1961 - 1974	Associate, then General Partner Lazard Freres & Co. (Investment Bankers)
January, 1974 - Present	Financial Consultant

Current Public Directorships

ARIAD Pharmaceuticals, Inc.
Diamond Offshore Drilling, Inc.
General American Investors Company
Gentiva Health Services, Inc.
Health Net, Inc.
MicroCap Liquidating Trust (Trustee)
Petrie Stores Liquidating Trust (Trustee)
Starwood Hotels & Resorts
Triarc Companies, Inc.
WHX Corporation

Other Appointments

American Stock Exchange (Public Governor: 1977 - 1985)
Bowdoin College (Overseer: 1978 - 1990)
Legal Aid Society (Director: 1975 - 1981, 1983 - 1985)

<u>Office:</u>

Ten Rockefeller Plaza, Suite 712
New York, New York 10020
Telephone: (212) 582-0267
Facsimile: (212) 489-7484

<u>Residence:</u>

770 Park Avenue
New York, New York 10021
Telephone: (212) 988-3095
Facsimile: (212) 988-3674

<u>Married:</u> Two Children

RAYMOND S. TROUBH

Certain Prior Directorships

ADT Limited

America West Airlines, Inc.

Applied Power Company

Becton, Dickinson and Company

Johns Manville Corporation

Olsten Corporation

Pabst Brewing Company

Riverwood International Corporation

Time Warner, Inc.