



Kenneth L. Lay
Chairman of the Board

Enron Corp.
P.O. Box 1188
Houston, TX 77251-1188
713-853-6773
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July 27, 2001

Mr. Craig Rathjen
PaineWebber, Inc.
Private Client Group
109 N. Post Oak Lane, Suite 150
Houston, TX 77024

Re: Sale of 85,720 shares of Enron Corp. to Company for Repayment of
\$4,000,000 Line of Credit plus accrued interest through July 26, 2001

Dear Craig:

Please use this letter as your authority to transfer 85,720 shares of Enron Corp. stock from the restricted stock option award, Grant No. 122050 whose restriction lapsed on 1/11/01 currently in PaineWebber Account #HM-E0133-ES to the Enron Corp. Omnibus PaineWebber Account #HS-54630-EN today, July 27, 2001.

Please call Sherrie Gibson at 713-630-0103 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth L. Lay", with a stylized, sweeping flourish at the end.

cc: Elaine Overturf
Pam Butler
Joanne Cortez
Sherrie Gibson

EC38648B0050184

Endless possibilities.™

GOVERNMENT
EXHIBIT
4098

Crim. No. H-04-25 (S-2)