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P. 2/4

NationsBank
Private Banking
P. O. Box 2518
Houston, TX 77252-2518

Tel 713 247-6000
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NationsBank

December 8, 1993

Mr. Kenneth L. Lay

Dear Mr. Lay:

NationsBank is pleased to provide you the following Credit Facilities. Please contact me with any questions and comments that you may have regarding the terms of this financing, as detailed below:

BORROWER: Kenneth L. Lay
LENDER: NationsBank of Texas, N.A.
CREDIT FACILITIES: Facility A: \$10,500,000 Line of Credit
Facility B: \$2,000,000 Line of Credit

PURPOSE: Facility A

Proceeds of Facility A are to be used for the following purposes:

- 1) Refinance an existing term loan payable to Lender with an outstanding balance of \$1,079,600, evidenced by a Promissory Note dated August 24, 1993;
- 2) Refinance an existing term loan payable to Lender with an outstanding balance of \$350,000, evidenced by a Promissory Note dated November 8, 1993;
- 3) Refinance an existing term loan payable to Enron Corp. with an outstanding balance of \$5,000,000;
- 4) Purchase or carry margin stock.

Facility B

Proceeds of Facility B are to be used to finance personal expenses. Facility B will not be used to purchase or carry margin stock.

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BOA/FBI/LAY: 29844

GOVERNMENT
EXHIBIT

124

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

LBF001-00952

Mr. Kenneth L. Lay
Letter dated December 8, 1993
Page 2 of 3

ADVANCES: Advances under the Credit Facility will be subject to the following advance percentages based on the collateral pledged to secure each Advance:

Facility A: 50% Initial Advance
Facility B: 70% Initial Advance

MATURITY: 364 days from closing.

INTEREST RATE: LIBOR plus 175 basis points, based on 30 day 60 day, 90 day, 180 day, or 1 year LIBOR at Borrower's option. The Interest Rate will be re-set at the expiration of each LIBOR option, based on then prevailing LIBOR rates.

FEE: None.

PREPAYMENT PENALTY: Loan documents will include a "make whole" provision acceptable to Lender.

REPAYMENT SCHEDULE: Interest payable quarterly in arrears; principal due at Maturity.

COLLATERAL: Borrower shall pledge sufficient shares of listed stock to satisfy the Collateral Maintenance Requirements of each Credit Facility. The Collateral shall consist of unrestricted listed stock as approved by Lender.

COLLATERAL MAINTENANCE REQUIREMENTS: Borrower will be required to maintain a Loan to Value of 75% or less, calculated separately for each Credit Facility. If the Loan to Value exceeds 75%, Borrower will be required to pledge additional Collateral or reduce the outstanding loan balance to bring the Loan to Value to 70% or less.

Loan to Value shall be determined by: dividing (i) the outstanding loan balance under each Credit Facility by (ii) the Collateral Market Value securing each Credit Facility. Collateral Market Value shall be determined using current market prices for the Collateral as quoted in the Wall Street Journal or other source acceptable to Lender.

Mr. Kenneth L. Lay
Letter dated December 8, 1993
Page 3 of 3

DOCUMENTATION: Loan documentation acceptable to Lender in its sole discretion to perfect a security interest in the Collateral. Documentation will include, but not be limited to, the following: loan agreement, promissory note, security agreement, collateral maintenance agreement, and stock powers. All attorney fees to be paid by Borrower.

The Credit Facilities described herein are further subject to (i) the preparation, execution, and delivery of legal documentation in form and substance acceptable to Lender and to its legal counsel, incorporating substantially the terms and conditions referred to above and such clarification thereof and modifications and additions thereto as Lender may require. If the terms and conditions described herein are acceptable to you, please sign below and return this original letter to my attention indicating your acceptance of the above terms and conditions. This proposal will expire on December 15, 1993, unless accepted by your signature below. Furthermore, this proposal will expire on December 31, 1993, unless the Credit Facilities have been closed by such time.

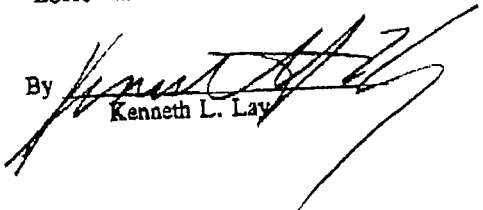
THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

AGREED AND ACCEPTED THIS 10 DAY OF December, 1993.

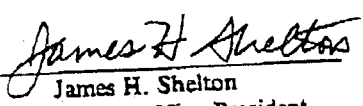
"Borrower"

"Lender"

By


Kenneth L. Lay

By


James H. Shelton
Assistant Vice President