

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Statement of Purpose for an Extension of Credit
Secured by Margin Stock

NationsBank of Texas, N.A.

Name of Bank

(Federal Reserve Form U-1)

This form is required by law (15 U.S.C. §§78g and 78w; 12 CFR 221).

INSTRUCTIONS

1. This form must be completed when a bank extends credit in excess of \$100,000 secured directly or indirectly, in whole or in part, by any margin stock.
2. The term "margin stock" is defined in Regulation U (12 CFR 221) and includes, principally: (1) stocks that are registered on a national securities exchange or that are on the Federal Reserve Board's List of Marginable OTC Stocks; (2) debt securities (bonds) that are convertible into margin stocks; (3) any over-the-counter security designated as qualified for trading in the National Market System under a designation plan approved by the Securities and Exchange Commission (NMS security); and (4) shares of mutual funds, unless 95 per cent of the assets of the fund are continuously invested in U.S. government, agency, state, or municipal obligations.
3. Please print or type (If space is inadequate, attach separate sheet).

PART I. To be completed by borrower(s).

What is the amount of the credit being extended? \$8,000,000.00

2. Will any part of this credit be used to purchase or carry margin stock? ☒ Yes ☐ No

If the answer is "no," describe the specific purpose of the credit.

I (we) have read this form and certify that to the best of my (our) knowledge and belief the information given is true, accurate, and complete, and that the margin stock and any other securities col-

lateralizing this credit are authentic, genuine, unaltered, and not stolen, forged, or counterfeit.

Signed:

Signed:

Borrower's Signature

Borrower's Signature

Kenneth L. Lay

Linda P. Lay

Print or Type Name

Print or Type Name

This form should not be signed in blank.

A borrower who falsely certifies the purpose of a credit on this form or otherwise willfully or intentionally evades the provisions of Regulation U will also violate Federal Reserve Regulation X, "Borrowers of Securities Credit."

BOA/FBI/LAY: 29650

GOVERNMENT
EXHIBIT

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

1. List the margin stock securing this credit; do not include debt securities convertible into margin stock. The maximum loan value of margin stock is per cent of its current market value under the current Supplement to Regulation U.

No. of shares	Issue	Market price per share	Date and source of valuation (See note below)	Total market value per issue
228,936	Enron Corp.	30.25	8/23/94 WSJ	6,925,314.
84,777	TCW Galileo Core Equity	11.69	"	989,652.
36,218	TCW Galileo Latin America	15.15	"	522,326.
58,608	TCW Galileo Asian Pacific	9.92	"	581,391.

2. List the debt securities convertible into margin stock securing this credit. The maximum loan value of such debt securities is per cent of the current market value under the current Supplement to Regulation U.

Principal amount	Issue	Market price	Date and source of valuation (See note below)	Total market value per issue

3. List other collateral including nonmargin stock securing this credit.

Describe briefly	Market price	Date and source of valuation (See note below)	Good faith loan value

Note: Bank need not complete "Date and source of valuation" if the market value was obtained from regularly published information in a journal of general circulation.

PART III. To be signed by a bank officer in all instances.

I am a duly authorized officer of the bank and understand that this credit secured by margin stock may be subject to the credit restrictions of Regulation U. I have read this form and any attachments, and I have accepted the customer's statement in part I in good faith as required by Regulation U, and I certify that to the best of my knowledge and belief, all the information given is true, accurate, and complete. I also certify that if any securities that directly secure the credit are not or will not be registered in the name of the borrower or its nominee, I have or will cause to have examined

the written consent of the registered owner to pledge such securities. I further certify that any securities that have been or will be physically delivered to the bank in connection with this credit have been or will be examined, that all validation procedures required by bank policy and the Securities Exchange Act of 1934 (section 17(f), as amended) have been or will be performed, and that I am satisfied to the best of my knowledge and belief that such securities are genuine and not stolen or forged and their faces have not been altered.

Signed: James H. Shelton

Bank officer's signature

James H. Shelton

Print or type name

Date

Vice President

Title

*To accept the customer's statement in good faith, the officer of the bank must be alert to the circumstances surrounding the credit and, if in possession of any information that would cause a prudent person not to accept the statement without inquiry, must have investigated and be satisfied that the statement is truthful. Among the facts which would require such investigation are receipt of the statement through the mail or from a third party.

This form must be retained by the bank for at least three years after the credit is extinguished.