

INVESTMENT ADVISORY AGREEMENT

This Investment Advisory Agreement ("Agreement") made this 12th day of January, 1999, by and between Kenneth L. Lay & Linda P. Lay (the "Client"), and FAYEZ SAROFIM & CO., a Texas corporation ("Sarofim"),

W I T N E S S E T H:

WHEREAS, the Client has entered into a Custodial Agreement (the "Custodial Agreement") with Goldman Sachs & Co. (the "Custodian"), has established an account with the Custodian (the "Account"), and has placed the securities, funds, assets, and other properties listed on Exhibit A attached hereto in the Account; and

W I T N E S S E T H:

WHEREAS, the Client desires to make, constitute and appoint Sarofim as investment manager with respect to the investment of such securities, funds, assets, and other properties; any additional securities, funds, assets and other properties which may subsequently be added to the Account and accepted by Sarofim; any income therefrom, accretions thereto, or mutations thereof (all such securities, funds, assets, other properties, income, accretions, and mutations being hereinafter collectively referred to as the "Property"); and

WHEREAS, Sarofim desires to accept appointment as and to act as investment manager with respect to the investment of all of the Property;

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, the parties agree as follows:

1. Client Appoints Investment Manager. Upon and subject to the terms and conditions of this Agreement, the Client hereby makes, constitutes, appoints, and retains Sarofim as investment manager with respect to the investment of all of the Property. In consideration of this appointment,

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Sarofim agrees to act as investment manager with respect to the investment of all of the Property. This appointment of Sarofim as investment manager shall commence as of the date of this Agreement.

2. Representations by Investment Manager. Sarofim represents and warrants that it is, and that at all times during the term of this Agreement it will be, duly registered with the Securities and Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended.

3. Representations by Client. The Client represents and confirms that the terms of this Agreement do not violate any obligation by which the Client is bound, whether arising by contract, operation of law, or otherwise.

4. Duties and Powers of Investment Manager. For so long as the appointment of Sarofim as investment manager made pursuant to this Agreement shall continue, Sarofim shall have full and absolute discretionary power to manage the Property in accordance with the terms of this Agreement and applicable law. In particular, Sarofim shall have the following duties and powers:

(a) Sarofim shall regularly and continuously collect information pertaining to investments, securities, the economy, and other matters pertinent to making the determinations required of it in subparagraph (b) of this paragraph 4.

(b) Sarofim shall regularly and continuously review the assets, securities, funds and other properties included in the Account to determine in Sarofim's sole discretion based on the information available to it, including any information or advice given to Sarofim by the Client pursuant to the provisions of paragraph 5(e) of this Agreement, the advisability in the interest of the Client of (i) retaining some or all of the Property, (ii) selling, exchanging,

redeeming, liquidating or disposing of some or all of the Property,
(iii) investing some or all of the proceeds from such sale, exchange,
redemption, liquidation or disposition in other assets, securities or
properties, or (iv) investing some or all of the funds included in the
Property in other assets, securities or properties.

(c) Sarofim shall place orders directly with brokers, dealers, or
other persons to sell, exchange, redeem, liquidate, or dispose of any of
assets, securities, or other properties which from time to time Sarofim
determines should be disposed of.

(d) Whenever Sarofim determines that proceeds from sales,
exchanges, redemptions, liquidations, or dispositions or other funds in
the Account should be invested in other assets, securities, or
properties, Sarofim shall make such investments by placing orders
directly with brokers, dealers, or other persons.

(e) Whenever Sarofim determines to place orders for the execution
of portfolio transactions for the Client, Sarofim shall have full power
in its sole discretion to select any broker, dealer, or other person to
execute such transactions and to establish the price and trade
conditions, including brokerage commissions. Without limiting the
generality of the preceding sentence, Sarofim may allocate such
transactions to such brokers and dealers for execution on such markets,
at such prices, and at such commission rates, as in the good faith
judgment of Sarofim will be in the best interest of the Client, taking
into consideration in the selection of such brokers and dealers not only
the available prices and rates of brokerage commissions, but also other
relevant factors (such as, without limitation, execution capabilities,
research and other services provided by such brokers or dealers which

are expected to enhance the general portfolio management capabilities of Sarofim, and the value of an ongoing relationship of Sarofim with such brokers and dealers) without having to demonstrate that such factors are of a direct benefit to the Client.

(f) When Sarofim does place orders directly with brokers, dealers, or other persons to purchase, acquire, sell, exchange, redeem, liquidate, or dispose of any property, security, or asset in the Account, Sarofim shall, as soon as reasonably possible after doing so, give notice to the Client of the fact that Sarofim has placed such order.

(g) Sarofim shall give to the Client such instructions or directions concerning the exercise of any warrant, conversion privilege, subscription right, or other right to make an investment decision available to the Client with respect to the Property as from time to time Sarofim in its discretion believes advisable.

(h) It is understood that Sarofim performs investment advisory services for various clients other than the Client. The Client agrees that Sarofim may give advice and take action in the performance of its duties with respect to any of its other clients which may differ from advice given, or the timing or nature of action taken, with respect to the Property, so long as it is Sarofim's policy, to the extent practical, to allocate investment opportunities to the Client over a period of time on a fair and equitable basis relative to other clients and in accordance with applicable law. Nothing in this Agreement shall be deemed to impose upon Sarofim any obligation to purchase or sell for the Client any security or other property which Sarofim, its principals, affiliates or employees may purchase or sell for its or their own

accounts or for the account of any other client, if in the sole discretion of Sarofim such transaction or investment appears unsuitable, impractical or undesirable for the Client.

(i) Sarofim shall use reasonable efforts to increase the value of the Property; however, Sarofim cannot and does not insure any such increase. Sarofim shall not be liable for any decrease in the value of the Property except to the extent that any such decrease is the result of a breach of Sarofim's duties with respect to the Property or of a violation of applicable law. Nothing herein shall in any way constitute a waiver or limitation of any rights which the Client or any person interested in the Property may have under any applicable federal or state laws.

(j) (1) Any instruction, direction or notification given to the Client in the performance of this Agreement shall be given or confirmed in writing.

(2) An officer or director of Sarofim shall from time to time certify to the Client the name or names of the person or persons authorized to act on its behalf and furnish the Client a specimen of their signatures. Any individual so certified shall be deemed to be Sarofim's authorized representative. When any individual so certified shall cease to have authority to act on its behalf, Sarofim shall promptly give notice of that fact to the Client, but until such notice is received by the Client, such individual shall continue to be an authorized representative.

(k) Sarofim shall not have any authority to hold or have possession of any funds, securities or other properties of the Client. The physical possession of all of the Property shall at all times,

except when securities are held by some other party in the course of effecting a sale, transfer, exchange, or other disposition, be held, controlled, and administered by the Custodian or its nominee or subagent. Sarofim shall have no responsibility with respect to the collection of income or the physical acquisition or safekeeping of the assets, securities, funds, and other properties which comprise the Property. All such duties of collection, physical acquisition, or safekeeping shall be the sole obligation of the Custodian.

(l) The Client agrees that the only responsibility which Sarofim shall have with respect to diversification will be to diversify the investment of the Property so as to conform to any investment objectives and restrictions of which Sarofim has received notice as provided in paragraph 5(e) of this Agreement and to minimize the risk of large losses in the Account without regard to or consideration of any other assets, securities, funds, or properties owned by the Client.

(m) The Client recognizes the inherent market fluctuation risks which accompany the investment and reinvestment of monies.

(n) Sarofim will maintain records of the assets, securities, funds, and other properties under management and will prepare quarterly statements showing portfolio transactions during the quarter and the value of the Property as of the end of the quarter, determined as provided in paragraph 6 of this Agreement.

5. Duties of the Client.

(a) The Client shall cause the Custodian to provide Sarofim with all of the information which Sarofim may reasonably require with respect to the Property.

(b) The Client shall cause the Custodian to receive and maintain at all times custody and control of the Property as provided in paragraph 4(k) of this Agreement and shall cause the Custodian to consummate transactions as directed by Sarofim by payment or delivery by the Custodian of all funds, securities, or other properties due from the Account upon receipt by or delivery to the Custodian of all funds, securities, or other properties due to the Account. The funds to be paid shall be the amount of the purchase price plus all applicable brokerage charges and taxes, and the funds to be received shall be the sales price minus all applicable brokerage charges and taxes.

(c) The Client shall notify Sarofim in writing as soon as reasonably possible whenever the funds in the Account available for investment have increased because the Client has deposited additional funds in the Account.

(d) The Client shall cause the Custodian to deliver monthly statements to Sarofim showing all transactions in the Account and to notify Sarofim in writing whenever an election concerning any conversion privilege, subscription right, or other right to make an investment decision is available to the Client with respect to the Property as soon as reasonably possible after it becomes available.

(e) The Client shall advise Sarofim of the investment objectives of the Client with respect to the Property and of any changes or modifications therein as well as any specific investment restrictions applicable thereto and shall give prompt written notice if the Client deems any investments made for the Client with respect to the Property to be in violation of such objectives or restrictions. Unless the Client notifies Sarofim in writing of specific restrictions, the

investments recommended for, or made on behalf of, the Client shall be deemed not to be restricted under the current or future laws of any state or by virtue of the terms of any other contract or instrument purporting to bind the Client.

6. Compensation. For its services Sarofim shall be paid by the Custodian from the account, promptly after the end of each quarter, a fee based on the market value of all assets managed by Sarofim as investment manager pursuant to this Agreement. The fee on equity assets shall be seventy-five one hundredths of one per cent (0.75%) per annum on the first two million dollars of assets (\$2,000,000), five-tenths of one per cent (0.50%) per annum on assets between two million dollars (\$2,000,000) and twenty million dollars (\$20,000,000), four-tenths of one per cent (0.40%) per annum on assets between twenty million dollars (\$20,000,000) and forty million dollars (\$40,000,000), thirty-five one hundredths of one per cent (0.35%) per annum on assets between forty million dollars and sixty million dollars (\$60,000,000), and two-tenths of one per cent (0.20%) per annum on assets in excess of sixty million dollars (\$60,000,000) in market value. The fee on fixed income assets shall be two-tenths of one per cent (0.20%) per annum based on the market value. The fee will be billed quarterly and will be based on the value of the Property as of the last day of each quarter on which the New York Stock Exchange is open. Securities traded on a national securities exchange will be valued at the last sale price on the Composite Tape, or if there has been no sale that day, at the last known bid price. Securities traded Over-The-Counter will be valued at the last known sale price. Securities for which market quotations are not readily available will be valued at the known current bid price believed by Sarofim most nearly to

represent current market value. Other securities and all other assets will be valued at sale value as determined in good faith by Sarofim.

7. Termination.

(a) This Agreement shall continue in effect until terminated by either party by giving to the other party notice in writing at least thirty (30) days prior to the date of termination.

(b) The Client may at any time without prior notice order Sarofim to cease activity with respect to the Account.

(c) This Agreement shall not be assignable by either party.

(d) Notwithstanding any other provision of this Agreement to the contrary, the Client may terminate this Agreement without any obligation, including any obligation to pay any compensation to Sarofim, and without any penalty, at any time during the five business days following the execution of this Agreement. Such termination may be effected by notice to Sarofim, given or confirmed in writing.

8. Effective Date and Performance. This Investment Management Agreement shall not be effective until accepted in writing by the Investment Manager at its offices in Houston, Texas, by execution of this Agreement. It is agreed that the duties of the Investment Manager to be performed hereunder shall be performed by it at its offices in Houston, Texas.

9. Notices. Unless otherwise specified herein, all written notices with respect to security transactions or any other matters contemplated by this Agreement shall be deemed duly given when received in writing by Sarofim at Two Houston Center, Suite 2907, Houston, Texas 77010 or when deposited by first-class mail postage prepaid addressed to (or delivered by hand to) the Client at _____, or at

Houston, TX 77017

such other address or addresses as shall be specified, in each case, in a notice similarly given, with a copy to _____

_____. Sarofim may rely upon any notice (written or oral) from any person reasonably believed by it to be genuine and authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of January 12, 1979.

WITNESS:

Sally R. Keppers

WITNESS:

[Signature]
By: [Signature]

FAYEZ SAROFIM & CO.
Investment Manager

By _____

EXHIBIT A

Initial Funding:

\$2,000,000 in cash held in Goldman Sachs account number [REDACTED] 4090.

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