MINUTES
MEETING OF THE BOARD OF DIRECTORS
ENRON CORP.
AUGUST 7-8, 2000

Minutes of a meeting of the Board of Directors of Enron Corp. ("Company") noticed to begin at 7:00 p.m., C.D.T., but actually begun at 7:25 p.m., C.D.T., on August 7, 2000 at the Four Seasons Hotel, Whitney Room, in Houston, Texas.

The following Directors were present, constituting a quorum:

Mr. Kenneth L. Lay, Chairman
Mr. Robert A. Belfer
Mr. Norman P. Blake, Jr.
Mr. Ronnie C. Chan
Mr. John H. Duncan
Mr. Joe H. Foy
Dr. Wendy L. Gramm
Mr. Ken L. Harrison
Dr. Robert K. Jaedicke
Dr. Charles A. LeMaistre
Ms. Rebecca P. Mark
Mr. Jerome J. Meyer
Dr. John Mendelsohn
Mr. Paulo Ferraz Pereira
Mr. Frank Savage
Mr. Jeffrey K. Skilling
Mr. John A. Urquhart
Lord John Wakeham

Director Herbert S. Winokur was absent from the meeting. Messrs. Richard A. Causey, Andrew S. Fastow, Mark E. Koenig, and Joseph W. Sutton and Ms. Rebecca C. Carter, all of the Company, also attended the meeting.

The Chairman, Mr. Lay, presided at the meeting, and the Secretary, Ms. Carter, recorded the proceedings.

Mr. Lay called the meeting to order and called for a revised agenda to begin the meeting with the Financial and Earnings and Stock Performance reports. He called upon Mr. Causey to begin his presentation, a copy of which is filed with the records of the meeting.

Mr. Causey discussed the second quarter and six months ended June 30, 2000 diluted earnings per share, net income, and earnings by business segment and compared them to the 2000 Operating Plan. He commented that net income in 2000 was more than 30% higher than the comparable period in 1999 primarily due to stronger performances by the Wholesale Energy Operations and Retail Energy Services business units. He discussed the Company's balance sheet debt and provided a roll-forward from yearend 1999 balances. He commented on the decrease in working capital and noted that it was driven by an increase in margin calls during the first six months of the year as natural gas volumes marketed and prices increased significantly.

Mr. Lay then called upon Mr. Koenig for an Investor Relations update, a copy of which is filed with the records of the meeting. Mr. Koenig reviewed the Company's total return to shareholders for year-to-date 2000, of 76.3%, and noted that it substantially exceeded the total return achieved by the Company's energy and broadband peer groups, the S&P 500, and the Dow Jones Industrial Average. He noted that the Company's energy peer group's return, of 44.6%, benefited from some of the companies' exposure to oil and gas prices. He presented the year-to-date stock price performance for the Company, the S&P 500, and the NASDAQ and he commented that the Company had significantly outperformed both of the indices. He reported on the Company's price-to-earnings valuation ("P/E") as of December 1999, April 2000, and August 2000 as compared to that of the S&P 500 and the Company's peer group and he stated that the Company's increase in stock price from April to August was due to an increase in earnings rather than an increase in the P/E multiple. He discussed the total return to shareholders since August 1997, when the Company took a significant write-off related to a gas contract in the North Sea, and noted that it was considerably higher than either the S&P 500 or the NASDAQ.

Mr. Koenig then reviewed the Company's shareholder composition and the investor style of its institutional investors, noting that 59% were growth-oriented investors. He commented on the Company's largest shareholders and discussed changes in ownership since April 2000. He discussed Motley Fool's "Now 50" Index, an index designed to include businesses exhibiting leadership in innovation, superior use of technology, global branding, and strategic vision, and noted that the Index replicated portfolios that hold the Company's stock. He stated that the Company's year-to-date total return to shareholders was the highest of any company in the Now 50 Index. He commented on how the Wall Street Analysts valued the Company and presented a segment valuation of the Company that portrayed each business segment's contribution to the Company's stock price. Mr. Skilling joined him for a discussion of the segment valuation, the impact of a recently announced transaction with Blockbuster Video on the valuation and stock price, and the marketing strategy for Enron Net Works.

Messrs. Causey, Fastow, and Koenig left the meeting following the presentation.

Mr. Lay then stated that minutes of meetings of the Board held on April 3 and May 1-2, 2000 had been distributed to the Directors and were included in the meeting material. He called for any additions, corrections, or comments. There being none, upon motion duly made by Dr. Jaedicke, seconded by Mr. Blake, and carried, the minutes of the meetings held April 3 and May 1-2, 2000 were approved as distributed.

Mr. Lay then called upon Mr. Duncan to report on an Executive Committee meeting held on June 22, 2000. Mr. Duncan noted that at the meeting the Committee approved the following items: 1) an Enron North America Corp. ("ENA") transaction, "Project Cornhusker", whereby ENA would acquire a 10% limited partnership interest and an off-balance sheet enterprise would acquire the general partnership interests in a partnership that owns a 258-megawatt power plant in Texas, 2) an Asia-Pacific/Africa/China group project to sell 270 megawatts of power from nine barges, purchased by Enron in 1999, at a site in Lagos, Nigeria, and 3) Raptor II, a second risk management program identical in structure to Raptor I which was approved at the May 2, 2000 Board meeting.

Mr. Duncan then noted that minutes of Executive Committee meetings held on March 2, May 17, and June 1, 2000, previously discussed with the Board at the February Board meeting, were included in the meeting materials and moved the acceptance of the report and approval of the minutes of the March 2, May 17, and June 1, 2000 meetings. Mr. Duncan's motion was duly seconded by Mr. Blake, and carried, and the report of the Executive Committee meeting was accepted and the minutes of the March 2, May 17, and June 1, 2000 meetings were approved as distributed.

Mr. Lay then called upon Dr. LeMaistre for a report on meetings of the Compensation and Management Development Committee held on May 26 and August 7, 2000. Dr. LeMaistre stated that at the May 26, 2000 meeting the Committee approved compensation adjustments for certain executives to take into consideration recent reorganizations and promotions that had led to the employees having increased responsibilities. He stated that, as previously approved by the Committee, the Company could utilize three different alternatives in structuring the executives' long-term compensation.

Dr. LeMaistre then stated that at the August 7, 2000 meeting the Committee had approved the following items for recommendation to the Board: 1) the partial termination of the Enron Corp. Cash Balance Plan as adopted for EOG Resources, Inc. employees, 2) amendments to the 1994 Enron Corp. Deferral Plan and the amended and restated Trust Documents to ensure that it incorporated sufficient protection to participants in the Enron Corp. 1994 Deferral Plan in the event of a

change in control, 3) an amendment to the 1991 Enron Corp. Stock Plan to expand the eligibility for stock option transfers for all grants made under the 1991 Stock Plan, and 4) amendments to the 1994 Enron Corp. Stock Plan to clarify the definition of retirement and to allow for stock option transfers for grants made under the 1994 Stock Plan. Following a discussion, he moved acceptance of the items, his motion was duly seconded by Mr. Blake, and carried, and the following resolutions were approved:

Enron Corp. Cash Balance Plan

RESOLVED, that the Company partially terminate the Enron Corp. Cash Balance Plan as adopted for the benefit of employees of EOG Resources, Inc. in accordance with the terms and provisions of that instrument entitled "Partial Termination of Enron Corp. Cash Balance Plan" subject to and conditioned upon execution by EOG Resources, Inc. of a written agreement to return to the Company the $1,850,000 (less reasonable expenses plus, as determined appropriate by the appropriate officers of the Company, earnings) which the Company transferred to EOG Resources, Inc. pursuant to Section 5.7(b) of that Share Exchange Agreement dated July 19, 1999 by and between the Company and Enron Oil & Gas Company;

RESOLVED FURTHER, that the partial termination referenced in the foregoing resolution be effected substantially in accordance with that instrument entitled "Partial Termination of Enron Corp. Cash Balance Plan," a copy of which is attached hereto;

RESOLVED FURTHER, that the appropriate officers of the Company shall be and they are hereby directed to work with counsel and such other consultants or advisors as they deem appropriate and necessary to proceed to finalize the partial termination document adopted pursuant to the foregoing resolution and, upon such finalization, the resulting document shall be deemed approved and adopted by this Board as if presented at this meeting and shall be directed to be marked for identification and filed with the records of the Company; and

RESOLVED FURTHER, that the appropriate officers of the Company shall be and they are hereby authorized and directed to execute all instruments and take such other actions including, without limitation, actions in the nature of providing notices to affected individuals regarding the partial termination of the Plan, as they deem appropriate and necessary and to secure and maintain for the Plan a qualified status under applicable provisions of the Internal

Revenue Code of 1986, as amended and of the Employee Retirement Income Security Act of 1974, as amended.

Enron Corp. 1994 Deferral Plan

WHEREAS, the Company has heretofore established the Enron Corp. 1994 Deferral Plan (As Restated Effective August 11, 1997) (the "Deferral Plan"); and

WHEREAS, the Company desires to amend the Deferral Plan and adopt the Trust Under The Enron Corp. 1994 Deferral Plan;

NOW, THEREFORE, IT IS RESOLVED, that the proper officers of the Company be, and they hereby are, authorized and directed to prepare and execute such amendment to the Deferral Plan on behalf of the Company substantially in the form of amendment presented at this meeting;

RESOLVED FURTHER, that upon execution of such amendment, such amendment shall be deemed adopted by this Board and is hereby ratified and approved;

RESOLVED FURTHER, that the Trust Under The Enron Corp. 1994 Deferral Plan is hereby adopted and made a part of the Deferral Plan, and that the proper officers of the Company be, and they hereby are, authorized to execute such Trust on behalf of the Company substantially in the form of presented at this meeting; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel are hereby authorized, empowered, and directed to take all such further action, to amend, execute, and deliver all such instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses, as in their judgment may be necessary, appropriate, or advisable in order fully to carry into effect the purposes and intentions of this and each of the foregoing resolutions, including the execution of any further amendments, forms, or documents recommended by counsel or required by any governmental agency, and to do anything necessary to effect compliance with applicable law or regulation.

Enron Corp. 1991 Stock Plan

WHEREAS, Enron Corp. (the "Company") and the shareholders of the Company have heretofore approved and adopted the Enron Corp. 1991 Stock Plan (As Amended and Restated Effective May 4, 1999) (the "Plan"); and

WHEREAS, the Company desires to amend the Plan;

NOW, THEREFORE, IT IS RESOLVED, that the proper officers of the Company be, and they hereby are, authorized and directed to prepare and execute an amendment to the Plan incorporating the form of amendment presented at this meeting;

RESOLVED FURTHER, that upon execution of such amendment prepared according to the above provisions, such amendment shall be deemed adopted by this Board and is hereby ratified and approved; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel are hereby authorized, empowered, and directed to take all such further action, to amend, execute, and deliver all such instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses, as in their judgment may be necessary, appropriate, or advisable in order fully to carry into effect the purposes and intentions of this and each of the foregoing resolutions, including the execution of any further amendments, forms, or documents recommended by counsel or required by any governmental agency, and to do anything necessary to effect compliance with applicable law or regulation.

Enron Corp. 1994 Stock Plan

WHEREAS, ENRON Corp. (the "Company") has heretofore adopted and maintains the Enron Corp. 1994 Stock Plan (As Amended and Restated Effective October 12, 1999)(the "Plan"); and

WHEREAS, the Company desires to amend the Plan;

NOW, THEREFORE, IT IS RESOLVED, that the proper officers of the Company be, and they hereby are, authorized and directed to prepare an amendment to the Plan incorporating the form of amendment presented at this meeting;

RESOLVED FURTHER, that upon execution of such amendment prepared according to the above provisions, such amendment shall be deemed adopted by this Board and is hereby ratified and approved; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel are hereby authorized, empowered, and directed to take all such further action, to amend, execute, and deliver all such instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses, as in their judgment may be necessary, appropriate, or advisable in order fully to carry into effect the purposes and intentions of this and each of the foregoing resolutions, including the execution of any further amendments, forms, or documents recommended by counsel or required by any governmental agency, and to do anything necessary to effect compliance with applicable law or regulation.

Mr. Lay called upon Dr. Jaedicke to report on the Audit and Compliance Committee meeting held on August 7, 2000. Dr. Jaedicke stated that the Committee had discussed selected items impacting the Company's second quarter performance. He noted that the Committee received an update on SEC initiatives, including efforts to strengthen the effectiveness of audits and to establish outside auditor independence standards. He stated that the Committee had a discussion with representative of Arthur Andersen LLP regarding the SEC's rulemaking proposal regarding auditor independence. He noted that the most significant change from past practice related to the scope of services area which, as proposed, would restrict a company from using its financial statement auditors for assistance in the design and implementation of financial information systems and for internal audit outsourcing.

Mr. Lay then called upon Ms. Carter to report on the Finance Committee meeting held on August 7, 2000. Ms. Carter stated that at the August 7, 2000 meeting the Finance Committee had approved the following items for recommendation to the Board: 1) revisions to the Enron Corp. Risk Management Policy to: a) increase the aggregate Value-at-Risk ("VAR") limit, b) increase the limits of certain existing commodity groups, c) incorporate certain technical revisions, and d) increase the North American Electricity position and VAR limits if the Company was successful in its bidding for certain power purchase arrangements in Canada and 2) Project Tammy, the formation of a new company to serve as an intermediate financing vehicle for the Company. Following a discussion, upon motion duly made by Mr. Blake, seconded by Mr. Urquhart, and carried, the revision to the Enron Corp. Risk Management Policy, as filed with the records of the meeting, and the following resolutions were approved:

Creation of Enron Finance Partners

RESOLVED, that the formation and capitalization of Enron Finance Partners, LLC, a Delaware limited liability company ("EFP"), by the Company, Enron Capital Investments Corp., a Delaware corporation ("ECIC"), Smith Street Land Company, a Delaware corporation ("SSLC"), and EOGI-India, Inc., a Delaware corporation ("EOGI"), all wholly-owned subsidiaries of the Company, pursuant to that certain Limited Liability Company Agreement of Enron Finance Partners, LLC, dated as of July 21, 2000 ("LLC Agreement"), be, and hereby is, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that the appointment and admission of the Company as the sole Managing Member of EFP be, and hereby is, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that, in connection with the formation of EFP, the execution and delivery by the Company of a Demand Promissory Note, dated as of July 21, 2000, in the original principal amount of $200 Million Dollars, with a maturity date of July 21, 2010, and bearing an interest rate of eight percent per annum ("Promissory Note"), made payable to ECIC as a contribution to the capital of ECIC be, and hereby is, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that upon receipt of the Promissory Note, ECIC contributed the Promissory Note to EFP as a capital contribution by ECIC, and such contribution by ECIC to EFP of the Promissory Note be, and hereby is, authorized, approved, ratified, and confirmed, and the Company hereby recognizes EFP as the holder of the Promissory Note;

RESOLVED FURTHER, that in addition to its initial cash capital contribution to EFP in consideration of its admission as a member of EFP, EOGI caused a further capital contribution to EFP by contributing to EFP all of the issued and outstanding capital stock of Enron Oil & Gas India Ltd., a Cayman Islands company ("EOG Cayco"), pursuant to transfer of share/stock power (the "EOG Cayco Contribution"), and the EOG Cayco Contribution be, and hereby is, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that in connection with the EOG Cayco Contribution, EOGI assumed approximately $523 million of debt of Enron Corp. (the "Enron-EOGI Debt Obligations"), which debt was assumed pursuant to an Assumption Agreement, dated as of July 21, 2000 (the "EOGI Assumption Agreement"), between the Company and EOGI, and such assumption by EOGI of the Enron-EOGI Debt Obligations, and the execution and delivery of the EOGI Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that upon assumption of the Enron-EOGI Debt Obligations by EOGI, EFP assumed the Enron-EOGI Debt Obligations pursuant to a Supplemental Assumption Agreement, dated as of July 21, 2000 (the "EOGI Supplemental Assumption Agreement"), between EOGI and EFP, and such assumption by EFP of the Enron-EOGI Debt Obligations and the execution and delivery of the EOGI Supplemental Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that as a result of the EOGI Assumption Agreement and the EOGI Supplemental Assumption Agreement, the Company has not been released from the Enron-EOGI Debt Obligations;

RESOLVED FURTHER, that in addition to its initial cash capital contribution to EFP in consideration of its admission as a member of EFP, SSLC caused a further capital contribution to EFP by executing an Option Agreement, dated as of July 27, 2000 ("Option Agreement"), between SSLC and EFP, granting EFP an exclusive and irrevocable option until July 27, 2010 to purchase all of the shares of capital stock of Enron Renewable Energy Corp., a Delaware corporation ("EREC"), held by SSLC, and that the execution, delivery, and performance of such Option Agreement and contribution be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that in connection with the execution and delivery of the Option Agreement, SSLC assumed approximately $524 million of debt of Enron Corp. (the "Enron-SSLC Debt Obligations"), which debt was assumed pursuant to an Assumption Agreement, dated as of July 27, 2000 (the "SSLC Assumption Agreement"), between the Company and SSLC, and such assumption by SSLC of the Enron-SSLC Debt Obligations and

the execution and delivery of the SSLC Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that upon assumption of the Enron-SSLC Debt Obligations by SSLC, EFP assumed the Enron-SSLC Debt Obligations pursuant to a Supplemental Assumption Agreement, dated as of July 27, 2000 (the "SSLC Supplemental Assumption Agreement"), between SSLC and EFP, and such assumption by EFP and the execution and delivery of the SSLC Supplemental Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that as a result of the SSLC Assumption Agreement and the SSLC Supplemental Assumption Agreement, the Company has not been released from the Enron-SSLC Debt Obligations;

RESOLVED FURTHER, that the initial $1,000 cash capital contribution and the proposed additional capital contribution by Enron Caribbean Basin LLC, a Delaware limited liability company ("ECB"), of 10,900 Ordinary shares, $1.00 par value per share, of Enron LNG Power (Atlantic) Ltd., a Cayman Islands company ("Enron LNG"), owned by ECB to EFP, pursuant to a transfer of share/stock power (the "Enron LNG Contribution") be, and hereby is, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that in connection with the Enron LNG Contribution, Atlantic Commercial Finance, Inc., a Delaware corporation ("ACFI"), will assume approximately $120 million of debt of the Company (the "Enron-ACFI Debt Obligations"), which debt will be assumed pursuant to an Assumption Agreement (the "ACFI Assumption Agreement") between the Company and ACFI, and such assumption by ACFI of the Enron-ACFI Debt Obligations and the execution and delivery by the Company of the ACFI Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that upon assumption of the Enron-ACFI Debt Obligations by ACFI, ECB will assume the Enron-ACFI Debt Obligations pursuant to a Supplemental Assumption Agreement (the "ECB Supplemental Assumption Agreement"), between ACFI and ECB, and such assumption by ECB of the Enron-ACFI Debt Obligations and the execution and delivery of the ECB Supplemental Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that upon assumption of the Enron-ACFI Debt Obligations by ECB, EFP will further assume the Enron-ACFI Debt Obligations pursuant to a Supplemental Assumption Agreement (the "EFP Supplemental Assumption Agreement"), between ECB and EFP, and such assumption by EFP of the Enron-ACFI Debt Obligations and the execution and delivery of the EFP Supplemental Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that as a result of the ACFI Assumption Agreement, the ECB Supplemental Assumption Agreement, and the EFP Supplemental Assumption Agreement, the Company has not been released from the Enron-ACFI Debt Obligations;

RESOLVED FURTHER, that an additional capital contribution by the Company of 11,500,000 shares of common stock, $0.01 par value per share, of EOG Resources Inc., a Delaware corporation formerly known as Enron Oil & Gas Company ("EOG"), owned by the Company to EFP, pursuant to an irrevocable stock power (the "EOG Contribution") be, and hereby is, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that in connection with the EOG Contribution, EFP will assume approximately $440 million of debt of the Company (the "Enron-EOG Debt Obligations"), which debt may include assumption by EFP of the obligations of the Company under 11,500,000 Exchangeable Notes issued by the Company on August 17, 1999 (commonly referred to as ACES), which debt will be assumed pursuant to an Assumption Agreement (the "Enron-EFP Assumption Agreement") between the Company and EFP, and such assumption by EFP of the Enron-EOG Debt Obligations and the execution and delivery by the Company and EFP of the Enron-EFP Assumption Agreement be, and hereby are, authorized, approved, ratified, and confirmed;

RESOLVED FURTHER, that in connection with the EOG Contribution, the Company, EFP, and EOG will enter into a Consent and Amendment Agreement for the purposes of (i) providing consent by EOG to the proposed EOG Contribution by the Company to EFP under the Share Exchange Agreement, dated as of July 19, 1999 ("Share Exchange Agreement"), between the Company and EOG, (ii) acknowledging and agreeing to the standstill, voting, and other provisions applicable to Enron and EFP under the Share Exchange

Agreement, and (iv) extending such provisions until July 31, 2002 (the maturity date of the ACES obligations);

RESOLVED FURTHER, that as a result of the Enron-EFP Assumption Agreement, the Company will not be released from the Enron-EOG Debt Obligations;

RESOLVED, that following implementation of the actions contemplated by the foregoing resolutions, and pursuant to Section 351 of the Internal Revenue Code, as amended, the Company will convey to ECIC 95% of its membership interests in EFP in exchange for shares of stock of ECIC of equivalent value;

RESOLVED FURTHER, that in order to provide financing and liquidity for construction and operation of the new Enron Building in Houston, Texas and to facilitate other businesses and financings of the Company, the Company is hereby authorized, in its own capacity and in its capacity as Managing Member of EFP, to:

(a) cause EFP to loan funds to one or more third parties or to the Company or to affiliates of the Company, or receive as a loan, contribution, or investment funds by one or more third parties, the Company, or affiliates of the Company, in connection with the business of EFP and the Company;

(b) seek the participation or investment by any affiliated or unaffiliated investors, and cause the issuance and/or sale of equity or debt securities or membership interests in EFP in such amounts and at such times as determined by the Company, which issuances may be to an affiliate of the Company or to an investor or investor group not affiliated with the Company;

(c) engage any financial, legal, or other advisors to implement financings, loans, and issuances of equity or debt securities or membership interests for EFP, the Company, or their respective affiliates; and

(d) form and capitalize all entities necessary or appropriate to effectuate the foregoing transactions.

RESOLVED FURTHER, that the Company hereby authorizes the implementation of all actions necessary or appropriate to accomplish the purposes of the foregoing resolution, including, without limitation, (i) the creation of entities (including, but not limited to, corporate entities, limited liability companies, branches, and/or partnerships under the laws of the United States, the states thereof, and foreign jurisdictions), (ii) the issuance of or purchase of shares or other interests by the Company, EFP, and their respective subsidiaries and affiliates, (iii) contributions of capital to EFP and to subsidiaries and affiliates of EFP and the Company, (iv) transfers by the Company, EFP, or their respective subsidiaries or affiliates of receivables or other assets (including, without limitation, third party, Company, EFP, or their respective subsidiaries' or affiliates' notes or other financial obligations), (v) making guarantees and indemnifications by the Company, EFP, or their respective subsidiaries or affiliates, (vi) borrowing or providing lending by the Company, EFP, or their respective subsidiaries or affiliates, (vii) acquisitions of securities of the Company, EFP, or their respective subsidiaries or affiliates, and (viii) the sale of securities by the Company, EFP, or their respective subsidiaries or affiliates to third parties, all of the foregoing subject to the applicable charter and governing documents of the Company, EFP, and their respective subsidiaries and affiliates, and the execution and delivery of contractual agreements as deemed necessary or appropriate and approved and executed by officers or representatives of the Company or EFP acting on the advice of counsel, which is hereby authorized and which shall be conclusively evidenced by their signatures on documents intended to be final documents;

RESOLVED FURTHER, that a Committee of the Board consisting of Kenneth Lay and Jeffrey Skilling (with Kenneth Lay to serve as chairman) be, and hereby is, constituted under Section 3, Article IV of the Company's Bylaws with full power and authority on behalf of the Board (except as otherwise contemplated by Section 6, Article IV of the Company's Bylaws) to:

(a) settle and approve the terms and authorize execution on behalf of the Company of such additional documents relating to the transaction undertaken or proposed to be undertaken by the foregoing resolutions as may be required or necessary in order to enable the Company and its affiliates to fulfill their respective obligations in connection with the foregoing resolutions;

(b) pay or authorize the payment of all fees, expenses, or charges incurred by or on behalf of the Company or its affiliates in connection with the transactions contemplated by the foregoing resolutions, including (but without limitation) the fees and expenses of the Company's and its affiliates' financial, legal, and professional advisers; and

(c) take any and all such further action as they shall deem necessary or desirable in connection with the transactions contemplated by the foregoing resolutions;

RESOLVED FURTHER, that the Chairman of the Board, any Vice Chairman of the Board, the President or any Vice President (including any Executive Vice President, Senior Vice President, or Vice President), the Treasurer or any Deputy Treasurer of the Company and its counsel be, and each hereby is, authorized, empowered, and directed (and any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company and/or EFP, under their respective corporate seals or otherwise, and to pay all such expenses as in their discretion appear to be necessary or desirable to carry into effect the purposes and intentions of this and each of the foregoing resolutions; and

RESOLVED FURTHER, that all actions heretofore taken by any officer or representative of the Company related to or in connection with the transactions contemplated by these resolutions be, and hereby are, adopted, ratified, confirmed, and approved in all respects; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Ms. Carter then stated that at the August 7, 2000 meeting the Finance

Committee had approved for recommendation to the Board that Messrs. Lay or Skilling have the authority to approve the following items after final review and completion of definitive documents: 1) Enron South America's ("ESA's") RioGen project, a project to build, own, and operate a 355-megawatt skid mounted merchant power plant near Rio de Janeiro, Brazil, 2) the financing related to ESA's Cuiabá Integrated Energy Project ("Cuiabá"), and 3) the Company's participation, on an equal basis with Shell, in the purchase of Transredes' interest in Cuiabá. Following a discussion, upon motion duly made by Mr. Blake, seconded by Mr. Urquhart, and carried, the following resolutions were approved:

Enron South America Rio Gen Project

WHEREAS, the Board of Directors of the Company deems it advisable and in the best interests of the Company that Enron South America LLC and certain of its wholly-owned subsidiaries (and affiliates) (the "Project Participants") build, own, and operate a 355MW skid mounted merchant power plant near Rio de Janeiro, Brazil (the "Project"), the total cost of which project is estimated to be US$230 million dollars; and

WHEREAS, the Board of Directors of the Company deems it advisable and in the best interests of the Company that approvals be granted, as set forth below, in connection with its development of the Project;

NOW, THEREFORE, IT IS RESOLVED, that the appropriate officers of the Company and/or the Project Participants be, and hereby are, authorized to execute, deliver, and perform the obligations of all agreements in connection with the Project, including engineering, procurement, and construction contract(s) with the Project's turnkey construction contractor, joint venture, shareholder, and participation agreements with other project participants, operations and maintenance, fuel supply, power purchase, and tolling agreements, financing and loan agreements with various project lenders, and other various agreements related to the Project;

RESOLVED FURTHER, that the Company and/or the Project Participants be, and hereby are, authorized to make equity contributions in order to fund construction of the Project in the amount of up to US$230,000,000;

RESOLVED FURTHER, that the officers, directors, and authorized legal representatives of the Company and the Project Participants be, and hereby are, authorized to execute and deliver such other certificates, powers of attorney, affidavits, agreements, assignments, documents, guarantees, and instruments as are required in connection with the above-referenced Project;

RESOLVED FURTHER, that all actions heretofore taken by the officers and representatives of the Company and the Project Participants with respect to the transactions contemplated above be, in all respects, approved, confirmed, and ratified; and

RESOLVED FURTHER, that the proper officers of the Company and the Project Participants be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company and the Project Participants, under a corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and the foregoing resolutions.

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

WHEREAS, certain wholly-owned subsidiaries of the Enron South America LLC, including Enron do Brazil Holdings Ltd. and Enron Brazil Power Holdings I Ltd. (the "Enron Project Participants"), have participated with Shell Cuiabá Holdings Ltd. and Shell Gas (Latin America) B.V. (together with their affiliates, "Shell") in the development and ownership of the Cuiabá Integrated Energy Project (the "Cuiabá Project" or the "Project");

WHEREAS, in order to secure funding for the Cuiabá Project, the Project Participants and Shell, along with their jointly owned subsidiaries involved in the Project, have entered into a Common Terms Agreement dated as of September 30, 1999, with Overseas Private Investment Corporation, Kreditanstalt für Wiederaufbau, the banks or other financial institutions that become parties thereto, Citibank, N.A., Bolivia, Citibank, N.A., Brazil, and Citibank, N.A. (the "Lenders"), as amended by Amendment No. 1 to Common Terms Agreement, dated as of July 21, 2000, and also various mortgages, loan agreements, security documents, and other documents required in connection with the financing (the "Project Financing"); and

WHEREAS, the Lenders have required the following guarantees and pledges in connection with the Project Financing: (i) guarantee of the fuel supply to the Cuiabá Project through May 31, 2003, with the subsequent guarantee of outstanding debt of the Project if the Project is unable to obtain an adequate replacement fuel supply (the "Fuel Standby Arrangement"); (ii) indemnification of the Lenders against potential debt service deficiencies resulting from inadequate prior approval by the *Banco Central do Brasil* (the "Central Bank") for U.S. dollar accounts and cross-guarantees required by the Lenders (the "Central Bank Indemnity"); (iii) sponsor support for cost overruns associated with change orders and delays under the Project's construction contracts (the "Contingent Equity Guarantee"); (iv) guarantee of the Enron Project Participants' contributions to the Chiquitano Forest Conservation Foundation Program in Bolivia (the "NGO/Chiquitano Foundation Support"); (v) liquidity support to the power plant portion of the Cuiabá Project in the event of an economic equilibrium event until the Project is reimbursed for such event under the Project's Power Purchase Agreement (the "Liquidity Facility"); and (vi) guarantee of potential gas price differential resulting from index price differences between the Project's Power Purchase Agreement and its Gas Supply

Agreement (the "Gas Price Floor");

NOW, THEREFORE, IT IS RESOLVED, that the guarantees required in connection with the Cuiabá Project are approved up to the following amounts: the Fuel Standby Arrangement in an amount up to US$365,000,000; the Central Bank Indemnity in an amount up to US$262,400,000; the Contingent Equity Guarantee in an amount up to US$100,240,000; the NGO/Chiquitano Foundation Support in an amount up to US$12,250,000; the Liquidity Facility in an amount of US$14,375,000; and the Gas Price Floor in an amount up to US$2,200,000 per annum;

RESOLVED FURTHER, that the directors, officers, and attorneys-in-fact of the Company and the Enron Project Participants are hereby authorized, empowered, and directed (any one of them acting alone) to take any and all such actions necessary to execute and deliver all instruments and documents in support the Cuiabá Project and the Project Financing, under corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions and that all actions heretofore taken by the directors, officers, and attorneys-in-fact of the Company and the Enron Project Participants with respect to the transactions contemplated above be, in all respects, approved, confirmed, and ratified; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Enron South America Cuiabá Buy-Out

WHEREAS, certain wholly-owned subsidiaries of the Enron South America LLC, including Enron do Brazil Holdings Ltd. (the "Project Participants") have participated with Shell Cuiabá Holdings Ltd. and Shell Gas (Latin America) B.V. (together with their affiliates, "Shell") in the development and ownership of the Cuiabá Integrated Project (the "Cuiabá Project), including partial ownership of Transredes-Transporte de Hidrocarburos S.A. ("Transredes");

WHEREAS, Transredes currently holds a participation in the Cuiabá Project consisting of 12.5% of EPE - Empresa Produtora de Energia S.A., 12.5% of GasOcidente do Mato Grosso Ltda. and 40% of GasOriente Boliviano Ltda., and Shell has made a firm offer to purchase all of such interests and has granted the Project Participants the opportunity to participate with Shell in such offer on a 50:50 basis (i.e., to purchase up to 50% of Transredes' interest in the Cuiabá Project) (the Buyout"); and

WHEREAS, it is now in the best interests of the Company for the Project Participants to acquire this additional interest in the Cuiabá Project;

NOW, THEREFORE, IT IS RESOLVED, that the Board of Directors hereby approves the purchase of up to 50% of Transredes' ownership in the Cuiabá Project;

RESOLVED FURTHER, that the appropriate officers of the Company and/or the Project Participants be, and hereby are, authorized to execute, deliver, and perform the obligations of all agreements necessary or desirable in connection with the Buyout;

RESOLVED FURTHER, that the Company and/or the Project Participants be, and hereby are, authorized to participate in the Buyout in the amount of up to US$59,600,000;

RESOLVED FURTHER, that the officers, directors, and authorized legal representatives of the Company and the Project Participants be, and hereby are, authorized to execute and deliver such other certificates, powers of attorney, affidavits, agreements, assignments, documents, guarantees, and instruments as are required in connection with the above-referenced Buyout;

RESOLVED FURTHER, that all actions heretofore taken by the officers and representatives of the Company and the Project Participants with respect to the transactions contemplated above be, in all respects, approved, confirmed, and ratified; and

RESOLVED FURTHER, that the proper officers of the Company and the Project Participants be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company and the Project Participants,

under a corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and the foregoing resolutions.

Mr. Lay called upon Lord Wakeham to report on the Nominating and Corporate Governance Committee meeting held on August 7, 2000. Lord Wakeham stated that the Committee had discussed two individuals and he distributed the candidates' curriculum vitaes. He stated that the first individual had previously held a key position in Mexico's energy industry, was known by Messrs. Lay and Skilling, and was believed to have had extensive international business experience. He noted that no discussions had been held with the candidate and a discussion of the candidate by the Board ensued. He noted that the Committee had approved a continuation of the gathering of information regarding the potential candidate and, pending the outcome of receipt of additional information, having discussions with him regarding a possible Board membership.

Lord Wakeham then called upon Mr. Lay to discuss Mr. Richard N. Foster. Mr. Lay stated that Mr. Foster, currently a Senior Partner and Director of McKinsey & Co., Inc., ("McKinsey"), had recently joined him on the board of directors of a private company, Trust Company of the West. He discussed Mr. Foster's background and a book, *Innovation: The Attacker's Advantage,* which Mr. Foster had written. Mr. Skilling noted that he had worked with Mr. Foster at McKinsey and discussed Mr. Foster's abilities and expertise in areas relevant to the Company. Mr. Lay stated that due to the nature of Mr. Foster's responsibilities at McKinsey he would not be able to join the Company's Board. He stated that the Nominating and Corporate Governance Committee had recommended that Mr. Foster become an advisor to the Company's Board and attend the Board meetings but have no voting privileges. Following a discussion, the Board unanimously approved offering Mr. Foster a position as an advisor to the Board.

Mr. Lay then discussed the October Board meeting. He noted that the meeting was scheduled to take place in South America but due to the ongoing negotiations regarding Project Summer, a proposed transaction to sell certain of the Company's international assets previously discussed with the Board, he wanted to discuss the location with the Board. Ms. Carter distributed a handout outlining the proposed budget for the South American Board meeting, a preliminary budget for holding the meeting at an alternate site in North America, and a list of possible locations. Following a discussion, the Board unanimously agreed to hold the meeting in North America.

Mr. Lay recessed the executive session at 9:15 p.m., C.D.T., on August 7, 2000 and reconvened the meeting at 8:00 a.m., C.D.T., on August 8, 2000 at the Enron Building in Houston, Texas. All of the Directors noted in attendance on the

previous evening returned to the meeting and Messrs. J. Clifford Baxter, Causey, and Fastow and Ms. Carter also attended the session.

Mr. Lay changed the agenda to begin with an update on Project Summer and called upon Mr. Skilling to begin the discussion. Mr. Skilling gave a general overview of the Project Summer transaction and provided an update on the status of negotiations. He discussed the Company's rationale for considering the transaction and commented on the potential upside that the Company would be forgoing by selling the assets. He then called upon Mr. Baxter to discuss the specifics of the proposed transaction.

Mr. Baxter discussed the background of the leader of the investment group seeking to purchase the Project Summer assets, the current contract specifics, and certain ongoing obligations of the Company that would be in place if the transaction were completed. He then commented on the proposed capital structure for the transaction, the transition services that would be provided by the Company, and the timing of the different steps in the closing of the transaction.

Ms. Mark left the meeting following Mr. Baxter's presentation.

Mr. Skilling discussed the regional valuation breakdown of the Project Summer assets and the reasons the sale would be desirable for the Company and the purchaser. He briefly discussed management's current recommendation regarding the Company's dividend level if the Project Summer transaction were completed and the potential options regarding the use of the proceeds from the transaction. Messrs. Baxter and Lay joined him in answering questions from the Board regarding Project Summer.

Mr. Lay ended the executive session at 9:30 a.m., C.D.T., and reconvened the meeting in open session at 9:45 a.m., C.D.T. Messrs. William A. Cordes, Robert A. Hill, Stanley C. Horton, Mark E. Koenig, Danny J. McCarty, Rockford G. Meyer, James C. Prentice, and Joseph W. Sutton and Mesdames Rosalee T. Fleming and Louise J. Kitchen, all of the Company or affiliates thereof, joined the meeting.

Mr. Lay called upon Mr. Skilling to begin his presentation, a copy of which is filed with the records of the meeting. Mr. Skilling reviewed the Company's second quarter performance, including revenues, net income, and earnings per share. He discussed the Wholesale Energy Operations and Services business unit's significant increase from the prior year's second quarter in physical volumes, financial settlements, and income before interest and taxes. He commented on the Company's North American and European wholesale gas and power networks and the power volumes marketed during the quarter. He presented a chart displaying the daily transactions conducted by EnronOnline since its inception and he noted that during the month of June 59% of the

Company's transactions were conducted via EnronOnline. He noted that the Company was the leading energy marketer in North America in both natural gas and power during the second quarter.

Mr. Skilling then discussed Enron Energy Services, LLC ("EES") and the total contract value of transactions signed during the second quarter. He noted that EES had positive income before interest and taxes the last three quarters and he discussed recent contracting activity. He then discussed Enron Broadband Services, Inc. ("EBS") and the status of the Enron Intelligent Network's fiber, servers, and pooling points. He commented that EBS had streamed the Wimbledon telecast and over 90 countries had logged on to view the matches. He then discussed the Company's recent transaction with Blockbuster Video and he noted that it has impacted the Company's strategy regarding the "last mile of service". He stated that EBS was currently using DSL because it was more readily available but noted that the Company was considering other alternatives. He then discussed EBS' competitors in the different areas where it does business and commented on the top tier cities/markets where EBS was currently making prices available. He stated that EBS's year-to-date volumes were already ahead of the total volumes targeted for the year.

Mr. Fastow left the meeting following Mr. Skilling's presentation and Mr. Skilling called upon Ms. Kitchen to discuss Enron Net Works. A copy of Ms. Kitchen's presentation is filed with the records of the minutes.

Ms. Kitchen discussed the current market conditions that were leading to opportunities for Enron Net Works, including the legacy distribution channels that were currently utilized to sell commodity products, the lack of price transparency and pricing inefficiencies in the distribution channels, and the ability of the internet to provide immediate and inexpensive access to customers. She noted that the Company had the market making, risk management, back office, and eCommerce platform capabilities required to capture additional marketing opportunities. She stated that the Company had already modified and customized EnronOnline to accommodate additional commodities that were traded in vertical markets. She discussed Enron Net Work's target markets and its approach to entering those markets by streamlining the processes involved in transacting, increasing the Company's market share, and establishing positions in new markets. She noted that the Company was currently targeting the metals, pulp and paper, steel, lumber, credit/finance, data storage, settlements, and logistics markets. She commented on recent Net Works transactions and noted that Clickpaper.com was an example of a vertical market that Net Works was entering with customized and personalized content made available to the users. She stated that Net Works was also making its prices available on other exchanges, the majority of which are fee-based, in an effort to increase the liquidity of the markets. She discussed Net Works funding plan and noted that there were targeted investors for each of the vertical markets the Company was pursuing and

that limited Company financial support would be required. Mr. Skilling joined Ms. Kitchen in answering questions from the Board regarding Enron Net Works.

Mr. Causey and Ms. Kitchen left following the presentation and Mr. Lay called upon Mr. Horton to begin the Enron Gas Pipeline Group ("GPG") presentation, a copy of which is filed with the records of the meeting.

Mr. Horton stated that GPG's mission was to be the leading energy transportation service company in North America offering innovative, efficient, safe, and reliable services for its customers. He discussed GPG's return on invested capital and noted that the base return was currently 18% but taking other items into consideration led to an implied return ranging from 24% to 50%. He commented on GPG's earnings before interest and taxes and items that would contribute to revenue growth in the future, including certain development projects, new services, and eCommerce and eBusiness initiatives. He called upon Mr. Cordes to discuss Northern Natural Gas Company ("NNG").

Mr. Cordes stated that NNG had undertaken efforts to monetize the value of its base gas in storage by selling the gas and then purchasing a gas balancing arrangement to functionally replace the base gas. He stated that NNG had a team working on the development of market area power plants and noted that the plants would primarily be off-peak, summertime plants. He commented on Transwestern Pipeline Company's ("Transwestern") average throughput over the last five years, an expansion project that was placed in-service on May 1, 2000, and certain new interconnects to power plant markets east of California that would be in-service by the second quarter of 2001. He discussed the natural gas capacity and demand in the state of California and noted that new capacity would be needed in the next five years. He commented on proposed power plant projects that could be built along Transwestern's system and stated that this could lead to increased throughput on Transwestern. He discussed the subscribed and unsubscribed capacity on the system and the Company's view regarding the market over the next five years. He then discussed the remaining terms and conditions to be finalized to extend Transwestern's Navajo right-of-way and GPG's utilization of EnronOnline to offer capacity bidding.

Mr. Horton then called on Mr. Meyer to discuss Florida Gas Transmission ("FGT"). Mr. Meyer discussed FGT's Phase IV market area expansion, including the contracted volumes, projected costs, anchor customer, constructions status, and targeted in-service date. He then discussed the Phase V expansion and noted that the additional capacity would be needed to meet electric generation requirements. He stated that an amended application was filed with the Federal Energy Regulatory Commission ("FERC") in August and that the expansion was anticipated to be in-service in April of 2002. He noted that FGT was meeting with customers regarding a Phase VI expansion, targeted to repowering projects and independent power producer's merchant plants, and he discussed the projected

capital requirements and the anticipated in-service date. He commented on the potential competing pipelines in the area and noted that certain recent court decisions could impact the potential for new pipelines.

Mr. Horton then called on Mr. Hill to discuss Northern Border Partners ("NBP"). Mr. Hill discussed Northern Border Project 2000, a 34-mile extension with a capacity of 544 MMcf per day, and noted that it would strategically position NBP in certain industrial markets and for future projects. He noted that NBP had reached a settlement in principle regarding its rate case filed with the FERC and that NBP was currently drafting stipulation and tariff sheets. He then discussed NBP's purchase of a gathering system that would expand NBP's diversification into the non-regulated fee for service areas and NBP's project 20/20, the purchase of ENA's interest in certain gas gathering assets.

Mr. Horton then called on Mr. Prentice to discuss Enron Clean Fuels ("ECF"). Mr. Prentice stated that MTBE margins had strengthened considerably over the last few months and were currently considerably higher than plan. He noted that methanol margins had also increased but higher natural gas prices during June and July had reduced the margins somewhat. He commented on the current political environment for MTBE and stated that several bills had been introduced in both the Congress and certain state legislatures seeking to curtail the use of MTBE. He then commented on efforts to divest the Company's ECF business.

Mr. Horton then summarized GPG's presentation and noted that GPG was on target to meet its 2000 objectives and positioned to remain the leading energy transportation services company.

Mr. Lay then stated that the declaration of dividends payable for the third quarter of 2000 would be postponed until a later meeting and called upon Mr. Skilling to discuss general corporate matters and other business for consideration by the Board.

Mr. Skilling noted that due to recent reorganizations and promotions there were certain individuals that needed to be elected as corporate officers. Following a discussion, upon motion duly made by Mr. Urquhart, seconded by Dr. LeMaistre, and carried, the following resolution was approved:

> RESOLVED, that the following persons be, and each hereby is, elected to the position set forth opposite their names, to serve for the ensuing year and until their successors are duly elected and qualified:
>
> | | |
> |---|---|
> | Cedric R. Burgher | Vice President, Investor Relations |
> | Rodney L. Faldyn | Vice President, Transaction Accounting |

Christie A. Patrick	Vice President, Public Affairs
James D. Steffes	Vice President, Public Affairs
Michael F. Terraso	Vice President, Environmental, Health & Safety & Chief Environmental Officer

Mr. Skilling then noted that EES was proposing a transaction to acquire all of the outstanding equity interests of Integrated Process Technologies, LLC ("IPT"), a web-based vendor management network used to dispatch heating, ventilation, and air conditioning ("HVAC") service providers and to process data to provide preventive maintenance of HVAC equipment. He discussed IPT's customers and the specifics of the transaction. Following a discussion, upon motion duly made by Mr. Urquhart, seconded by Mr. Blake, and carried, the following resolutions were approved:

> WHEREAS, Enron Corp. (the "Company") desires to acquire all of the outstanding equity interests of Integrated Process Technologies, LLC ("IPT");
>
> WHEREAS, Enron Energy Services Operations, Inc. ("EESO") has entered into a letter of intent dated July 12, 2000, with Gary A. Weiss ("Weiss") providing, among other things, for the acquisition by the Company of all of the outstanding capital stock of Weiss Holding Company, which owns 49% of the equity interests of IPT in exchange for the issuance of $15 million worth of shares of Common Stock of the Company to Weiss;
>
> WHEREAS, it is contemplated that in connection with the transaction an aggregate of approximately $6.5 million to $11.5 million of Company stock options will be issued to Weiss and certain other key employees; and
>
> WHEREAS, EESO has entered into a letter of intent dated July 12, 2000, with HSB Group, Inc. ("HSB Group") providing, among other things, for the acquisition by the Company of 51% of the outstanding equity interests of IPT in exchange for the issuance of $13.5 million worth of shares of Common Stock of the Company to HSB Group;
>
> NOW, THEREFORE, IT IS RESOLVED, that the Company shall negotiate the aforesaid transactions (the "Transactions") and that the definitive contracts and agreements relating to the Transactions shall have such terms and conditions as may be negotiated and approved by an officer of the Company or other person authorized and empowered to act pursuant to these resolutions, the execution of which by any such officer or person, in

the name and on behalf of the Company, shall be conclusive evidence of the approval by such officers or person of the contents thereof;

RESOLVED FURTHER, that each of the Chairman and Chief Executive Officer, the President and Chief Operating Officer, any Vice Chairman, any Managing Director, or any Vice President is hereby authorized, empowered, and directed, with the power and authority of the full Board of Directors to the fullest extent permitted by law, to authorize and approve (or ratify if already executed or taken) all agreements, instruments, and documents, and the taking of all actions, as any such officer may deem necessary, advisable, convenient, or proper to consummate the Transactions, including, without limitation, the authorization, execution, and delivery of agreements providing for either or both of the Transactions, which agreements may provide for, among other things, the registration of any shares of Company Common Stock that may be delivered by the Company in connection with the Transactions, with such terms and conditions as such officer shall approve;

RESOLVED FURTHER, that the Board of Directors hereby approves the issuance of up to $20 million worth of shares of Common Stock of the Company to Weiss in consideration for the purchase of all of the outstanding capital stock of Weiss Holding Company and that upon any such issuance in accordance with the terms of definitive agreements relating to the Transactions, such shares of Company Common Stock shall be validly issued, fully paid, and non-assessable;

RESOLVED FURTHER, that the Board of Directors hereby approves the issuance of up to $13.5 million worth of shares of Common Stock of the Company to HSB Group in consideration for the purchase of 51% of the outstanding equity interests of IPT and that upon any such issuance in accordance with the terms of definitive agreements relating to the Transactions, such shares of Company Common Stock shall be validly issued, fully paid, and non-assessable;

RESOLVED FURTHER, that if required in connection with the Transactions the officers of the Company be, and they hereby are, authorized, empowered, and directed to cause to be prepared, executed, and filed with the Securities and Exchange Commission (i) one or more Registration Statements, including exhibits thereto (collectively, the "Registration Statement"), and (ii) such amendments and post-effective amendments to the Registration

Statement or supplements to the Prospectuses constituting a part thereof, and to take all such further action, including the filing of final forms of the Prospectuses, as may, in the judgment of such officers, be necessary, desirable, or appropriate to secure and thereafter to maintain the effectiveness of the Registration Statement;

RESOLVED FURTHER, the Company may make application to the New York Stock Exchange, Inc. and one or more other national securities exchanges for listing of the Enron Common Stock to be issued in the Transactions; that the Chairman of the Board, any Vice Chairman of the Board, the President, any Executive or Senior Vice President, any Managing Director, or any Vice President of the Company be, and they hereby are, authorized and directed to execute and deliver any applications, documents, or agreements, to take any and all actions, to appear before any necessary exchanges, to appoint any banking or other institution as an agent of the Company for any purpose, and to do so or cause to be done any and all things as may appear to them to be necessary or desirable in order to effect such listing;

RESOLVED FURTHER, that the execution by any officer of the Company of any papers and instruments or the performance by any one or more of them of any act in connection with the foregoing resolutions shall conclusively establish their authority therefore from the Company and the approval and ratification by the Company of the papers and instruments so executed and the actions so taken;

RESOLVED FURTHER, that the actions of the officers and employees of the Company acting under the supervision of the officers heretofore taken on behalf of the Company in connection with the above resolutions and the actions contemplated thereby, are, in all respects, confirmed and ratified, and the officers of the Company, together or individually, may take any and all action and do any and all things, or direct the taking of such action or the doing of such things by employees of the Company acting under the supervision of the officer(s) as may be deemed by any of them to be necessary or advisable to effectuate the Transactions, and the taking of any and all such actions and the performance of any and all such things in connection with the foregoing shall conclusively establish their authority from the Company and the approval and ratification by the Company; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized,

empowered, and directed (any one of them acting alone) to take any and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

Mr. Skilling then distributed a suggested form of resolutions relating to a proposed risk management program, Raptor III. He stated that management was proposing Raptor III to provide for the creation of up to two additional structures and related risk management transactions. He stated that Raptor III would be similar in structure to Raptor I and Raptor II, approved by the Board at the May 2, 2000 meeting and by the Executive Committee at the June 22, 2000 meeting, respectively. He noted that Raptor III would provide additional mechanisms to hedge the profit and loss volatility of the Company's investments. Following a discussion, upon motion duly made by Mr. Meyer, seconded by Mr. Ferraz, and carried, the following resolutions were approved:

WHEREAS, Enron Corp. (the "Company") desires to authorize the creation of up to two additional structures and related risk management transactions similar to those approved by the Company's Board of Directors on May 2, 2000 involving Harrier I LLC and Talon I LLC and by the Executive Committee of the Company's Board of Directors on June 22, 2000 involving Harrier II LLC and Talon II LLC, including, without limitation, (1) the issuance by each of one or more existing or newly organized subsidiaries of the Company (each a "Subsidiary") of a debt security (each a "Subsidiary Note") in consideration of (a) the execution and delivery of a Master Agreement described below and a Security Agreement described below, and (b) the contemporaneous issuance to Subsidiary by one or more entities (each an "Entity") owned or to be owned directly or indirectly by LJM2 Co-Investment, L. P. (together with its subsidiaries and affiliates, "LJM2") or another third-party entity and Subsidiary of (i) an equity interest in Entity, and (ii) a debt security having a like tenor to the subject Subsidiary Note (each an "Entity Note"), (2) the guarantee by the Company of the indebtedness of each Subsidiary under its Subsidiary Note and the performance of the obligations of Subsidiary under the subject Entity Derivatives and the Securities Agreement described below, (3) the guarantee by the Company of the performance of a Subsidiary's obligation to purchase LJM2's (or other third-party entity's) interest in an Entity upon the occurrence of certain events set forth in the subject Entity constitutional documents, (4) the entry by the Company or Subsidiary into a series of agreements with

Entity providing for the risk management by the Company against (a) fluctuations in value of, or returns receivable in respect of, equity securities (and derivatives with respect thereto) designated by the Company or its subsidiaries and affiliates, including, without limitation, equity securities acquired or to be acquired by the Company in connection with its broadband activities and merchant assets generated in the Company's wholesale business, and (b) fluctuations in value of a number of shares of Common Stock of the Company to be agreed between the Company and LJM2 (or other third-party entity, if applicable) from a price to be established by agreement between the Company and LJM2 (or other third-party entity, if applicable) (each an "ENE Derivative"), through the execution of a master agreement and related derivative securities and risk management transactions under the terms agreed in the documents to be executed in connection with the transaction, and (5) as partial consideration for the issuance of a Subsidiary Note and equity interest in an Entity to a Subsidiary, the entry by such Subsidiary and Entity into an agreement (each a "Securities Agreement") granting Entity the right to acquire an agreed number of shares of Common Stock of the Company in which Subsidiary will own (after giving effect to the transactions contemplated by these resolutions) an indirect beneficial interest, and (6) any types or combinations of transactions or series of transactions similar to those outlined in (1) through (5) of this paragraph (transactions (1) through (6) collectively referred to herein as the "Transactions").

NOW, THEREFORE, IT IS RESOLVED, that the Transactions, including without limitation, the execution and delivery by each Subsidiary of a Subsidiary Note, an Entity Derivatives described below, and a Securities Agreement, the execution and delivery by the Company of each ENE Derivative and the guarantee agreements referred to above and the acquisition by any Entity of shares of Company Common Stock, if any, issued in settlement of an ENE Derivative and a Securities Agreement, are hereby authorized and approved subject to the following terms and conditions (the "Board Conditions"):

(i) specific Transactions must be approved and authorized by either the Company's Chairman and Chief Executive Officer or President and Chief Operating Officer;

(ii) subject to the immediately preceding clause (i), the definitive contracts and agreements relating to the Transactions shall have such terms and conditions as are negotiated and approved by an officer of the Company or other person

authorized and empowered to act pursuant to these resolutions, the execution of which by any such officer or person, in the name and on behalf of the Company, shall be conclusive evidence of the approval by such officers or person of the contents thereof;

(iii) the maximum aggregate principal amount of each Subsidiary Note or other debt instrument to be issued by a Subsidiary in connection with the Transactions shall not exceed $50 Million and the stated interest rate payable thereon shall not exceed 7%;

(iv) the maximum aggregate principal amount of all Subsidiary Notes or other debt instruments contemplated by the immediately preceding clause (iii) shall not exceed $100 Million;

(v) the maximum number of shares of Company Common Stock (a) subject to each ENE Derivative shall not exceed 8.0 million shares, and (b) issuable under each Securities Agreement shall not exceed 8.0 million shares; and

(vi) the maximum number of shares of Company Common Stock (a) subject to all ENE Derivatives contemplated by the immediately preceding clause (v) shall not exceed 16 million shares, and (b) issuable under all Securities Agreements contemplated by the immediately preceding clause (v) shall not exceed 16 million shares;

RESOLVED FURTHER, that each of the Chairman and Chief Executive Officer, the President and Chief Operating Officer, any Vice Chairman, any Managing Director, any Vice President, and the Treasurer or any Deputy Treasurer is hereby authorized, empowered, and directed, with the power and authority of the Board of Directors to the fullest extent permitted by law, to authorize and approve (or ratify if already executed or taken) all agreements, instruments, and documents, and the taking of all actions, as any such officer may deem necessary, advisable, convenient, or proper to consummate the Transactions (subject, however, in all respects, to the Board Conditions), including, without limitation:

(i) all matters insofar as they affect the Company or any of its subsidiaries or affiliates associated with the formation of each Entity and the acquisition by a Subsidiary of an equity interest therein, including, without limitation, the execution

and delivery of constituent agreements establishing an Entity and the terms thereof and the establishment of the amount and form of any capital contribution to be made to an Entity in respect of a Subsidiary's equity interest therein;

(ii) the authorization, execution, and delivery of each guarantee agreement whereby the Company guarantees the indebtedness under a Subsidiary Note and the performance of a Subsidiary's obligations under an Entity Derivatives and a Securities Agreement;

(iii) the authorization, execution, and delivery of each guarantee agreement whereby the Company guarantees the performance of a Subsidiary's obligation to purchase LJM2's (or other third-party's) interest in an Entity upon the occurrence of certain events set forth in the Entity constitutional documents;

(iv) the authorization, execution, and delivery of one or more master agreements (each a "Master Agreement") providing for the general terms and conditions upon which the risk management activities contemplated by the Transactions will take place, the related form of the 1992 ISDA Master Agreement (Multicurrency-Cross Border), as modified by agreements of the parties and individual confirmations relating to particular transactions (collectively, the "Entity Derivatives"), and the security agreement granting the Company and a Subsidiary a security interest in amounts received by Entity in order to secure Entity's obligations under an Entity Note, Entity Derivatives, and ENE Derivative (each a "Security Agreement"), in each case having such terms and conditions (including, without limitation, pricing terms) as such officer shall approve;

(v) the authorization, execution, and delivery of each Subsidiary Note and Securities Agreement, in each case, with such terms and conditions (including, without limitation, pricing terms) as such officer shall approve;

(vi) the approval insofar as they affect the Company or any of its subsidiaries or affiliates of each form of note representing an Entity Note and the issuance by an Entity of such Entity Note;

(vii) the authorization, execution, and delivery of each registration rights agreement between the Company and an Entity providing for, among other things, the registration of any shares of Common Stock of the Company that may be delivered by the Company or its affiliates in performance of an ENE Derivative and a Securities Agreement, with such terms and conditions as such officer shall approve; and

(viii) the negotiation, authorization, execution, and delivery of such other agreements, instruments, and documents relating to the Transactions, including, but not limited to, documents relating to each ENE Derivative and agreements, instruments, and documents that provide, among other things, for the indemnification of third parties, and the payment of fees and expenses of third parties as such officer may deem necessary, advisable, convenient, or proper in connection with the Transactions or any other matters addressed by these resolutions;

RESOLVED FURTHER, that an aggregate of 16.0 million shares of Company Common Stock are hereby reserved for issuance in settlement of the ENE Derivatives referred to above in the event the Company elects to make settlement thereunder in shares of Company Common Stock;

RESOLVED FURTHER, that the Company is authorized to issue such shares of Common Stock of the Company in settlement of ENE Derivatives, and to offer and sell any such shares delivered in settlement of any Securities Agreement and that upon any such issuance in accordance with the terms of the subject ENE Derivative and Securities Agreement, such shares of Common Stock shall be validly issued, fully paid, and non-assessable;

RESOLVED FURTHER, that if it is deemed necessary or advisable by the officers of the Company that the Common Stock issuable upon settlement of an ENE Derivative or Securities Agreement be qualified or registered for sale under the applicable Blue Sky Laws or securities acts of any jurisdiction, or that a filing be made in any jurisdiction to secure or obtain an exemption from qualification or registration, the officers of the Company are each authorized to perform on behalf of the Company any and all such acts as any one or more of them may deem necessary or advisable in order to comply with such laws of such jurisdiction, and in connection therewith, to execute and file all requisite papers and instruments and to make any and all payments of filing, registration

or other fees, costs, and expenses, and to take any and all further action in connection with the foregoing which any one or more of them shall deem necessary or advisable;

RESOLVED FURTHER, that if the officers of the Company determine that it is desirable for the Company to do so, the Company may make application to the New York Stock Exchange, Inc. and one or more other national securities exchanges for listing of the Company Common Stock to be issued in the Transactions; that the Chairman of the Board, any Vice Chairman of the Board, the President, any Executive or Senior Vice President, any Managing Director, any Vice President, the Treasurer, or any Deputy Treasurer of the Company be, and they hereby are, authorized and directed to execute and deliver any applications, documents, or agreements, to take any and all actions, to appear before such exchanges if necessary, to appoint any banking or other institution as an agent of the Company for any purpose, and to do or cause to be done any and all things as may appear to them to be necessary or desirable in order to effect such listing;

RESOLVED FURTHER, that the execution by any officer of the Company of any papers and instruments or the performance by any one or more of them of any act in connection with the foregoing resolutions shall conclusively establish their authority therefore from the Company and the approval and ratification by the Company of the papers and instruments so executed and the actions so taken;

RESOLVED FURTHER, that the actions of the officers and employees of the Company acting under the supervision of the officers heretofore taken on behalf of the Company in connection with the above resolutions and the actions contemplated thereby are, in all respects, confirmed and ratified, and the officers of the Company, together or individually, may take any and all action and do any and all things, or direct the taking of such action or the doing of such things by employees of the Company acting under the supervision of the officer(s) as may be deemed by any of them to be necessary or advisable to effectuate the Transactions, and the taking of any and all such actions and the performance of any and all such things in connection with the foregoing shall conclusively establish their authority from the Company and the approval and ratification by the Company; and

RESOLVED FURTHER, that the proper officers of the Company and its counsel be, and each of them hereby is, authorized, empowered, and directed (any one of them acting alone) to take any

and all such further action, to amend, execute, and deliver all such further instruments and documents, for and in the name and on behalf of the Company, under its corporate seal or otherwise, and to pay all such expenses as in their discretion appear to be necessary, proper, or advisable to carry into effect the purposes and intentions of this and each of the foregoing resolutions.

There being no further business to come before the Board, the meeting was adjourned at 11:20 a.m., C.D.T.

Secretary

APPROVED:

Chairman

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