

AGREEMENT

This AGREEMENT (the "Agreement") dated as of January 30, 2002 is made by and between Enron Corp., an Oregon corporation ("Enron") and Stephen Forbes Cooper, LLC ("SFCooper, LLC"), a New Jersey limited liability company, relating to Enron and its subsidiaries which are currently or in the future become subject to any bankruptcy proceeding under the United States Bankruptcy Code or similar insolvency proceeding (collectively the "Debtors").

Recitals:

WHEREAS, the parties hereto desire to enter into this Agreement to set forth the basis on which SFCooper, LLC will perform management services for the Debtors, all as set forth more fully in this Agreement.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties to this Agreement hereby agree as follows:

1. **Engagement.** Enron on behalf of the Debtors hereby engages SFCooper, LLC as an independent contractor, and SFCooper, LLC hereby accepts such engagement, on the terms and conditions set forth in this Agreement. SFCooper, LLC shall provide Stephen Cooper ("Cooper") and up to the Full-Time Equivalent ("FTE") (defined as 160 worked hours per month) of fifteen additional individuals (the "Associate Directors of Restructuring") to work for the Debtors as set forth below. The use of more than fifteen FTE Associate Directors of Restructuring must be approved by Enron. All compensation for the services and actions of Cooper and the Associate Directors of Restructuring under this Agreement will be paid to SFCooper, LLC.

2. **Duties.**

(a) Enron represents to SFCooper, LLC that the Board of Directors of Enron (the "Board") has duly elected Cooper as the Acting Chief Executive Officer and Chief Restructuring Officer of Enron and the terms of this Agreement have been approved by the Board through a duly appointed committee of the Board. Subject to approval of this Agreement by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), SFCooper, LLC will assign Associate Directors of Restructuring to serve in various capacities with the Debtors and to perform other services required of SFCooper, LLC hereunder.

(b) Pursuant to and except as limited by the terms of this Agreement, Cooper shall be authorized to make decisions with respect to all aspects of the management and operation of the Debtors' business, including without limitation organization and human resources (including, except as otherwise provided below, directing the hiring and termination of employees of the Debtors and utilization of Associate Directors of Restructuring), marketing

and sales, logistics, finance and administration and such other areas as he may identify, in such manner as he deems necessary or appropriate in his sole discretion consistent with the business judgment rule and the provisions of local law and the United States Bankruptcy Code applicable to the obligations of persons acting on behalf of corporations, subject only to appropriate governance by the Board in accordance with the Debtors' Bylaws and applicable state law. Cooper and the Associate Directors of Restructuring (individually, a "Representative" and collectively, the "Representatives") shall not have any authority to make decisions with respect to hiring or terminating officers, executing transactions or otherwise committing the Debtors or its resources other than in the ordinary course of business or otherwise approved by the Board or the Executive Committee of the Board (the "Executive Committee") and, if required, the Bankruptcy Court. All material decisions of Cooper shall be discussed with one or more members of the Board or the Executive Committee, as appropriate, and with Debtors' Chief Executive Officer ("CEO"), if a non-interim CEO is appointed by the Board. Any dispute between the Executive Committee and Cooper regarding the implementation of such decisions shall be resolved definitively by the non-interim CEO, if any, and in the absence of a non-interim CEO, by the Board.

(c) SFCooper, LLC shall cause Cooper to furnish such hours of service hereunder as Cooper deems necessary in his sole discretion to perform his duties on behalf of SFCooper, LLC hereunder; provided, however, that Cooper shall provide a minimum of twenty hours of service hereunder per week.

(d) In undertaking to provide the services set forth herein, SFCooper, LLC does not guarantee or otherwise provide any assurances that it will succeed in restoring the Debtors' operational and financial health and stability and, except for the amount referenced in Section 4(c) hereof, the Debtors' obligation to provide the compensation specified under Section 4 hereof shall not be conditioned upon any particular results being obtained by SFCooper, LLC.

(e) In view of the Debtors' precarious present circumstances, Enron, on behalf of the Debtors, acknowledges that each Representative may be required to make decisions with respect to extraordinary measures quickly and that the depth of his analyses of the information on which his decisions will be based may be limited in some respects due to the availability of information, time constraints and other factors. Moreover, each Representative shall be entitled, in performing his duties hereunder on behalf of SFCooper, LLC, to rely on information disclosed or supplied to them without verification or warranty of accuracy or validity except to the extent such Representative has actual knowledge that such information is incorrect in a material respect.

(f) Cooper will endeavor to keep the Board and/or the Executive Committee and the non-interim CEO, if any, fully apprised of his findings, plans and activities.

3. Term. The term of SFCooper, LLC's engagement hereunder shall commence on the date hereof and shall continue on a month to month basis until terminated by either party upon ten days prior written notice to the other party, provided, however, that in the event of

termination prior to the end of a calendar month, Debtors shall pay SFCooper, LLC for the entire calendar month as if the engagement ended at the end of said month based on historical monthly billings.

4. Compensation. SFCooper, LLC's compensation hereunder shall consist of the following:

(a) an annual payment of \$1,320,000, payable monthly in the amount of \$110,000 in immediately available funds upon approval of this Agreement by the Bankruptcy Court (in respect of the month of February 2002) and on the first day of each calendar month thereafter throughout the term hereof for the services of Cooper;

(b) an annual payment of \$1,200,000 for each FTE Associate Director of Restructuring payable monthly in the amount of \$100,000 in immediately available funds upon the approval of this Agreement by the Bankruptcy Court (in respect to the month of February 2002) and on the first day of each calendar month thereafter throughout the term hereof for the services of the Associate Directors of Restructuring; the initial monthly payment under this Section 4(b) shall be \$1,000,000, with such payment to be adjusted on a quarterly basis as provided in this Section 4;

(c) a fee in an amount to be mutually agreed between the Debtors and SFCooper, LLC in the event that Enron succeeds in obtaining: (i) a consensual non-liquidating restructuring of a significant portion of Enron's business or (ii) a final judicial order approving a plan of reorganization under chapter 11 (other than a liquidation plan); provided however that such fee shall be in a minimum amount of \$5,000,000 (any amounts in excess of \$5,000,000 are subject to approval of the Debtors' creditors' committee). In the event Debtors fail to succeed in obtaining the results described in clause (i) or (ii) above, Debtors and SFCooper, LLC shall mutually agree on an appropriate fee under this Section 4(c) (subject to approval of the Debtors' creditors' committee).

(d) reimbursement of SFCooper, LLC's reasonable out-of-pocket expenses including, but not limited to, reasonable costs of travel, reproduction, typing, computer usage, legal counsel (including legal counsel retained to draft and enforce this Agreement) and other similar direct expenses and any and all taxes (other than state, local and federal income taxes) on any of the foregoing.

The Debtors shall pay to SFCooper, LLC the compensation set forth in Sections 4(b) and 4(d) hereof based upon the submission of monthly invoices by SFCooper, LLC setting forth the number (which may include a fraction) of FTE Associate Directors of Restructuring for the prior calendar month, a general description of the services provided and a detailed listing of the expenses sought to be reimbursed. SFCooper, LLC shall make a retroactive adjustment on a quarterly basis to the fee calculated pursuant to Section 4(a) and 4(b) hereof based on the actual level of efforts of the individuals providing services. Such retroactive adjustment shall be reported to and approved by the Executive Committee.

5. Confidentiality.

(a) The Debtors, including the Board, shall treat any information received from SFCooper, LLC or a Representative as confidential and, except as specified in this Section 5(a), will not publish, distribute or otherwise disclose in any manner any information developed by or received from SFCooper, LLC or a Representative without SFCooper, LLC's or such Representative's prior written approval. Such approval shall not be unreasonably withheld. Such approval shall not be required if either (i) the information sought is required to be disclosed by an order binding on Debtor and issued by a court having competent jurisdiction over Debtor and such information is disclosed only pursuant to the terms of such order, (ii) such information is required to be disclosed by applicable law based on the advice of legal counsel or (iii) the information is otherwise publicly available other than through disclosure by a party in breach of a confidentiality obligation with respect thereto.

(b) SFCooper, LLC and each Representative agrees to treat any information received from the Debtors or their representatives as confidential, and except as specified in this Section 5(b), will not publish, distribute or otherwise disclose in any manner any information developed by or received from the Debtors or their representatives without the Debtors' prior approval. Such approval shall not be unreasonably withheld. Such approval shall not be required if either (i) the information sought is required to be disclosed by an order binding on SFCooper, LLC or the Representative, as the case may be, and issued by a court having competent jurisdiction over SFCooper, LLC or the Representative, as the case may be, and such information is disclosed only pursuant to the terms of such order, (ii) such information is required to be disclosed by applicable law based on the advice of legal counsel or (iii) the information is otherwise publicly available other than through disclosure by a party in breach of a confidentiality obligation with respect thereto.

6. Representations and Warranties.

(a) As an inducement to SFCooper, LLC to enter into this Agreement, the Enron represents and warrants to SFCooper, LLC as follows:

(i) Enron is a corporation duly organized and validly existing under the laws of the jurisdiction in which it was organized and has all requisite corporate power to enter into this Agreement.

(ii) Subject to receipt of the approval by the Bankruptcy Court of the execution by Enron of this Agreement, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance by Enron with any of the provisions hereof will: (i) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to Enron or (ii) require the consent, approval, permission or other authorization of, or qualification or filing with or notice to, any court, arbitrator or other tribunal or any governmental, administrative, regulatory or self-regulatory agency or any other third party.

(iii) Subject to receipt of the approval by the Bankruptcy Court of the execution by Enron of this Agreement, this Agreement has been duly authorized, executed and delivered by Enron and constitutes the legal, valid and binding agreement of Enron, enforceable in accordance with its terms.

(b) As an inducement to Enron to enter into this Agreement, SFCooper, LLC represents and warrants to Enron as follows:

(i) SFCooper, LLC is a limited liability company duly organized and validly existing under the laws of the jurisdiction in which it was organized and has all requisite corporate power to enter into this Agreement.

(ii) Subject to receipt of the approval by the Bankruptcy Court of the execution by Enron of this Agreement, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein nor compliance by SFCooper, LLC with any of the provisions hereof will: (i) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to it or (ii) require the consent, approval, permission or other authorization of, or qualification or filing with or notice to, any court, arbitrator or other tribunal or any governmental, administrative, regulatory or self-regulatory agency or any other third party.

(iii) Subject to receipt of the approval by the Bankruptcy Court of the execution by Enron of this Agreement, this Agreement has been duly authorized, executed and delivered by SFCooper, LLC and constitutes the legal, valid and binding agreement of SFCooper, LLC, enforceable in accordance with its terms.

7. Indemnification.

(a) The Debtors shall indemnify and hold harmless SFCooper, LLC and its principals, employees, representatives or agents (including counsel) (collectively, the "SFCooper, LLC Indemnitees") from and against any and all losses, claims, damages, liabilities, penalties, judgments, awards, costs, fees, expenses and disbursements, including without limitation, the costs, fees, expenses and disbursements, as and when incurred, of investigating, preparing or defending any action, suit, proceeding or investigation (whether or not in connection with proceedings or litigation in which any SFCooper, LLC Indemnitee is a party) (any such amount being hereinafter sometimes referred to as an "Indemnifiable Loss"), directly or indirectly caused by, relating to, based upon, arising out of or in connection with this engagement of SFCooper, LLC by the Debtors or the performance by SFCooper, LLC of any services rendered pursuant to such engagement, unless there is a final non-appealable order of a Court of competent jurisdiction, at the trial level, finding SFCooper, LLC Indemnities directly liable for gross negligence or willful misconduct.

(b) If any SFCooper, LLC Indemnitee is required to testify at any time after the expiration or termination of this Agreement at any administrative or judicial proceeding

relating to any services provided by SFCooper, LLC hereunder, then SFCooper, LLC shall be entitled to be compensated by the Debtors for SFCooper, LLC's associated time charges at the regular hourly rates in effect at the time and to be reimbursed for reasonable out-of-pocket expenses, including reasonable counsel fees.

(c) Enron has furnished to SFCooper, LLC a true, correct and complete copy of the **Directors and Officers Liability Insurance Policy No. D0079A1A98** (the "Policy") issued to Enron by Associated Electric and Gas Insurance Services Limited (Hamilton Bermuda) (the "Insurer"). Enron represents that the Policy is in full force and effect and that, to its knowledge, no event has occurred that constitutes or, with the passage of time or notice would constitute, an event of default thereunder or that would otherwise give the Insurer any right to cancel such Policy. Promptly and in any event within two business days after the Bankruptcy Court shall have entered an order approving this Agreement, Enron shall notify the Insurer of the election of Cooper as Acting Chief Executive Officer and Chief Restructuring Officer of the Debtors and of the appointment of any Representative who becomes an officer of the Debtors. Enron shall cause its insurance broker to send copies of all documentation and other communications regarding the Policy, including without limitation any renewal or cancellation thereof, to the attention of SFCooper, LLC. The Debtors shall use commercially reasonable efforts to maintain directors and officers liability insurance coverage comparable as to premiums, terms and amounts as that provided under the Policy during the term of this Agreement, with any such replacement coverage being obtained from an insurer with a rating from a nationally recognized rating agency not lower than that of the Insurer. The Debtors shall use commercially reasonable efforts, in connection with the next renewal of the Policy, to negotiate to extend the discovery period in the Policy from one to three years. In the event such insurance coverage is not available or obtained, Enron and Cooper will discuss resolution of the issue. Cooper shall have all indemnities available to the officers of Enron pursuant to Enron's certificate of incorporation and bylaws, and any claim for such indemnities shall be treated as an administrative expense in the Debtors' bankruptcy cases.

8. Independent Contractor. The parties intend that SFCooper, LLC and each Representative shall render services hereunder as an independent contractor, and nothing herein shall be construed to be inconsistent with this relationship or status. SFCooper, LLC and the Representatives shall not be entitled to any benefits paid by the Debtors to its employees. SFCooper, LLC shall be solely responsible for any tax consequences applicable to SFCooper, LLC by reason of this Agreement and the relationship established hereunder, and the Debtors shall not be responsible for the payment of any federal, state or local taxes or contributions imposed under any employment insurance, social security, income tax or other tax law or regulation with respect to SFCooper, LLC's performance of management services hereunder. The parties agree that, subject to the terms and provisions of this Agreement, SFCooper, LLC and the Representatives may perform any duties hereunder and set their own work schedule subject only to supervision by the Board or the Executive Committee.

9. Offer of Employment. The Debtors agree to promptly notify SFCooper, LLC if they extend (or solicit the possible interest in receiving) an offer of employment to an employee or principal of SFCooper, LLC and agrees that it will pay SFCooper, LLC a cash fee,

upon hiring, equal to 150% of the aggregate first year's annualized compensation, including any guaranteed or target bonus, to be paid to SFCooper, LLC's former principal or employee that the Debtors hire at any time up to one year subsequent to the date of the final invoice rendered by SFCooper, LLC with respect to this Agreement.

10. **Trial.** The Debtors agree that neither they nor any of their assignees or successors shall (a) seek a jury trial in any lawsuit, proceeding, counterclaim or any other action based upon, or arising out of or in connection with the engagement of SFCooper, LLC by the Debtors or any services rendered pursuant to such engagement, or (b) seek to consolidate any such action with any other action in which a jury trial cannot be or has not been waived. The provisions of this paragraph have been fully discussed by the Debtors and SFCooper, LLC and these provisions shall be subject to no exceptions. Neither party has agreed with or represented to the other that the provisions of this section will not be fully enforced in all instances.

11. **Jurisdiction.** Each of the Debtors and SFCooper, LLC hereby irrevocably and unconditionally (a) submits for itself and its property in any legal action or proceeding relating to the engagement of SFCooper, LLC by the Debtors or any services rendered pursuant to such engagement, to the non-exclusive general jurisdiction of the Bankruptcy Courts of United States of America for the Southern District of New York, and appellate courts from any thereof; (b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same; (c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Debtors or SFCooper, LLC, as the case may be, at their address set forth in Section 17 hereof or at such other address of which the party directing the service of process shall have been notified pursuant to Section 17 hereof; (d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and (e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any special, exemplary or punitive or consequential damages.

12. **Survival of Agreement.** Except as provided in this Agreement, the obligations set forth under the above captioned Confidentiality, Indemnification, Compensation, Offer of Employment, Trial and Jurisdiction sections shall survive the expiration, termination, or supersession of this Agreement.

13. **Conflicts.** SFCooper, LLC confirms that none of the principals or staff members of SFCooper, LLC or of its affiliates, Zolfo Cooper, LLC and Zolfo Cooper Capital, LLC, has any financial interest or business connection with the Debtors, and SFCooper, LLC is aware of no conflicts in connection with this Agreement.

14. Amendments. Any amendment to this Agreement shall be made in writing and signed by the parties hereto.

15. Enforceability. If any provision of this Agreement shall be invalid or unenforceable, in whole or in part, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law as if such provision had been originally incorporated herein as so modified or restricted or as if such provision had not been originally incorporated herein, as the case may be.

16. Construction. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of New York.

17. Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by certified mail, postage prepaid; by an overnight delivery service, charges prepaid; or by confirmed telecopy; addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by the addressee to the addressor:

If to Enron:

Enron Corp.
1400 Smith Street
Houston, TX 77002
Facsimile: 713.853.3129
Attention: Jeffrey McMahon

with a copy to:

Thomas A. Roberts
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Facsimile: 212.310.8007

If SCCooper, LLC:

Stephen Forbes Cooper, LLC
101 Eisenhower Parkway, 3rd Floor
Roseland, NJ 07068
Facsimile: 973.618.9430
Attention: Stephen F. Cooper

Any party may from time to time change its address for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

18. Waivers. No claim or right arising out of a breach or default under this Agreement shall be discharged in whole or in part by a waiver of that claim or right unless the waiver is supported by consideration and is in writing and executed by the aggrieved party hereto or his or its duly authorized agent. A waiver by any party hereto of a breach or default by the other party hereto of any provision of this Agreement shall not be deemed a waiver of future compliance therewith, and such provisions shall remain in full force and effect.

19. Agreement Binding on the Debtors. The execution of this Agreement by Enron is for and on behalf of the Debtors and binds the Debtors to the provisions, duties and obligations hereunder.

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date first above written.

ENRON CORP.

By: /s/ Jeffrey McMahon
Name: Jeffrey McMahon
Title: President and Chief Operating Officer

STEPHEN FORBES COOPER, LLC

By: /s/ Stephen F. Cooper
Name: Stephen F. Cooper
Title: Manager

PH1\920849.7

AMENDMENT

This AMENDMENT (the "Amendment") dated as of February 13, 2002 is made by and between **Enron Corp.**, an Oregon corporation ("Em-on") and Stephen Forbes Cooper, LLC ("SFCooper, LLC"), a New Jersey limited liability company, and amends the agreement dated as of January 30, 2002 by and between **Enron** and SFCooper, LLC (the "Agreement").

Recitals:

WHEREAS, the parties hereto desire to clarify the wording of Section 7(c) of the Agreement and to ratify and confirm all other provisions of the Agreement.

NOW, **THEREFORE**, in consideration of the premises and covenants set forth herein, and intending to be legally bound hereby, the parties to this Agreement hereby agree as follows:

1. Section 7(c) of the **Agreement** is amended and restated in its entirety as follows:

(c) **Enron** has furnished to SFCooper, **LLC** a true, correct and complete copy of the Directors and **Officers** Liability Insurance Policy No. **D0079A1A98** (the "First Layer Policy") issued to **Enron** by Associated Electric & Gas Insurance Services Limited (Hamilton Bermuda) (the "First Layer Insurer") and the excess directors and officers liability policies (together with the First Layer Policy, the "Policies") issued to **Enron** by Energy Insurance Mutual Limited (Policy No. **900630-0000**), Federal Insurance Company (Policy Nos. **8142-05-47**, **8181-43-14** and **8179-41-03 SWH**), Twin City Fire Insurance Company (Policy No. **NDA 0131301-98H**), Greenwich Insurance Company issued through Executive Liability Underwriters (Policy No. **ELU 82248-01**), Underwriting, Members of Lloyd's as specified in the policy (Policy No. **901/LK9802531**), St. Paul Mercury Insurance Company (Policy No. **568CM0934**) ("St. Paul"), Royal Insurance Company of America (Policy No. **P SFOO0633**) ("Royal") and ACE Bermuda Insurance Ltd. (Policy No. **ENE-9459D**) (together with the First Layer Insurer, the "Insurers"). **Enron** represents that, except as set forth below, the Policies are in full force and effect and that it has received no written notice of any event of default thereunder or of any cancellation by the Insurers of any Policy. However, the First Layer Insurer has advised **Enron** that it has reserved its rights and defenses (i) with respect to certain pending lawsuits and (ii) under the terms of the First Layer Policy and applicable provisions of law. The latter reservation of rights was made, in light of **Enron's** announced intention to restate past financial statements, on the basis that insureds may have provided false and inaccurate information in the application for the First Layer Policy. Under the terms of the notice from the First Layer Insurer, there will be no coverage for a particular insured to the extent that all of the elements under Texas law for rescinding insurance coverage on the basis of misrepresentations and omissions in an application for insurance are satisfied as to such insured. In addition, Royal has filed a motion with the bankruptcy court for relief from the automatic stay, to the extent applicable, so it may provide notice to **Enron** and other insureds pursuant to Article 21.17 of the Texas Insurance Code that it

is preserving certain rights and defenses based upon what it asserts appears to have been material misrepresentations made to Royal during the underwriting process, including, without limitation, the right to rescind the policy; by its terms, Royal's proposed notice will not itself purport to rescind or cancel the policy. Also, St. Paul has filed a motion with the bankruptcy court for relief from the automatic stay, to the extent applicable, so it may provide notice to **Enron** and other insureds, although its investigation is stated not to be complete, of its determination that its policy was issued based on material misrepresentations during policy negotiations and thus that it intends not to be bound by the policy; **St. Paul's** motion also offers to tender the entire premium paid by **Enron** to obtain the policy; and, through its motion, St. Paul seeks to notify Em-on and the other insureds of its intent to **seek** judicial rescission of the policy as necessary. Other Insurers may file similar (or different) motions with respect to coverage under the excess policies. Promptly and in any event within two business days after the Bankruptcy Court shall have entered an order approving this Agreement, as modified by this Amendment, **Enron** shall notify the Insurers of the election of Cooper as Acting Chief Executive Officer and Chief Restructuring Officer of the Debtors and of the appointment of any Associate Director of Restructuring who becomes an officer of the Debtors. **Enron** shall cause its insurance broker to send copies of all documentation and other communications regarding the Policies, including without limitation any renewal or cancellation thereof, to the attention of **SFCooper, LLC**. The Debtors shall notify **SFCooper, LLC** in writing at least thirty days prior to any change to the terms, amounts or carriers of their insurance coverage from that provided under the Policies, and promptly; after providing such notice, shall discuss with Cooper the details of the changes. Cooper and any Associate Director of Restructuring who becomes an officer of Debtor shall have all indemnities available to the officers of **Enron** pursuant to **Enron's** certificate of incorporation and bylaws, and any claim for such indemnities shall be treated as an administrative expense in the Debtors' bankruptcy cases.

2. Except as expressly amended hereby, all of the terms and provisions of the Agreement shall remain in **full** force and effect and are hereby ratified and confirmed in every respect.

[THE REMAINDER OF **THIS** PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF, this **Amendment** has been executed by the parties as of the date first above written.

ENRON CORP.

By: *Jeffrey McMahon*
Name: Jeffrey McMahon
Title: President and Chief Operating Officer

STEPHEN FORBES COOPER, LLC

By: *Stephen F. Cooper*
Name: Stephen F. Cooper
Title: Manager

State of Texas
County of Harris

Before me, a notary public, on this day personally appeared Jeffrey McMahon and Stephen F. Cooper known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct. Given under my hand and seal of office this 15th day of February, 2002.

Marsha A. Schiller
Notary Public

