

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) No. CR-H-03-0093-04
) (Gilmore, J)
 KENNETH RICE,)
)
 Defendant.)
_____)

COOPERATION AGREEMENT

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, the United States Department of Justice by the Enron Task Force (“the Department”) and Kenneth Rice (“Defendant”) agree to the following (the “Agreement”):

1. Defendant will plead guilty to Count 31 of the above-captioned Fourth Superseding Indictment charging him with securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff. Defendant agrees that he is pleading guilty because he is guilty, and that the facts contained in Exhibit A (attached and incorporated herein) are true and supply a factual basis for his plea. At the time it was committed by Defendant, the crime of securities fraud carried the following statutory penalties:

- a. Maximum term of imprisonment: 10 years
(15 U.S.C. § 78ff)
- b. Minimum term of imprisonment: 0 years
(15 U.S.C. § 78ff)
- c. Maximum term of supervised release: 3 years, to follow any term of imprisonment; if a condition of release is violated, Defendant may be sentenced to up to two years without credit for pre-release imprisonment

or time previously served on post-release supervision
(18 U.S.C. §§ 3583 (b) & (c))

- d. Maximum fine: \$1,000,000 or twice the gain or loss
(18 U.S.C. § 78ff; 18 U.S.C. § 3571(d))
- e. Restitution: As determined by the Court pursuant to statute
(18 U.S.C. §§ 3663 and 3663A)
- f. Special Assessment: \$100
(18 U.S.C. § 3013)

Sentencing Guidelines

2. The Defendant agrees that his sentence is governed by the United States Sentencing Guidelines (the "Guidelines"). Additionally, the defendant (a) waives any right to have facts that determine the offense level¹ under the Guidelines alleged in an indictment and found by a jury beyond a reasonable doubt, (b) agrees that the facts that determine the offense level will be found by the court at sentencing by a preponderance of the evidence, unless it is determined that this burden of proof cannot be waived, and that the court may consider any reliable evidence, including hearsay, and (c) waives any constitutional challenge to the validity of the Guidelines. The parties agree that Defendant's sentence is governed by the November 2000 Sentencing Guidelines Manual and that U.S.S.G. § 2F1.2 governs the determination of the applicable offense level and sentence, capped by the statutory maximum of 120 months. The Department agrees, based on information known to it on the date of this Agreement, that it will not oppose a downward adjustment of three levels for acceptance of responsibility pursuant to U.S.S.G. § 3E1.1.

¹The term "offense level" includes the base offense level plus all specific offense characteristics, enhancements and adjustments.

3. The Department will advise the Court and the Probation Office of information relevant to sentencing, including criminal activity engaged in by Defendant, and all such information may be used by the Court in determining Defendant's sentence. Defendant understands that the parties' positions regarding the Sentencing Guidelines do not bind the Court and that the sentence imposed is within the discretion of the sentencing judge.

Waiver of Rights

4. Defendant will not appeal or collaterally attack his conviction or guilty plea. Defendant does not waive his right to appeal or collaterally attack his sentence based upon the law at the time of his sentencing.

5. Defendant waives all defenses based on venue (but reserves the right to request a change of venue if his plea is vacated or plea withdrawn), speedy trial under the Constitution and Speedy Trial Act, and the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed, in the event that (a) Defendant's conviction is later vacated for any reason, (b) Defendant violates any provision of this Agreement, or (c) Defendant's plea is later withdrawn.

6. Defendant understands that by pleading guilty he is waiving important rights including: (a) the right to persist in his previously entered plea of not guilty; (b) the right to a jury trial with respect to guilt or sentencing; (c) the right to be represented by counsel - and if necessary to have the court appoint counsel to represent him - at trial and at every other stage of the proceedings; (d) the right at trial to confront and cross-examine adverse witnesses, to be protected from compelled self-incrimination, to testify and present evidence, and to compel the attendance of witnesses; and (e) the right to additional discovery and disclosures from the

Department. Defendant waives any right to additional disclosure from the Department in connection with his guilty plea.

Defendant's Obligations

7. Defendant will provide truthful, complete, and accurate information to and will cooperate fully with the Department, both before and after he is sentenced. This cooperation will include, but is not limited to, the following:

- a. Defendant agrees to make himself available at all meetings with the Department and to respond truthfully and completely to any and all questions put to him, whether in interviews, before a grand jury, or at any trial or other proceeding.
- b. Defendant waives all claims of attorney-client privilege related to communications with any counsel for Enron in his capacity as an officer and employee of Enron.
- c. Defendant agrees to provide any and all documents and other material that may be relevant to the investigation and that are in his possession or control.
- d. Except as required by law, Defendant agrees not to reveal any information derived from his cooperation to any third party (other than his counsel) without prior consent of the Department, and hereby instructs his attorneys to do the same. Defendant agrees to inform the Department of any attempt by any third party to interview, depose, or communicate in any way with him regarding this case, his cooperation, or any other information related to Enron or transactions involving Enron.
- e. Defendant agrees to testify truthfully at any grand jury, court, or other proceeding as directed by the Department.
- f. Defendant consents to adjournments of his sentencing hearing as requested by the Department and agrees that his obligations under this Agreement continue until the Department informs him in writing that his cooperation is concluded. Nothing in this paragraph pertains to the date that the Defendant may be required to report or surrender to the Bureau of Prisons or United States Marshal's Service in order to begin the incarceratory portion of any sentence.

8. The Department and Defendant agree that Defendant's counsel may be present at any meetings or debriefings between Defendant and the Department, and the Department will endeavor to provide reasonable notice of such meetings or debriefings, but counsel's presence is not required and, if necessary, Defendant agrees to be present and cooperate notwithstanding his counsel's unavailability.

9. Defendant agrees not to accept remuneration or compensation of any sort, directly or indirectly, for the dissemination through books, articles, speeches, interviews, or any other means, of information regarding his work at Enron or the investigation or prosecution of any civil or criminal cases against him.

The Department's Obligations

10. The Department agrees that, except as provided in paragraphs 1, 5 and 22 (breach of agreement), no further criminal charges will be brought against Defendant for any act or offense in which he engaged in his capacity as an officer and employee of Enron. The Department further agrees that, after sentencing of the Defendant, it will move to dismiss the remaining counts of the Fourth Superseding Indictment and any underlying indictments with prejudice.

11. The Department further agrees that no statements made by Defendant during the course of his cooperation will be used against him in any criminal proceedings instituted by the Department, except as provided in paragraphs 1, 3, 5 and 22.

12. The Department agrees that, provided Defendant fulfills the financial obligations imposed by this Agreement, it will recommend that no additional fine, forfeiture or restitution be ordered by the Court against Defendant at the time Defendant is sentenced. The Department

agrees that this amount is appropriate and fully satisfies the fine, forfeiture and restitution

provisions of the law. Defendant understands that the Department's recommendation is not binding on the Court or the Probation Department, and the Court may order Defendant to pay an additional fine, forfeiture or restitution notwithstanding the Department's recommendation. Should the Court order Defendant to pay additional forfeiture sums, restitution or a fine, he will not be permitted on that basis to withdraw his guilty plea.

13. If the Department determines, in its sole and exclusive discretion, that Defendant has cooperated fully, provided substantial assistance to law enforcement authorities, and otherwise complied with the terms of this Agreement, the Department will file a motion pursuant to U.S.S.G. § 5K1.1 and 18 U.S.C. § 3553(e), or pursuant to Federal Rule of Criminal Procedure 35(b), with the sentencing court setting forth the nature and extent of Defendant's cooperation. In this connection, Defendant understands that a determination by the Department as to whether Defendant has cooperated fully, provided substantial assistance, and otherwise complied with this Agreement, as well as the Department's assessment of the value, truthfulness, completeness, and accuracy of the cooperation, is binding on him. Defendant agrees that, in making these determinations, the Department may consider facts learned by the Department both before and after the signing of this Agreement. The Department may or may not, in its sole and exclusive discretion, recommend to the Court a specific sentence to be imposed. Except as otherwise set forth in this Agreement, the Department will not make a promise or representation to Defendant as to what sentence will be recommended by the Department. The Department does not and cannot make any promise as to what sentence will be imposed by the Court.

Forfeiture and Monetary Penalties

14. Defendant agrees to pay the special assessment of \$100 by check payable to the Clerk of the Court at or before sentencing. 18 U.S.C. § 3013(a)(2)(A); U.S.S.G. § 5E1.3.

15. Defendant agrees to forfeit the following specific assets, which have an approximate value of \$13,700,000 and constitute proceeds of the offenses to which he will plead guilty:

- (a) real property known as 7207 Last Dollar Canyon, located in Telluride, Colorado, including lot 15A titled in the name of Summit Canyon Qualified Personal Residence Trust I and Summit Canyon Qualified Personal Residence Trust II, and lot 11A titled in the name of Summit Canyon, LLC;
- (b) a platinum, sapphire and diamond necklace, with 16 diamonds (total weight approximately 3.38 carats) and 226 sapphires (total weight approximately 15.05 carats) and a platinum, sapphire and diamond bracelet with approximately 6.65 carats of sapphires and approximately 1.68 carats of diamonds, purchased from Borsheim's Jewelry on June 15, 2000;
- (c) One 1995 Ferrari F355 Challenge, VIN no. ZFFPR41A2S0104478, registered to Ken Rice;
- (d) One 1999 Shelby, VIN no. 5CXSA1810XL000027, registered to Kenneth Rice;
- (e) \$219,112.03 in Ameritrade account no. E240-052859, in the name of Kenneth D. Rice and Teresa K. Rice;
- (f) Contents of Bank of America account no. TX4-052400/06058489373, in the name of Kenneth D. Rice and Teresa K. Rice;
- (g) \$8,265.06 in cash and/or money market funds held in Goldman Sachs account no. 012-10733-0, in the name of Kenneth Rice;
- (h) The contents² of Sentinel Trust account number 21-25018, in the name of Ken Rice Restricted Agency Account, including cash and/or money market funds, all securities, a partnership interest based on a \$750,000 capital contribution in BBT

² The contents of this account do not include Manulife Financial Venture Annuity #2101902, which is reflected on the account statement but not actually held in the account.

Partners, LP, and all interest in Sternhill Partners I, L.P., a limited partnership.

- (i) The contents of the Sentinel Trust account no. 08-25000, including all cash and/or money market funds and securities, in the name of the Ken and Teresa Rice Foundation;
- (j) The contents of Sentinel Trust, Account No. 11-25017, constituting the proceeds of the sale of the property located at 400 Elk Creek Road;
- (k) The contents of Sentinel Trust Account 11-25016, constituting the proceeds of the sale of a 2001 Ferrari 360 Challenge, VIN no. ZFFYR51800123311;
- (l) \$300,000 of Highland County FL Health Facilities Revenue Bond held in Goldman Sachs account no. 012-10733-0, in the name of Kenneth Rice;

16. Defendant agrees to entry of a money judgment against him in the amount of \$372,079.00, representing the remaining amount of criminally derived proceeds, and to substitute the following assets for forfeiture of this amount: \$372,079.00 in United States currency contained within Sentinel Trust Company Account Number 08-25001.

17. Defendant warrants that he and his wife, Teresa K. Rice are the sole owners of all of the property listed above, and agrees to hold the United States, its agents and employees harmless from any claims whatsoever in connection with the seizure or forfeiture of property covered by this agreement. Defendant's wife, Teresa K. Rice, also agrees to waive her right, title, and interest in the property forfeited under this agreement, and her execution of this waiver, a copy of which is attached hereto, is a condition precedent of this Agreement.

18. Defendant further agrees to waive all interest in any asset listed above for forfeiture in any administrative or judicial forfeiture proceeding, whether criminal or civil, state or federal. Defendant agrees to consent to the entry of orders of forfeiture for such property and waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice

of the forfeiture in the charging instrument, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. Defendant acknowledges that he understands that the forfeiture of assets is part of the sentence that may be imposed in this case and waives any failure by the Court to advise him of this, pursuant to Rule 11(b)(1)(J), at the time his guilty plea is accepted.

19. Defendant knowingly and voluntarily agrees to waive his right to a jury trial on the forfeitability of the assets identified for forfeiture, and to waive all constitutional and statutory challenges in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Agreement on any grounds, including that the forfeiture constitutes an excessive fine or punishment or that it violates the Ex Post Facto Clause of the Constitution.

20. Defendant agrees to take all steps as requested by the United States to pass clear title to the forfeitable assets to the United States, and to testify truthfully in any judicial forfeiture proceeding. Defendant agrees not to seek a refund from the United States Treasury of the amount that he paid in taxes in connection with the receipt of the above-listed proceeds from the offense to which he will plead guilty, and waives his right, title, and interest to the taxes paid on that amount.

Bankruptcy Waiver

21. Defendant agrees not to avoid or attempt to avoid paying any fine or restitution imposed by the Court in this proceeding through any proceeding pursuant to the United States Bankruptcy Code. Defendant waives all rights, if any, to obtain discharge or to delay payment of any fine or restitution obligation arising from this proceeding or alter the time for payment by

filing a petition pursuant to the Bankruptcy Code. Defendant stipulates that enforcement of any fine or restitution obligation arising from this proceeding by the Department is not barred or affected by the automatic stay provisions of the United States Bankruptcy Code and that enforcement of any fine or restitution obligation arising from this proceeding by the Department is a valid exercise of its police or regulatory power within the meaning of Title 11, United States Code, Section 362(b). Defendant stipulates and agrees not to institute or participate in any proceeding to interfere with, alter, or bar enforcement of any fine or restitution obligation arising from this proceeding pursuant to the automatic stay or other provision of the Bankruptcy Code in any case filed by Defendant or her creditors. Upon request of the Department, Defendant will execute a stipulation granting the Department relief from the automatic stay or other Bankruptcy Code provisions in order to enforce any fine or restitution obligation arising from this proceeding. Defendant stipulates that any fine or restitution obligation imposed by the Court in this proceeding is not dischargeable pursuant to Title 11, United States Code, Section 523 in any case commenced by Defendant or her creditors pursuant to the Bankruptcy Code. Defendant's waivers, stipulations, and agreements set forth in this paragraph are made in exchange for the Department's entering into this Agreement.

Breach of Agreement

22. Defendant must at all times give complete, truthful, and accurate information and testimony, and must not commit, or attempt to commit, any further crimes, including but not limited to perjury, making false statements, and obstruction of justice. Should Defendant violate any provision of this Agreement, Defendant will not be released from his guilty pleas but the Department will be released from all its obligations under this Agreement, including its promise

not to prosecute Defendant for any offenses arising from his employment at Enron. Defendant agrees that, in any such prosecution, all statements and other information that he has provided at any time, including all statements he has made and all evidence he has produced during proffers, interviews, testimony, and otherwise, may be used against him, regardless of any constitutional provision, statute, rule, prior agreement, or other term of this Agreement to the contrary.

Hyde Amendment Waiver

23. Defendant agrees that with respect to all charges contained in the Fourth Superseding Indictment and any underlying indictments returned by the grand jury in the above-captioned action, he is not a "prevailing party" within the meaning of the "Hyde Amendment," Section 617, PL 105-119 (Nov. 26, 1997), and will not file any claim under that law.

Scope

24. This Agreement does not bind any federal, state, or local prosecuting authority other than the Department, and does not prohibit the Department or any other department, agency, or commission of the United States from initiating or prosecuting any civil, administrative, or tax proceedings directly or indirectly involving Defendant.


Complete Agreement

25. Apart from the written proffer agreements originally dated June 3 and June 27, 2004, no promises, agreements or conditions have been entered into by the parties other than those set forth in this Agreement and none will be entered into unless memorialized in writing and signed by all parties. This Agreement supersedes all prior promises, agreements, or conditions between the parties, including the written proffer agreement. To become effective, this Agreement must be signed by all signatories listed below and in the addenda.

Dated: Houston, Texas
July 30, 2004

ANDREW WEISSMANN
Director, Enron Task Force

By:




Benton J. Campbell
Sean M. Berkowitz
Lisa O. Monaco
Assistant United States Attorneys

Laurel Loomis
Patrick Murphy
Senior Trial Attorneys

ADDENDUM FOR DEFENDANT RICE

I have consulted with my attorneys and fully understand all my rights with respect to the Fourth Superseding Indictment and underlying indictments. I have consulted with my attorneys and fully understand all my rights with respect to the provisions of the U.S. Sentencing Commission's Guidelines Manual which may apply in my case. I have read this Agreement and carefully reviewed every part of it with my attorneys. No promises have been made to me by the Department except as set forth in this Agreement. I understand this Agreement and I voluntarily agree to it.



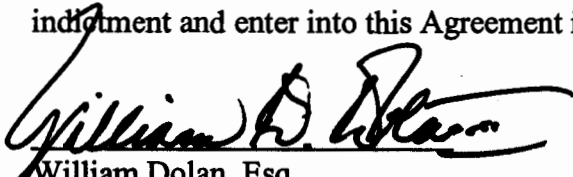
Kenneth Rice
Defendant



Date

ADDENDUM FOR DEFENSE COUNSEL

I have fully explained to Defendant Rice his rights with respect to the pending Fourth Superseding Indictment and underlying indictments. I have reviewed the provisions of the U.S. Sentencing Commission's Guidelines Manual and I have fully explained to Defendant the provisions of those Guidelines which may apply in this case. I have carefully reviewed every part of this Agreement with Defendant. To my knowledge, Defendant's decision to waive indictment and enter into this Agreement is an informed and voluntary one.


William Dolan, Esq.

Attorney for Defendant Rice

7-30-04

Date

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) No. CR-H-03-0093-04
) (Gilmore, J)
 KENNETH RICE,)
)
 Defendant.)
_____)

Exhibit A to Plea Agreement

This statement by defendant Kenneth Rice is submitted to provide a factual basis for my plea of guilty to Count 31 of the above-captioned Fourth Superseding Indictment.

1. Enron Corporation (“Enron”) was an Oregon corporation with its headquarters in Houston, Texas. Among other businesses, Enron was engaged in the purchase and sale of natural gas, construction and ownership of pipelines and power facilities, telecommunications services, and trading in contracts to buy and sell various commodities. Enron stock was publicly traded on the New York Stock Exchange (“NYSE”).
2. I was employed at Enron from 1980 to July 2001. From July 1999 to February 2000, I was Co-Chief Executive Officer (“CEO”) of Enron Broadband Services (“EBS”). From February 2000 until July 2000, I was Chief Commercial Officer (“CCO”) of EBS. From August 2000 to July 2001, I was CEO of EBS. EBS was Enron’s telecommunications subsidiary. While CEO, Co-CEO and CCO, I and other officers and employees of Enron Corp. and EBS made false statements about the products, services and business performance of EBS. Our purpose was to mislead investors and others about the success of EBS, including the extent to which the company had developed various products and services and the company’s financial performance, in order to artificially inflate the price of Enron stock.
3. I also engaged in schemes to enrich myself and others at the expense of Enron shareholders and in violation of my duty of honest services to those shareholders.
4. Certain of those fraudulent statements, for which I accept responsibility, are detailed below.

5. I conspired with others to falsely portray the commercial and developmental success of EBS to the investing public by, among other things, making false statements about the company's development of certain software capabilities and its fiber-optic network. In particular, in late 1999 and early 2000, I, together with others, conspired to falsely claim to investment analysts at Enron's January 20, 2000 analyst conference that EBS had developed revolutionary network control software that, among other things, allowed the company to provide differentiated quality of service, dynamic provisioning of bandwidth and usage-based metering and billing, features that, if they had existed, would have been unique in the industry and given EBS a significant competitive advantage. We also falsely represented that EBS' fiber-optic network was superior and essentially complete. In reality, substantial portions of EBS' network were not operational and the network was not superior to those of our competitors. In addition, EBS' network did not operate as we publicly portrayed. For example, at no point in my tenure with the company was EBS able to develop commercially viable network control software, also known as the "Broadband Operating System," or "BOS," that could provide these revolutionary features. Moreover, it was known throughout the company as of January 2000 that the BOS had not progressed beyond the internal development stage and was not deployed on EBS' fiber optic network. The purpose in making these misrepresentations was to falsely portray to the investing public that EBS had a thriving telecommunications business that had successfully developed revolutionary software which would, in turn, cause Enron's stock price to increase significantly.
6. In addition to making false statements at the January 20, 2000 analyst conference, I and others permitted press releases to be issued making false claims about EBS' commercial performance and network services features. In my role as Co-CEO and CCO, I reviewed press releases and was aware that false statements were being made about a variety of matters. Among those false claims were assertions made in 1999-2001 that EBS had successfully developed and deployed the BOS and that the BOS was controlling our network. In reality, the BOS did not progress beyond the internal development stage, was never deployed and was not controlling EBS' network. I was aware that the status of the BOS was being misrepresented in press releases but did nothing to correct them.
7. EBS struggled commercially throughout 2000. The company had an inflated cost structure and very limited revenues. EBS was able to meet its targets, but only by engaging in transactions some of which involved the sale of assets to parties such as the LJM2 partnership. Internal projections indicated that the company stood to take substantial losses in 2001, well beyond publicly announced targets.
8. In December 2000 and January 2001, I and others began to prepare for Enron's January 25, 2001 analyst conference. At the January 25, 2001 analyst conference, I and others falsely portrayed EBS as a commercial and business success. I also claimed that the BOS network control software was "up and running" on our network and allowed the company to deliver the unique features outlined in paragraph 5 above. In reality, as in January

2000, the BOS software had not progressed beyond the internal development stage and ~~was not controlling our network. Moreover, EBS did not have any software that~~ delivered the quality of service, usage-based metering and billing and dynamic bandwidth provisioning features across all layers of the network. In addition, I knew that the company stood to sustain operating losses in 2001 greater than our publicly announced targets and that it lacked a sustainable customer and commercial base. I failed to disclose these facts to the investing public, which created a misleading impression of the vitality of the company. The purpose in making these omissions and misrepresentations was to falsely portray EBS as a successful venture and, in turn, to positively influence Enron's stock price.

9. I understood at the time that I made these statements that they were false and that there was a substantial likelihood that a reasonable investor would consider the information important in making a decision to invest. I also understood that Enron stock was publicly traded on the NYSE. I also understood that interstate wire transmissions, including fax transmissions, email and telephone calls, would be used and were used in furtherance of the scheme. Specifically, among other things I knew that press releases would be released through the use of interstate wire communications. From January 20, 2000 through at least March 31, 2001, EBS accounted for a minimum of \$10 of the total value of Enron's stock price. Throughout this same period, Enron had in excess of 500,000,000 outstanding shares.

10. The preceding is a summary, made for the purpose of providing the Court with a factual basis for my guilty plea to Count 31 of the Fourth Superseding Indictment. It does not include all of the facts known to me concerning criminal activity in which I and other members of Enron and EBS' senior management engaged. I make this statement knowingly and voluntarily because I am in fact guilty of the crimes charged.



Kenneth Rice

Defendant



Date

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 KENNETH RICE)
 JOSEPH HIRKO)
 KEVIN HANNON)
 KEVIN HOWARD)
 SCOTT YEAGER)
 REX SHELBY, and)
 MICHAEL KRAUTZ,)
 Defendants.)

Crim. No. H-03-93-04

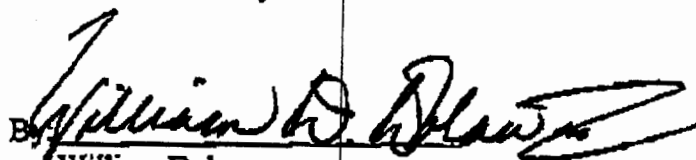
STIPULATION AND WAIVER

I, Teresa K. Rice, hereby agree to waive all right, title, and interest I have in the following property in connection with the forfeiture proceedings in this criminal case:

- (a) real property known as 7207 Last Dollar Canyon, located in Telluride, Colorado, including lot 15A titled in the name of Summit Canyon Qualified Personal Residence Trust I and Summit Canyon Qualified Personal Residence Trust II, and lot 11A titled in the name of Summit Canyon, LLC;
- (b) a platinum, sapphire and diamond necklace, with 16 diamonds (total weight approximately 3.38 carats) and 226 sapphires (total weight approximately 15.05 carats) and a platinum, sapphire and diamond bracelet with approximately 6.65 carats of sapphires and approximately 1.68 carats of diamonds, purchased from Borsheim's Jewelry on June 15, 2000;
- (c) One 1995 Ferrari F355 Challenge, VIN no. ZFFPR41A2S0104478, registered to Ken Rice;

- (d) One 1999 Shelby, VIN no. 5CXSA1810XL000027, registered to Kenneth Rice;
- (e) \$219,112.03 in Ameritrade account no. E240-052859, in the name of Kenneth D. Rice and Teresa K. Rice;
- (f) Contents of Bank of America account no. TX4-052400/06058489373, in the name of Kenneth D. Rice and Teresa K. Rice;
- (g) \$8,265.06 in cash and/or money market funds held in Goldman Sachs account no. 012-10733-0, in the name of Kenneth Rice;
- (h) The contents of Sentinel Trust account number 21-25018, in the name of Ken Rice Restricted Agency Account, including cash and/or money market funds, all securities, a partnership interest based on a \$750,000 capital contribution in BBT Partners, LP, and all interest in Sternhill Partners I, L.P., a limited partnership.
- (i) The contents of the Sentinel Trust account no. 08-25000, including all cash and/or money market funds and securities, in the name of the Ken and Teresa Rice Foundation;
- (j) The contents of Sentinel Trust, Account No. 11-25017, constituting the proceeds of the sale of the property located at 400 Elk Creek Road;
- (k) The contents of Sentinel Trust Account 11-25016, constituting the proceeds of the sale of a 2001 Ferrari 360 Challenge, VIN no. ZFFYR51800123311;
- (l) \$300,000 of Highland County FL Health Facilities Revenue Bond held in Goldman Sachs account no. 012-10733-0, in the name of Kenneth Rice;

I further agree that all right, title and interest I have in these properties can be forfeited to the United States without further notice to me. I also agree to execute and record any and all documents necessary to transfer the funds to the United States as part of a forfeiture judgment.


 B. William Dolan

¹ The contents of this account do not include Manulife Financial Venture Annuity #2101902, which is reflected on the account statement but not actually held in the account.

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Cogdell & Lewis

#7579 P.004/004

W. Warren Hamel
Jennifer Blackwell
Attorneys for Kenneth Rice

AGREED AND CONSENTED TO:

Teresa K Rice

Teresa K. Rice

Dated: July 29, 2004