

respect to the Securities Account (or, if applicable, the specific security entitlements so identified in such notice) solely from the Secured Party and thereafter shall not honor any orders or instructions of the Debtor with respect to the Securities Account (or, if applicable, the specific security entitlements so identified in such notice). In the event that a Notice of Sole Control identifies only particular security entitlements, and not all security entitlements, with respect to the Securities Account, the Secured Party may thereafter send one or more additional Notices of Sole Control identifying additional securities entitlements.

2.6 Condition to Compliance. Notwithstanding the foregoing provisions of Sections 2.2.2, 2.3, 2.4 and 2.5, Intermediary is not required to comply with an Instruction Order given under Section 2.2.2 or with an Entitlement Order or Notice of Sole Control given with respect to the primary account if honoring either the order or notice would cause the value or composition of the financial assets in the primary account to be out of compliance with the Intermediary's customary collateral maintenance requirements. In determining whether such non compliance has occurred, Intermediary shall consider its exposure from Debtor's obligations for principal and interest on margin loans, margin-related debits, unpaid debits and options requirements. The foregoing is solely for the benefit of Intermediary and not that of Debtor.

2.7 Intermediary's Duties With Respect to Agreements between the Debtor and the Secured Party. The Intermediary shall have no duty or obligation whatsoever of any kind or character to determine whether or not an event of default exists under any agreement between the Debtor and the Secured Party. The Intermediary shall honor Entitlement Orders and/or a Notice of Sole Control irrespective of any knowledge of the Intermediary whether or not an event of default shall exist or the Secured Party shall have any agreement with the Debtor limiting or conditioning its right to give such Entitlement Orders or Notice of Sole Control. The Intermediary shall have no duty to investigate the circumstances under which the Secured Party is entitled to give any Entitlement Orders or Notice of Sole Control.

2.8 "Financial Assets" Election. The Intermediary hereby agrees that each item of property, including cash, credited to the Securities Account on or after the date of the Agreement shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC.

2.9 Statements. The Intermediary will send copies of all monthly statements concerning the Securities Account and/or any financial assets credited thereto simultaneously to both the Debtor and the Secured Party. Such statements shall be sent to the Debtor and the Secured Party at the address for each set forth in this Agreement.

2.10 Tax Reporting. All items of income, gain, expense and loss recognized in the Securities Account shall be reported to the Internal Revenue Service and all state and local taxing authorities under the name and taxpayer identification number of the Debtor.

Section 3. Intermediary's Liens and Rights of Set-Off. In addition to the relative priority of the security interests of the Intermediary and Secured Party in the primary and secondary accounts, the Intermediary shall also have a security interest prior to that of Secured Party in the secondary account as and to the extent necessary to secure Intermediary for the payment of any usual and customary commissions or fees owing to the Intermediary with respect