SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D/A
(RULE 13d-101)

(Amendment No. 4)

ARRIS Group, Inc.

(Name of Issuer)

Common Stock, $.01 par value per share

(Title of Class of Securities)

04269Q100

(CUSIP Number)

Deborah J. Noble
Corporate Secretary
Nortel Networks Corporation
8200 Dixie Road, Suite 100
Brampton, Ontario L6T 5P6
Canada
(905) 863-1103

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

March 11, 2003

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box: |_|

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Nortel Networks Corporation

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

	Not Applicable
3.	SEC USE ONLY
4.	SOURCE OF FUNDS OO
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) |_|
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Canada
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER 22,000,000 shares
	8. SHARED VOTING POWER 0 shares
	9. SOLE DISPOSITIVE POWER 22,000,000 shares
	10. SHARED DISPOSITIVE POWER 0 shares
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 22,000,000 shares
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* |_|
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 26.6%
14.	TYPE OF REPORTING PERSON CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

AMENDMENT NO. 4
TO
SCHEDULE 13D

This Amendment No. 4 amends the Statement on Schedule 13D filed on August 13, 2001, by and on behalf of Nortel Networks Corporation with respect to its beneficial ownership of common stock, par value $.01 per share ("Arris Group Common Stock"), of Arris Group, Inc. (f/k/a Broadband Parent Corporation), a Delaware corporation ("Arris Group"), as amended by Amendment No. 1 to Schedule 13D filed on June 11, 2002, Amendment No. 2 to Schedule 13D filed on June 21, 2002 and Amendment No. 3 to Schedule 13D filed on June 25, 2002 (as amended, the "Statement"). The Statement, as amended by this Amendment No. 4, is referred to herein as "Schedule 13D." This Schedule 13D is filed to report, among other things, that Nortel Networks Inc., as the successor in interest to Nortel Networks LLC (which was merged with and into Nortel Networks Inc. as of December 31, 2002), Arris Interactive L.L.C. and Arris Group have entered into a letter agreement (the "Stock Option Agreement") pursuant to which Nortel Networks Inc. has granted Arris Group an option to purchase shares of its Arris Group Common

Stock and the parties thereto have agreed to modify certain provisions of the Option Agreement and the Arris LLC Operating Agreement. In addition, Nortel Networks Inc. entered into a Master Securities Loan Agreement with CIBC World Markets Corp. ("CIBC"). Capitalized terms used and not defined herein have the meanings set forth in the Statement.

With respect to Items 2, 4, 5 and 6 of this Schedule 13D, the Schedule I to the Statement is hereby replaced with the Schedule I attached hereto.

ITEM 1. SECURITY AND ISSUER.

The second paragraph of Item 1 of the Statement is hereby amended and restated to read as follows:

The 22,000,000 shares of Arris Group Common Stock beneficially owned by Nortel Networks Corporation are held of record by Nortel Networks Inc., a Delaware corporation and successor in interest to Nortel Networks LLC, a Delaware limited liability company which, as of December 31, 2002, merged with and into Nortel Networks Inc. Nortel Networks Inc. in turn is a wholly owned subsidiary of Nortel Networks Limited, a Canadian corporation and a wholly owned subsidiary of Nortel Networks Corporation, a Canadian corporation. Nortel Networks Corporation and the above referenced affiliates are sometimes collectively referred to herein as "Nortel Networks."

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Item 3 of the Statement is hereby amended and restated to read in its entirety as follows:

The 22,000,000 shares of Arris Group Common Stock were acquired by Nortel Networks LLC in exchange for, among other consideration, its then existing membership interest in Arris Interactive L.L.C. ("Arris LLC"), a Delaware limited liability company and a joint

venture of Nortel Networks LLC and Arris International, Inc. (f/k/a ANTEC Corporation), a Delaware corporation ("ANTEC"). As of December 31, 2002, Nortel Networks LLC was merged with and into Nortel Networks Inc. Accordingly, such shares of Arris Group Common Stock are held of record by Nortel Networks Inc.

ITEM 4. PURPOSE OF TRANSACTION.

The second paragraph of Item 4 of the Statement is hereby amended and restated to read in its entirety as follows:

On August 3, 2001, Nortel Networks LLC, ANTEC and Arris Group entered into a second amended and restated limited liability company operating agreement for Arris LLC (the "Arris LLC Operating Agreement") pursuant to which Nortel Networks LLC received a new membership interest in Arris LLC (the "New Membership Interest") with a face amount of $100,000,000. The New Membership Interest would have become redeemable in approximately four quarterly installments commencing February 3, 2002 had Arris Group met certain availability and other tests under its revolving credit facility at that time. According to Arris Group, the availability tests were not met during 2002 and, as a result, Arris LLC has not redeemed any of Nortel Networks' New Membership Interest. As of December 31, 2002, the balance of the New Membership Interest was approximately $114,500,000.

The final paragraph of Item 4 of the Statement is hereby deleted in its entirety and the following paragraphs shall be inserted in lieu thereof:

On March 11, 2003, Nortel Networks Inc., Arris Group and Arris LLC entered into the Stock Option Agreement pursuant to which Nortel Networks Inc. granted to Arris Group, for consideration of $1.00, an option (the "Stock Option") to purchase in cash, from time to time (but in no event on more than

four occasions and in each event for at least 1,000,000 shares of Arris Group Common Stock) up to an aggregate of 16,000,000 shares of Arris Group Common Stock. The exercise price per share of the Stock Option will be equal to 90% of either: (i) in the event that the exercise occurs within seven calendar days of the closing of the Note Offering (as defined below), the closing price on the Nasdaq National Market System for shares of Arris Group Common Stock on the date that the Note Offering is priced; and (ii) otherwise, the five trading day weighted average price of the shares of Arris Group Common Stock immediately preceding the date of exercise. The Stock Option Agreement provides that, notwithstanding the foregoing, the exercise price shall not be less than $4.00 per share of Arris Group Common Stock, except that with respect to 8,000,000 shares of Arris Group Common Stock the exercise price may be less than $4.00 per share of Arris Group Common Stock but not less than $3.50 per share of Arris Group Common Stock, provided that to the extent that the exercise price for any shares is between $3.50 and $4.00 per share, there shall be a reduction in the forgiveness of the Class B Return (as defined in the Arris LLC Operating Agreement) equal to 50% of the amount by which the aggregate exercise price for all exercises is less than $4.00 per share of Arris Group Common Stock (the "Class B Reduction"). Please see the description of the Stock Option Agreement in Item 6 of this Schedule 13D, which is incorporated herein by reference.

On March 11, 2003, Nortel Networks Inc. and CIBC entered into a Master Securities Loan Agreement (the "Master Securities Loan Agreement") pursuant to which CIBC may from time to time borrow up to 6,000,000 shares of Arris Group Common Stock from Nortel Networks Inc. subject to certain restrictions and with the agreement of Nortel Networks Inc. Such shares may be offered directly to one or more purchasers of convertible subordinated notes of Arris Group (the "Convertible Notes") sold in connection with the private placement of convertible subordinated notes due 2008 currently being proposed by Arris Group (the "Note Offering") at negotiated prices, at market prices prevailing at the time of sale of the shares of Arris Group Common Stock or at prices related to such market prices, in connection with CIBC's market-making activities. Please see the description of the Master Securities Loan Agreement in Item 6 of this Schedule 13D, which is incorporated herein by reference.

Pursuant to the S-3 Registration Statement, Nortel Networks LLC previously sold 15,000,000 shares of Arris Group Common Stock. On March 12, 2003, pursuant to Rule 424(b)(3) of the Securities Act, Arris Group filed a prospectus supplement (the "March Prospectus Supplement") relating to 6,000,000 shares of Arris Group Common Stock not previously sold under the S-3 Registration Statement. The March Prospectus Supplement was filed in connection with Nortel Networks' loan of up to 6,000,000 shares of Arris Group Common Stock to CIBC in accordance with the terms of the Master Securities Loan Agreement.

Except as set forth in this Schedule 13D, the Arris LLC Operating Agreement, the S-3 Registration Statement, the Prospectus Supplement, the Underwriting Agreement, the Stock Option Agreement, the Master Securities Loan Agreement and the March Prospectus Supplement, neither Nortel Networks Corporation nor, to the best of Nortel Networks Corporation's knowledge, any of the individuals named in Schedule I hereto has any plans or proposals which related to or which would result in or relate to any of the actions specified in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Item 5(a) of the Statement is hereby amended and restated to read in its entirety as follows:

(a) Nortel Networks Corporation is the beneficial owner of 22,000,000 shares of Arris Group Common Stock, representing approximately 26.6% of the Arris Group Common Stock issued and outstanding.

Except as set forth in this Item 5, neither Nortel Networks Corporation nor, to the best of Nortel Networks Corporation's knowledge, any of the individuals named in Schedule I hereto beneficially owns any shares of Arris Group Common Stock.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDING OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF ARRIS GROUP.

The last paragraph in the paragraphs describing Directors; Voting of Shares in Item 6 of the Statement is hereby amended and restated to read in its entirety as follows:

One of the Investor Nominees of Nortel Networks is currently Randy K. Dodd, President of the Sales-IXC-Regional Accounts for Nortel Networks. As a result of the resignation of Susan Spradley, effective February 24, 2003, the Arris Group board of directors seat held by the other Investor Nominee of Nortel Networks is currently vacant. Nortel Networks has nominated Kenneth Pecot to fill the vacancy resulting from Ms. Spradley's resignation.

The last two paragraphs of Item 6 of the Statement are hereby deleted in their entirety and the following paragraphs shall be inserted in place thereof:

STOCK OPTION AGREEMENT. Pursuant to the Stock Option Agreement, Nortel Networks Inc. granted to Arris Group, for consideration of $1.00, the Stock Option. The exercise price per share of the Stock Option will be equal to 90% of either: (i) in the event that the exercise occurs within seven calendar days of the closing of the Note Offering, the closing price on the Nasdaq National Market System for shares of Arris Group Common Stock on the date that the Note Offering is priced; and (ii) otherwise, the five trading day weighted average price of the shares of Arris Group Common Stock immediately preceding the date of exercise. The Stock Option Agreement provides that, notwithstanding the foregoing, the exercise price shall not be less than $4.00 per share of Arris Group Common Stock, except that with respect to 8,000,000 shares of Arris Group Common Stock the exercise price may be less than $4.00 per share of Arris Group Common Stock but not less than $3.50 per share of Arris Group Common Stock, provided that to the extent that the exercise price for any shares is between $3.50 and $4.00 per share of Arris Group Common Stock, there shall be a reduction in the forgiveness of the Class B Return equal to the Class B Reduction.

In addition, the Stock Option Agreement provides that the Stock Option will terminate upon the earliest of (i) March 31, 2003, in the event that the Note Offering does not close by such date, (ii) June 30, 2003, and (iii) at Nortel Networks Inc.'s election, on the occurrence of a change in control, a material change in Arris Group's business, or the commencement of a third-party tender offer for shares of Arris Group Common Stock. The Stock Option may be exercised only if (i) the Note Offering has closed, (ii) the Option (as defined in the Option Agreement) has been exercised in full, (iii) Arris LLC is not in breach of that certain settlement and release agreement between Nortel Networks Inc. and Arris LLC dated as of March 11, 2003, and (iv) Arris Group has obtained all necessary consents under its credit agreement.

Pursuant to the terms of the Stock Option Agreement, in the event the Note Offering closes by March 31, 2003, Arris LLC or one of its affiliates agrees to exercise in full the Option, thus redeeming in full Nortel Networks' New Membership Interest in Arris LLC. In the event the Note Offering closes by March 31, 2003 and the New Membership Interest is redeemed in full, Nortel Networks Inc. has agreed to forgive a portion of the Class B Return equal to (i)

$7,500,000 (i.e., the net amount of forgiveness after the 21% discount provided for in the Option Agreement would be $5,925,000), minus (ii) the Class B Reduction. A copy of the Stock Option Agreement is filed as Exhibit 9 to this Schedule 13D and incorporated herein by reference.

REGISTRATION RIGHTS LETTER AGREEMENT. On March 11, 2003, Nortel Networks Inc. and Arris Group entered into a letter agreement (the "Registration Rights Letter Agreement"), pursuant to which the parties have memorialized certain agreements that have been reached with respect to the Registration Rights Agreement. The Registration Rights Letter Agreement provides as follows: (i) limitations in the Registration Rights Agreement relating to the size and timing of registrations shall not apply to any shares of Arris Group Common Stock loaned pursuant to the Master Securities Loan Agreement (the "Covered Shares"); (ii) any shares that are returned pursuant to the Master Securities Loan Agreement shall constitute Registrable Shares (as defined in the Registration Rights Agreement); (iii) Nortel Networks shall be entitled to have the Covered Shares registered or reregistered; and (iv) notwithstanding any limitations contained in the Registration Rights Agreement, if at any time the residual Registrable Shares held by Nortel Networks Inc. is less than 5% of the then outstanding shares of Arris Group Common Stock, Nortel Networks Inc. shall be entitled to cause Arris Group to effect a single registration under the Registration Rights Agreement of all (but not less than all) of the residual Registrable Shares, provided that Nortel Networks Inc. is not then entitled to sell such amount pursuant to Rule 144(e)(1) of the Securities Act.

In addition, pursuant to the terms of the Registration Rights Letter Agreement, Arris Group acknowledges that the transactions contemplated by the Master Securities Loan Agreement are not inconsistent with the Investor Rights Agreement, and that Nortel Networks Inc. shall be deemed to beneficially own the Covered Shares for purposes of the Investor Rights Agreement while such shares are loaned under the Master Securities Loan Agreement. A copy of the Registration Rights Letter Agreement is filed as Exhibit 10 to this Schedule 13D and incorporated herein by reference.

CIBC LOCK-UP AGREEMENT. On March 11, 2003, Nortel Networks Inc. and CIBC entered into a Lock-Up Agreement (the "CIBC Lock-Up Agreement") pursuant to which Nortel Networks Inc. has agreed that without the prior consent of CIBC, which shall not be unreasonably withheld, Nortel Networks Inc. will not, during the period ending 90 days after the date of the offering circular relating to the Note Offering (the "CIBC Lock-Up Period"), (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Arris Group Common Stock or any securities convertible into or exercisable or exchangeable for Arris Group Common Stock other than (A) as a bona fide gift or bona fide gifts; provided, however, that the recipient of such bona fide gift or gifts shall execute and be bound by the terms of the CIBC Lock-Up Agreement, or (B) the sale of any shares of Arris Group Common Stock acquired upon exercise of options granted under Arris Group's stock option or stock incentive plans that would otherwise expire during the CIBC Lock-Up Period, or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Arris Group Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Arris Group Common Stock or such other securities, in cash or otherwise.

Notwithstanding the foregoing, the terms of the CIBC Lock-Up Agreement do not prohibit Nortel Networks from (i) entering into the Stock Option Agreement, or selling any shares of Arris Group Common Stock upon one or more exercises of the Stock Option, (ii) loaning shares of Arris Group Common Stock to CIBC pursuant to the Master Securities Loan Agreement, (iii) the making of any demand for or the exercising of any right with respect to the registration of up to 6,000,000 shares of Arris Group Common Stock or any security convertible into or exercisable or exchangeable for Arris Group Common Stock, or (iv) the announcement or disclosure of any of the foregoing as required by law. A copy of the CIBC Lock-Up Agreement is filed as Exhibit 11 to this Schedule 13D and incorporated herein by reference.

LOCK-UP LETTER AGREEMENT. On March 11, 2003, Nortel Networks Inc. and Liberty ANTC, Inc. entered into a letter agreement (the "Lock-Up Letter Agreement"), pursuant to which the parties memorialized certain agreement that have been reached with respect to the Lock-Up Agreement. The Lock-Up Letter Agreement permits Nortel Networks Inc. to loan shares of Arris Group Common

Stock pursuant to the Master Securities Loan Agreement and exercise registration rights with respect to shares of Arris Group Common Stock returned to Nortel Networks Inc. pursuant to the Master Securities Loan Agreement. A copy of the Lock-Up Letter Agreement is filed as Exhibit 12 to this Schedule 13D and incorporated herein by reference.

MASTER SECURITIES LOAN AGREEMENT. Pursuant to the Master Securities Loan Agreement, CIBC may from time to time borrow up to 6,000,000 shares of Arris Group Common Stock from Nortel Networks Inc. subject to certain restrictions and with the agreement of Nortel Networks Inc. Such shares may be offered directly to one or more purchasers of the Convertible Notes sold in connection with the Note Offering at negotiated prices, at market prices prevailing at the time of sale of the shares of Arris Group Common Stock or at prices related to such market prices, in connection with CIBC's market-making activities. The availability of the shares of Arris Group Common Stock under the Master Securities Loan Agreement, if any, at any time is not assured and any such availability does not assure market-making activity with respect to the Convertible Notes and any market-making actually engaged in by CIBC may cease at any time. A copy of the Master Securities Loan Agreement is filed as Exhibit 13 to this Schedule 13D and incorporated herein by reference.

The foregoing summaries of the Reorganization Agreement, the Investor Rights Agreement, the Arris LLC Operating Agreement, the Registration Rights Agreement, the Lock-Up Agreement, the Option Agreement, the Underwriting Agreement, the Stock Option Agreement, the Registration Rights Letter Agreement, the CIBC Lock-Up Agreement, the Lock-Up Letter Agreement and the Master Securities Loan Agreement do not purport to be complete and are qualified in their entirety by reference to the text of such agreements incorporated by reference herein.

Except as provided in the Reorganization Agreement, the Investor Rights Agreement, the Arris LLC Operating Agreement, the Registration Rights Agreement, the Lock-Up Agreement, the Option Agreement, the Underwriting Agreement, the Stock Option Agreement, the Registration Rights Letter Agreement, the CIBC Lock-Up Agreement, the Lock-Up Letter Agreement or the Master Securities Loan Agreement or as set forth in this Schedule 13D, neither Nortel Networks Corporation nor, to the best of Nortel Networks

Corporation's knowledge, any of the individuals named in Schedule I hereto has any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of Arris Group, including, but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Item 7 of the Statement is hereby amended to include the following paragraphs:

Exhibit 9 Letter Agreement, dated as of March 11, 2003, among Nortel Networks Inc., Arris Interactive L.L.C. and Arris Group, Inc.

Exhibit 10 Letter Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and Arris Group, Inc.

Exhibit 11 Lock-Up Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and CIBC World Markets Corp.

Exhibit 12 Letter Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and Liberty ANTC, Inc.

Exhibit 13 Master Securities Loan Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and CIBC World

SIGNATURES

After reasonable inquiry and to the best of the knowledge and belief of the undersigned, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: March 13, 2003 NORTEL NETWORKS CORPORATION

By: /s/ Douglas Beatty

Douglas Beatty
Chief Financial Officer

By: /s/ Gordon Davies

Gordon Davies
Assistant Secretary

SCHEDULE I
NORTEL NETWORKS CORPORATION
AND
NORTEL NETWORKS LIMITED
DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN NON-EXECUTIVE BOARD APPOINTED OFFICERS

The name, citizenship, present principal occupation or employment, and the name of any corporation or other organization in which such employment is conducted, of each of the directors, executive officers and certain non-executive Board appointed officers of Nortel Networks Corporation and Nortel Networks Limited is set forth below. Unless otherwise indicated below, the business address of each director, executive officers and certain non-executive board appointed officers is Nortel Networks Corporation and Nortel Networks Limited, 8200 Dixie Road, Suite 100, Brampton, Ontario L6T 5P6, Canada.

NAME AND CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
Directors	
Blanchard, James J. American	Piper Rudnick 901-15th Street, N.W., Suite 700 Washington, DC 20005-2301 U.S.A.
Brown, Robert E. Canadian/British	Director Nortel Networks Corporation and Nortel Networks Limited
Cleghorn, John E. Canadian	Chairman of the Board SNC-Lavalin Group Inc. 200 Bay Street, South Tower, Suite 3115 Royal Bank Plaza Toronto, Ontario M5J 2J5 Canada
Dunn, Frank A. Canadian	President and Chief Executive Officer Nortel Networks Corporation and

Fortier, L. Yves Canadian	Chairman and Senior Partner Ogilvy Renault 1981 McGill College Avenue, 12th Floor Montreal, Quebec H3A 3C1 Canada
Ingram, Robert A.	Vice Chairman Pharmaceuticals GlaxoSmithKline plc 5 Moore Drive Research Triangle Park, N.C. 27709 U.S.A.

Owens, William A. American	Co-Chief Executive Officer and Vice Chairman Teledesic LLC 1445 120th Avenue N.E. Bellevue, WA 98005 U.S.A.
Saucier, Guylaine Canadian	1321 Sherbrooke Street West, Suite C-61 Montreal, Quebec H3G 1J4 Canada
Smith, Jr., Sherwood H. American	Chairman Emeritus of the Board CP&L One Hanover Square Building 411 Fayetteville Street Mall Raleigh, N.C. 27601-1748 U.S.A.
Wilson, Lynton R. Canadian	Chairman of the Board CAE Inc. 483 Bay Street, Floor 7, North Tower Toronto, Ontario M5G 2E1 Canada Chairman of the Board of Nortel Networks Corporation and Nortel Networks Limited

Officers

Dunn, Frank A. Canadian	President and Chief Executive Officer
Beatty, Douglas C. Canadian	Chief Financial Officer
DeRoma, Nicholas J. American	Chief Legal Officer
Mumford, D. Gregory Canadian	Chief Technology Officer
Debon, Pascal French	President, Wireless Network
Bolouri, Chahram Canadian	President, Global Operations
McFadden, Brian W. Canadian	President, Optical Networks
Donahee, Gary R. American	President, Americas

Pusey, Stephen C. U.K.	President, Europe, Middle East and Africa	
Spradley, Susan American	President, Wireline Networks	
Tariq, Masood A. Canadian/American	President, Global Alliances	
Donovan, William J. American	Senior Vice-President, Human Resources	
Gollogly, Michael J. Canadian	Controller	
Donoghue, Adrian J.* Canadian	General Auditor	
Stevenson, Katharine B. Canadian/American	Treasurer	
Noble, Deborah J.* Canadian	Corporate Secretary	
Schilling, Steven L. American	President, Enterprise Accounts	
Mezon, Linda F.* Canadian/American	Assistant Controller	
Doolittle, John M.* Canadian	Vice-President, Tax	
Morrison, Blair F.* Canadian	Assistant Secretary	
Pahapill, MaryAnne E.* Canadian	Assistant Treasurer	
Collins, Malcolm K. U.K.	President, Enterprise Networks	
Hitchcock, Albert R.* U.K.	Chief Information Officer	
Mao, Robert American	President and Chief Executive Officer, Greater China	

Joannou, Dion American	President, CALA	
Davies, Gordon* Canadian	Assistant Secretary	
Giamatteo, John J. American	President, Asia Pacific	

* Non-executive board appointed officers

DIRECTORS, EXECUTIVE OFFICERS AND NON-EXECUTIVE
BOARD APPOINTED OFFICERS OF

NORTEL NETWORKS INC.

The name, citizenship, present principal occupation or employment, and the name of any corporation or other organization in which such employment is conducted, of each of the directors, executive officers and non-executive board appointed officers of Nortel Networks Inc. is set forth below. Unless otherwise indicated below, the business address of each director, executive officer and non-executive board appointed officers is Nortel Networks Inc., 200 Athens Way, Nashville, Tennessee 37228-1397 USA.

NAME AND CITIZENSHIP	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
Directors	
Cross, Mary M. American	President, Nortel Networks Inc.
Stevenson, Katharine B. Canadian/American	Treasurer, Nortel Networks Corporation and Nortel Networks Limited 8200 Dixie Road, Suite 100 Brampton, Ontario L6T 5P6 Canada
Officers	
Cross, Mary M. American	President
Egan, Lynn C.* American	Assistant Secretary
Gigliotti, Thomas A.* American	Assistant Secretary 4001 E. Chapel Hill-Nelson Highway Research Triangle Park, N.C. 27709 U.S.A.
Higginbotham, Ernest R.* American	Assistant Secretary 2221 Lakeside Blvd. Richardson, TX 75082-4399 U.S.A.
Knudsen, Paul T.* Canadian	Assistant Secretary 5405 Windward Parkway Alpharetta, GA 30004 U.S.A.
Krebs, Laurie American	Vice President, Tax 4001 E. Chapel Hill-Nelson Highway Research Triangle Park, N.C. 27709 U.S.A.

LaSalle, William J.* American	Secretary Nortel Networks Limited 8200 Dixie Road, Suite 100 Brampton, Ontario L6T 5P6 Canada
Lester, Monica L. American	Treasurer
Morfe, Claudio* American	Assistant Secretary 880 Technology Park Billerica, MA 01821 U.S.A.
Noble, Deborah J.* Canadian	Corporate Secretary Nortel Networks Corporation and Nortel Networks Limited Assistant Secretary, Nortel Networks Inc. 8200 Dixie Road, Suite 100 Brampton, Ontario L6T 5P6 Canada
Stout, Allen	Vice President, Finance

American

* Non-executive board appointed officers

Exhibits/Index

Exhibit 1 -- Second Amended and Restated Limited Liability Company Agreement of Arris Interactive L.L.C., dated as of August 3, 2001, among Arris International, Inc. (f/k/a ANTEC Corporation), Arris Group, Inc. and Nortel Networks LLC (incorporated herein by reference to the Reporting Person's Statement on Schedule 13D, dated August 3, 2001, filed with the Securities and Exchange Commission on August 13, 2001).

Exhibit 2 -- Agreement and Plan of Reorganization, dated as of October 18, 2000, among ANTEC Corporation, Broadband Parent Corporation, Broadband Transition Corporation, Nortel Networks Inc., Nortel Networks LLC and Arris Interactive L.L.C. (incorporated herein by reference to Exhibit 2.1 to Form 8-K (File No. 000-22336), filed by ANTEC Corporation on October 25, 2000).

Exhibit 3 -- First Amendment to Agreement and Plan of Reorganization, dated as of April 9, 2001, among ANTEC Corporation, Broadband Parent Corporation, Broadband Transition Corporation, Nortel Networks Inc., Nortel Networks LLC and Arris Interactive L.L.C. (incorporated herein by reference to Exhibit 2.1 to Form 8-K (File No. 000-22336), filed by ANTEC Corporation on April 13, 2001).

Exhibit 4 -- Registration Rights Agreement, dated as of August 3, 2001, between Arris Group, Inc. and Nortel Networks LLC (incorporated herein by reference to the Reporting Person's Statement on Schedule 13D, dated August 3, 2001, filed with the Securities and Exchange Commission on August 13, 2001).

Exhibit 5 -- Lock-Up Agreement, dated as of June 7, 2002, by and between Nortel Networks LLC and Liberty ANTC, Inc. (formerly known as TCI TSX, Inc.) (incorporated herein by reference to the Reporting Person's Amendment No. 1 to Statement on Schedule 13D, dated June 7, 2002, filed with the Securities and Exchange Commission on June 11, 2002).

Exhibit 6 -- Option Agreement, dated as of June 7, 2002, by and among Nortel Networks LLC, Arris Interactive L.L.C., and Arris Group, Inc. (incorporated herein by reference to Exhibit 10.2 to Form 8-K (File No. 001-16631), filed by Arris Group, Inc. on June 10, 2002).

Exhibit 7 -- Second Amended and Restated Investor Rights Agreement, dated as of June 7, 2002, by and among Nortel Networks LLC, Nortel Networks Inc. and Arris Group, Inc., f/k/a Broadband Parent Corporation (incorporated herein by reference to Exhibit 10.3 to Form 8-K (File No. 001-16631), filed by Arris Group, Inc. on June 10, 2002).

Exhibit 8 -- Underwriting Agreement, dated as of June 19, 2002, among Nortel Networks LLC, Arris Group, Inc. and CIBC World Markets Corp. and J.P. Morgan Securities Inc., as representatives of the several underwriters named in Schedule I thereto (incorporated herein by

reference to Exhibit 1.1 to Form 8-K (File No. 001-16631), filed by Arris Group, Inc. on June 20, 2002).

Exhibit 9 -- Letter Agreement, dated as of March 11, 2003, among Nortel Networks Inc., Arris Interactive L.L.C. and Arris Group, Inc.

Exhibit 10 -- Letter Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and Arris Group, Inc.

Exhibit 11 -- Lock-Up Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and CIBC World Markets Corp.

Exhibit 12 -- Letter Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and Liberty ANTC, Inc.

Exhibit 13 -- Master Securities Loan Agreement, dated as of March 11, 2003, by and between Nortel Networks Inc. and CIBC World Markets Corp.

EXHIBIT 9

Arris Group, Inc.
11450 Technology Circle
Duluth, Georgia 30097

March 11, 2003

Nortel Networks Inc.
221 Lakeside Boulevard
Richardson, Texas 75082-4399

Ladies and Gentlemen:

This letter memorializes the agreements that we have reached with respect to the Option Agreement by and among Nortel Networks Inc. ("Nortel"), as the successor in interest to Nortel Networks LLC (which was merged with and into Nortel as of December 31, 2002), Arris Interactive L.L.C. ("Arris Interactive"), and Arris Group, Inc. (the "Company") dated as of June 7, 2002 (the "Option Agreement"), and the Second Amended and Restated Limited Liability Company Agreement of Arris Interactive L.L.C., dated and effective as of August 3, 2001 (the "Operating Agreement"). Except as modified hereby, the referenced agreements shall remain in full force and effect.

Upon the terms and conditions set forth herein, Nortel hereby grants to the Company, for consideration of $1, an option to purchase in cash, from time-to-time (but in no event on more than four occasions and in each event for at least 1,000,000 shares of common stock of the Company), up to an aggregate of 16,000,000 shares of common stock of the Company owned by Nortel (the "Stock Option"). The per share exercise price for the Stock Option shall be 90% of either (A) in the event that the exercise occurs within seven calendar days of the closing of the convertible subordinated note offering currently being pursued by the Company (it being acknowledged and agreed by the parties to this letter that the proposed terms of the notes, the principal amount being offered, the initial purchaser and other terms and conditions of such offering may vary from the current proposal and that such offering must close by March 31, 2003) (the "Note Offering"), the closing price on the Nasdaq National Market System for the common stock of the Company on the day that the Note Offering is priced, and (B) otherwise, the five trading day weighted average price (which is determined (based on Bloomberg's volume weighted average price function) by dividing (x) the sum of the amounts derived by multiplying each sale price during the five trading days immediately preceding the date of exercise by the number of shares sold at such price by (y) the aggregate trading volume for such five trading days) of the common stock of the Company. Notwithstanding the foregoing, the exercise price shall not be less than $4.00 per share, except that with respect to up to 8,000,000 shares the exercise price may be less than $4.00 per share but not less than $3.50 per share, provided that to the extent that the exercise price for any shares is between $3.50 and $4.00 per share, there shall be a reduction in the forgiveness of the Class B Return described in the next paragraph equal to 50% of the amount by which the aggregate exercise price for all exercises is less than $4.00 per share. The Stock Option will terminate upon the earliest of (i) March 31, 2003, in the event the Note Offering does not close by such date, (ii) June 30, 2003, and (iii) at Nortel's election on the occurrence of a "Change in Control" (as that term is defined in the Company's current convertible note indenture), a material change in the Company's business, or the commencement

of a third-party tender offer for the common stock of the Company. The Stock Option may be exercised only if (w) the Note Offering has closed, (x) the "Option" (as that term is defined in the Option Agreement) has been exercised in full, (y) Arris Interactive is not in breach of the Settlement and Release Agreement between Nortel and Arris Interactive dated the date hereof and (z) the Company has obtained all necessary consents under its credit agreement.

Notwithstanding the terms of the Option Agreement, the parties hereto agree that the Option may be exercised by Arris Interactive, Arris International, Inc. or the Company. In the event the Note Offering closes, the

Company agrees to exercise in full the Option and pay the exercise price for such Option, or cause Arris Interactive or Arris International, Inc. to exercise in full the Option and pay the exercise price for such Option, so that Nortel receives the funds for such Option exercise as soon as practicable but in no event later than the close of the business day following the date of the Company's receipt of funds in connection with the closing of the Note Offering. In the event the Note Offering has closed and the Option is exercised in full in accordance with the provisions of the preceding sentence, Nortel agrees to forgive a portion of the "Class B Return" (as that term is defined in the Operating Agreement) equal to (i) $7,500,000 (i.e., the net amount of this forgiveness after the 21% discount provided for in the Option Agreement would be $5,925,000) minus (ii) the reduction referenced in the preceding paragraph, if any.

In order to exercise the Stock Option, the Company must deliver written notice to Nortel (the "Exercise Notice"), which Exercise Notice shall specify the number of shares of common stock of the Company being purchased thereunder. Each closing of the transactions contemplated by the Exercise Notice (a "Closing") shall take place at 10:00 a.m., Boston time, on the third business day after the date of Nortel's receipt of such Exercise Notice. At each Closing, the Company shall deliver to Nortel, by wire transfer of immediately available U.S. funds to a bank account designated by Nortel by written notice to the Company prior to the Closing, the amount of the aggregate exercise price. At each Closing, Nortel shall deliver a stock power or other appropriate document to effect the transfer of the shares of common stock of the Company being purchased at such Closing.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND ARRIS INTERACTIVE. Each of the Company and Arris Interactive represents and warrants to Nortel, jointly and severally, as of the date hereof and as of the date of each Closing that:

(a) ORGANIZATION AND STANDING. The Company is a corporation and Arris Interactive is a limited liability company, in each case duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) AUTHORITY.

(i) The execution and delivery of this letter, the exercise of the Stock Option and the Option (collectively, the "Options") and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate or limited liability company (as applicable) action of the Company and Arris Interactive prior to the date hereof (which action has not been rescinded or modified in any way).

(ii) This letter is a legal, valid and binding agreement of the Company and Arris Interactive, enforceable in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles, whether considered at law or in equity).

(c) NONCONTRAVENTION. Except for a consent that may be necessary under the Company's credit agreement with respect to the exercise of the Stock Option, the execution, delivery and performance of this letter, the exercise of the Options and the consummation of the transactions contemplated hereby by the Company and Arris Interactive do not and will not (i) constitute a breach or violation of, or a default under, any law, rule or regulation or any judgment, decree, order, governmental permit or license, or agreement, indenture or instrument of the Company or Arris Interactive or to which the Company or Arris Interactive or any of their respective properties or assets are subject or bound, (ii) constitute a breach, violation or default under, the certificate of incorporation or by-laws of the Company or the certificate of formation or limited liability company agreement of Arris Interactive, or (iii) require any consent or approval under any such law, rule, regulation, judgment, decree, order, governmental permit or license, agreement, indenture or instrument, except in the case of (i) and (iii), where such breach, violation or default or the

failure to obtain such consents or approvals would not in the aggregate have a material adverse effect on the Company and would not prevent or impair the Company's or Arris Interactive's ability to consummate the transactions contemplated hereby.

(d) REGULATORY APPROVALS. No consents or approvals of, or filings or registrations with, any governmental authority are necessary for the Company or Arris Interactive to exercise the Options or for the Company or Arris Interactive to consummate the transactions contemplated hereby.

(e) SOLVENCY. Immediately after giving effect to the transactions contemplated hereby and the closing of the Note Offering, the Company, Arris Interactive and each of their relevant affiliates shall be able to pay its debts as they become due and shall own property having a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities). Immediately after giving effect to the transactions contemplated hereby and the closing of the Note Offering, the Company, Arris Interactive and each of their relevant affiliates shall have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby and the closing of the Note Offering with the intent to hinder, delay or defraud either present or future creditors of the Company, Arris Interactive or any of their affiliates.

REPRESENTATIONS AND WARRANTIES OF NORTEL. Nortel represents and warrants to the Company and Arris Interactive as of the date hereof and as of the date of each Closing that:

(a) ORGANIZATION AND STANDING. Nortel is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) AUTHORITY.

(i) The execution and delivery of this letter and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action of Nortel prior to the date hereof (which action has not been rescinded or modified in any way).

(ii) This letter is a legal, valid and binding agreement of Nortel, enforceable in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles, whether considered at law or in equity).

(c) NONCONTRAVENTION. The execution, delivery and performance of this letter and the consummation of the transactions contemplated hereby by Nortel do not and will not (i) constitute a breach or violation of, or a default under, any law, rule or regulation or any judgment, decree, order, governmental permit or license, or agreement, indenture or instrument of Nortel or to which Nortel or any of its respective properties or assets are subject or bound, (ii) constitute a breach, violation or default under, the certificate of incorporation or by-laws of Nortel, or (iii) require any consent or approval under any such law, rule, regulation, judgment, decree, order, governmental permit or license, agreement, indenture or instrument, except in the case of (i) and (iii), where such breach, violation or default or the failure to obtain such consents or approvals would not in the aggregate have a material adverse effect on Nortel and would not prevent or impair Nortel's ability to consummate the transactions contemplated hereby.

(d) REGULATORY APPROVALS. No consents or approvals of, or filings or registration with, any governmental authority are necessary for Nortel to consummate the transactions contemplated hereby.

(e) TITLE TO SHARES OF COMMON STOCK. Nortel has good and valid title to the 16,000,000 shares of common stock of the Company issuable upon exercise

of the Stock Option, free and clear of all liens or encumbrances (other than liens or encumbrances, if any, imposed by the securities laws).

To the extent the matters set forth in this letter are inconsistent with, or otherwise conflict with the provisions of, the Second Amended and Restated Investor Rights Agreement by and among Nortel, Nortel Networks LLC and the Company, dated as of June 7, 2002 (the "Investor Rights Agreement"), each of Nortel and the Company hereby waives any such inconsistencies or conflicts. In all other respects, the provisions of the Investor Rights Agreement shall continue in full force and effect.

The parties hereto acknowledge and agree that none of the shares of common stock of the Company subject to the Stock Option are registered for resale on the Company's Registration Statement on Form S-3 (File No. 333-88498) or deemed to be "Registered Shares" (as such term is defined in the Lock-Up Agreement between Nortel Networks LLC and Liberty ANTC, Inc., dated as of June 7, 2002).

Nortel agrees to execute and deliver to CIBC World Markets a lock-up agreement substantially in the form attached hereto as Annex A (with such changes as CIBC may reasonably request) at the closing of the Note Offering.

If the foregoing accurately reflects our agreements, please sign where indicated below.

Sincerely yours,

Arris Group, Inc.

By: /s/ Lawrence Margolis

Lawrence Margolis
Executive Vice President

Arris Interactive L.L.C.

By: Arris Group, Inc.

By: /s/ Lawrence Margolis

Lawrence Margolis
Executive Vice President

Agreed to:

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Its: Attorney-In-Fact

EXHIBIT 10

Arris Group, Inc.
11450 Technology Circle
Duluth, Georgia 30097

March 11, 2003

Nortel Networks Inc.
221 Lakeside Boulevard
Richardson, Texas 75082-4399

Ladies and Gentlemen:

This letter memorializes certain agreements that we have reached with respect to the Registration Rights Agreement by and between Nortel Networks Inc. ("Investor"), as successor in interest to Nortel Networks LLC (which was merged with and into Nortel as of December 31, 2002), and Arris Group, Inc. ("Newco") dated as of August 3, 2001 (the "Agreement").

We have agreed that:

(1) the limitations contained in Subsections 4(b) and (c) of the Agreement shall not apply to any shares of Common Stock of Newco loaned pursuant to the Master Securities Loan Agreement by and between Investor and CIBC World Markets Corp. dated as of March 11, 2003 (the "Loan Agreement"), and any substitutes therefor that are returned in lieu thereof pursuant to the Loan Agreement (collectively, the "Covered Shares");

(2) any shares that are returned pursuant to the Loan Agreement shall constitute "Registrable Shares" for purposes of the Agreement;

(3) the Stockholders (as defined in the Agreement) shall be entitled to have the Covered Shares registered or reregistered, as the case may be, including more than once. It is understood that all of the provisions of the Agreement shall apply to the registration of the Covered Shares; and

(4) notwithstanding the limitation contained in Subsection 4(b) of the Agreement, if at any time the residual Registrable Shares held by Investor is less than 5% of the then outstanding shares of Common Stock of Newco, Investor shall be entitled to cause Newco to effect a single registration under Section 1 of the Agreement of all (but not less than all) of the residual Registrable Shares, provided that Investor is not then entitled to sell the entire amount of residual Registrable Shares pursuant to Rule 144(e)(1) promulgated under the Securities Act of 1933, as amended.

In addition to the foregoing agreements, Newco acknowledges that the transactions contemplated under the Loan Agreement are not inconsistent with the Second Amended and Restated Investor Rights Agreement, dated as of June 7, 2002 (the "Investor Rights Agreement"), and that Investor shall be deemed to "Beneficially Own" (as defined in the Investor Rights Agreement) the Covered Shares for purposes of the Investor Rights Agreement while such shares are loaned under the Loan Agreement.

Newco also agrees to reimburse Investor for legal fees and expenses of outside counsel to Investor in connection with the negotiation of the Loan Agreement; provided, however, that Newco shall not be liable for aggregate fees and expenses in excess of $5,000.

If the foregoing accurately reflects our agreements, please sign where indicated below.

Sincerely yours,

Arris Group, Inc.

By: /s/ Leonard Travis

Leonard Travis
Vice President and Controller

Agreed to:

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Its: Attorney-In-Fact

EXHIBIT 11

LOCK-UP AGREEMENT

March 11, 2003

CIBC WORLD MARKETS CORP.
425 Lexington Avenue, 6th floor
New York, New York 10017

Re: Arris Group, Inc. -- Offering of Convertible Notes

Ladies and Gentlemen:

The undersigned understands that you have entered into a Purchase Agreement (the "Purchase Agreement") with Arris Group, Inc., a Delaware corporation (the "Company"), providing for the private offering (the "Rule 144A Offering") by you (the "Initial Purchaser") of notes (the "Notes") convertible into common stock (the "Common Stock") of the Company. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Purchase Agreement.

In consideration of your agreement to purchase and make the Rule 144A Offering of the Notes, and for other good and valuable consideration the receipt of which is hereby acknowledged, the undersigned hereby agrees that, except as set forth in the following paragraph, without your prior written consent, which shall not be unreasonably withheld, the undersigned will not, during the period (the "Lock-Up Period") ending 90 days after the date of the offering circular relating to the Rule 144A Offering (the "Circular"), (1) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock of the Company or any securities convertible into or exercisable or exchangeable for Common Stock (including, but not limited to, Common Stock which may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and securities which may be issued upon exercise of a stock option or warrant) other than (A) as a bona fide gift or bona fide gifts, provided, however, that the recipient of such bona fide gift or bona fide gifts shall execute a copy of and be bound by the terms of, this Agreement or (B) the sale of any shares of Common Stock acquired upon the exercise of options granted under the Company's stock option or stock incentive plans that would otherwise expire during the Lock-Up Period, or (2) enter into any swap, option, future, forward or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock or any securities of the Company which are substantially similar to the Common Stock, including, but not limited to, any security convertible into or exercisable or exchangeable for Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise.

The Initial Purchaser acknowledges and agrees that, notwithstanding the foregoing paragraph, nothing in this Lock-Up Agreement shall prohibit the undersigned from (1) entering into an option agreement with the Company for the sale by the undersigned to the Company of up to 16,000,000 shares of Common Stock held by the undersigned, or selling any shares to the Company upon one or more exercises of such option, (2) the loaning of shares of Common Stock to the Initial Purchaser pursuant to the Master Securities Loan Agreement dated as of March 11, 2003 by and between the undersigned and the Initial Purchaser, (3) the making of any demand for or the exercising of any right with respect to the registration of up to 6,000,000 shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock or (4) the announcement or disclosure of any of the foregoing as required by law.

In furtherance of the foregoing, the Company and any duly appointed transfer agent for the registration or transfer of the securities described

herein are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Agreement.

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement. All authority herein conferred or agreed to be conferred and any obligations of the undersigned shall be binding upon the successors, assigns, heirs or personal representatives of the undersigned.

The undersigned understands that, if the Purchase Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Common Stock to be sold thereunder, this Lock-Up Agreement shall terminate and be of no further force or effect, and the undersigned shall be released from all obligations under this Lock-Up Agreement.

The undersigned understands that the Initial Purchaser proposes to proceed with the Rule 144A Offering in reliance upon this Lock-Up Agreement.

THIS LOCK-UP AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PROVISIONS THEREOF.

Very truly yours,

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Name: Khush Dadyburjor
Title: Attorney-In-Fact

Accepted as of the date first set forth above:

CIBC WORLD MARKETS CORP.

By: /s/ A. MacInnes

Name: Andrew MacInnes
Title: Managing Director

EXHIBIT 12

Nortel Networks Inc.
221 Lakeside Boulevard
Richardson, Texas 75082-4399

March 11, 2003

Liberty ANTC, Inc.
c/o Liberty Media Corporation
12300 Liberty Boulevard
Englewood, Colorado 80112

Ladies and Gentlemen:

This letter memorializes certain agreements that we have reached with respect to the Lock-Up Agreement by and between Nortel Networks Inc. ("Nortel"), as successor in interest to Nortel Networks LLC (which was merged with and into Nortel as of December 31, 2002), and Liberty ANTC, Inc. dated as of June 7, 2002 (the "Agreement").

We have agreed that:

(1) Section 1.2 of the Agreement shall not apply to a maximum of 6,000,000 shares transferred by Nortel pursuant to the Master Securities Loan Agreement by and between Nortel and CIBC World Markets Corp. dated as of March 11, 2003 (the "Loan Agreement"),

(2) notwithstanding Section 1.1 of the Agreement, Nortel shall be entitled to demand (pursuant to its agreement with Arris Group, Inc.) registration for any shares lent pursuant to the Loan Agreement and any substitutes therefore that are retuned in lieu thereof pursuant to the Loan Agreement (collectively, the "Covered Shares"), and

(3) the Covered Shares, once reregistered, shall constitute "Registered Shares pursuant to the Shelf Registration" for purposes of the Agreement.

If the foregoing accurately reflects our agreements, please sign where indicated below.

Sincerely yours,

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Attorney-In-Fact

Agreed to:

Liberty ANTC, Inc.

By: /s/ Neal Dermer

Its: Vice President - Assistant Treasurer

EXHIBIT 13

Master Securities
Loan Agreement

2000 Version

Dated as of: March 11, 2003

Between: Nortel Networks Inc. ("Lender")

and CIBC World Markets Corp. ("Borrower")

1. APPLICABILITY.

From time to time the parties hereto may enter into transactions in which one party ("Lender") will lend to the other party ("Borrower") certain Securities (as defined herein) against a transfer of Collateral (as defined herein). Each such transaction shall be referred to herein as a "Loan" and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in an Annex or Schedule hereto and in any other annexes identified herein or therein as applicable hereunder. Capitalized terms not otherwise defined herein shall have the meanings provided in Section 25.

2. LOANS OF SECURITIES.

2.1 Subject to the terms and conditions of this Agreement, Borrower or Lender may, from time to time, seek to initiate a transaction in which Lender will lend Securities to Borrower. Borrower and Lender shall agree on the terms of each Loan (which terms may be amended during the Loan), including the issuer of the Securities, the amount of Securities to be lent, the basis of compensation, the amount of Collateral to be transferred by Borrower, and any additional terms. Such agreement shall be confirmed (a) by a schedule and receipt listing the Loaned Securities provided by Borrower to Lender in accordance with Section 3.2, (b) through any system that compares Loans and in which Borrower and Lender are participants, or (c) in such other manner as may be agreed by Borrower and Lender in writing. Such confirmation (the "Confirmation"), together with the Agreement, shall constitute conclusive evidence of the terms agreed between Borrower and Lender with respect to the Loan to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any inconsistency between the terms of such Confirmation and this Agreement, this Agreement shall prevail unless each party has executed such Confirmation.

2.2 Notwithstanding any other provision in this Agreement regarding when a Loan commences, unless otherwise agreed, a Loan hereunder shall not occur until the

Loaned Securities and the Collateral therefor have been transferred in accordance with Section 15.

3. TRANSFER OF LOANED SECURITIES.

3.1 Unless otherwise agreed, Lender shall transfer Loaned Securities to Borrower hereunder on or before the Cutoff Time on the date agreed to by Borrower and Lender for the commencement of the Loan.

3.2 Unless otherwise agreed, Borrower shall provide Lender, for each Loan in which Lender is a Customer, with a schedule and receipt listing the Loaned Securities. Such schedule and receipt may consist of (a) a schedule provided to Borrower by Lender and executed and returned by Borrower when the Loaned Securities are received, (b) in the case of Securities transferred through a Clearing Organization which provides transferors with a notice evidencing such transfer, such notice, or (c) a confirmation or other document provided to Lender by Borrower.

3.3 Notwithstanding any other provision in this Agreement, the parties hereto agree that they intend the Loans hereunder to be loans of Securities. If, however, any Loan is deemed to be a loan of money by Borrower to Lender, then Borrower shall have, and Lender shall be deemed to have granted, a security interest in the Loaned Securities and the proceeds thereof.

4. COLLATERAL.

4.1 Unless otherwise agreed, Borrower shall, prior to or concurrently with the transfer of the Loaned Securities to Borrower, but in no case later than the Close of Business on the day of such transfer, transfer to Lender Collateral with a Market Value at least equal to the Margin Percentage of the Market Value of the Loaned Securities.

4.2 The Collateral transferred by Borrower to Lender, as adjusted pursuant to Section 9, shall be security for Borrower's obligations in respect of such Loan and for any other obligations of Borrower to Lender hereunder. Borrower hereby pledges with, assigns to, and grants Lender a continuing first priority security interest in, and a lien upon, the Collateral, which shall attach upon the transfer of the Loaned Securities by Lender to Borrower and which shall cease upon the transfer of the Loaned Securities by Borrower to Lender. In addition to the rights and remedies given to Lender hereunder, Lender shall have all the rights and remedies of a secured party under the UCC. It is understood that Lender may use or invest the Collateral, if such consists of cash, at its own risk, but that (unless Lender is a Broker-Dealer) Lender shall, during the term of any Loan hereunder, segregate Collateral from all securities or other assets in its possession. Lender may Retransfer Collateral only (a) if Lender is a Broker-Dealer or (b) in the event of a Default by Borrower. Segregation of Collateral may be accomplished by

appropriate identification on the books and records of Lender if it is a "securities intermediary" within the meaning of the UCC.

4.3 Except as otherwise provided herein, upon transfer to Lender of the Loaned Securities on the day a Loan is terminated pursuant to Section 6, Lender shall be obligated to transfer the Collateral (as adjusted pursuant to Section 9) to Borrower no later than the Cutoff Time on such day or, if such day is not a day on which a transfer of such Collateral may be effected under Section 15, the next day on which such a transfer may be effected.

4.4 If Borrower transfers Collateral to Lender, as provided in Section 4.1, and Lender does not transfer the Loaned Securities to Borrower, Borrower shall have the absolute right to the return of the Collateral; and if Lender transfers Loaned Securities to Borrower and Borrower does not transfer Collateral to Lender as provided in Section 4.1, Lender shall have the absolute right to the return of the Loaned Securities.

4.5 Borrower may, upon reasonable notice to Lender (taking into account all relevant factors, including industry practice, the type of Collateral to be substituted, and the applicable method of transfer), substitute Collateral for Collateral securing any Loan or Loans; provided, however, that such substituted Collateral shall (a)

consist only of cash, securities or other property that Borrower and Lender agreed would be acceptable Collateral prior to the Loan or Loans and (b) have a Market Value such that the aggregate Market Value of such substituted Collateral, together with all other Collateral for Loans in which the party substituting such Collateral is acting as Borrower, shall equal or exceed the agreed upon Margin Percentage of the Market Value of the Loaned Securities.

4.6 Prior to the expiration of any letter of credit supporting Borrower's obligations hereunder, Borrower shall, no later than the Extension Deadline, (a) obtain an extension of the expiration of such letter of credit, (b) replace such letter of credit by providing Lender with a substitute letter of credit in an amount at least equal to the amount of the letter of credit for which it is substituted, or (c) transfer such other Collateral to Lender as may be acceptable to Lender.

5. FEES FOR LOAN.

5.1 Unless otherwise agreed, (a) Borrower agrees to pay Lender a loan fee (a "Loan Fee"), computed daily on each Loan to the extent such Loan is secured by Collateral other than cash, based on the aggregate Market Value of the Loaned Securities on the day for which such Loan Fee is being computed, and (b) Lender agrees to pay Borrower a fee or rebate (a "Cash Collateral Fee") on Collateral consisting of cash, computed daily based on the amount of cash held by Lender as Collateral, in the case of each of the Loan Fee and the Cash Collateral Fee at such rates as Borrower and Lender may agree. Except as Borrower and Lender may otherwise agree (in the event that cash Collateral is transferred by clearing house

funds or otherwise), Loan Fees shall accrue from and including the date on which the Loaned Securities are transferred to Borrower to, but excluding, the date on which such Loaned Securities are returned to Lender, and Cash Collateral Fees shall accrue from and including the date on which the cash Collateral is transferred to Lender to, but excluding, the date on which such cash Collateral is returned to Borrower.

5.2 Unless otherwise agreed, any Loan Fee or Cash Collateral Fee payable hereunder shall be payable:

(a) in the case of any Loan of Securities other than Government Securities, upon the earlier of (i) the fifteenth day of the month following the calendar month in which such fee was incurred and (ii) the termination of all Loans hereunder (or, if a transfer of cash in accordance with Section 15 may not be effected on such fifteenth day or the day of such termination, as the case may be, the next day on which such a transfer may be effected); and

(b) in the case of any Loan of Government Securities, upon the termination of such Loan and at such other times, if any, as may be customary in accordance with market practice.

Notwithstanding the foregoing, all Loan Fees shall be payable by Borrower immediately in the event of a Default hereunder by Borrower and all Cash Collateral Fees shall be payable immediately by Lender in the event of a Default by Lender.

6. TERMINATION OF THE LOAN.

6.1 (a) Unless otherwise agreed, either party may terminate a Loan on a termination date established by notice given to the other party prior to the Close of Business on a Business Day. The termination date established by a termination notice shall be a date no earlier than the standard settlement date that would apply to a purchase or sale of the Loaned Securities (in the

case of a notice given by Lender) or the non-cash Collateral securing the Loan (in the case of a notice given by Borrower) entered into at the time of such notice, which date shall, unless Borrower and Lender agree to the contrary, be (i) in the case of Government Securities, the next Business Day following such notice and (ii) in the case of all other Securities, the third Business Day following such notice.

(b) Notwithstanding paragraph (a) and unless otherwise agreed, Borrower may terminate a Loan on any Business Day by giving notice to Lender and transferring the Loaned Securities to Lender before the Cutoff Time on such Business Day if (i) the Collateral for such Loan consists of cash or Government Securities or (ii) Lender is not permitted, pursuant to Section 4.2, to Retransfer Collateral.

6.2 Unless otherwise agreed, Borrower shall, on or before the Cutoff Time on the termination date of a Loan, transfer the Loaned Securities to Lender; provided, however, that upon such transfer by Borrower, Lender shall transfer the Collateral (as adjusted pursuant to Section 9) to Borrower in accordance with Section 4.3.

7. RIGHTS IN RESPECT OF LOANED SECURITIES AND COLLATERAL.

7.1 Except as set forth in Sections 8.1 and 8.2 and as otherwise agreed by Borrower and Lender, until Loaned Securities are required to be redelivered to Lender upon termination of a Loan hereunder, Borrower shall have all of the incidents of ownership of the Loaned Securities, including the right to transfer the Loaned Securities to others. Lender hereby waives the right to vote, or to provide any consent or to take any similar action with respect to, the Loaned Securities in the event that the record date or deadline for such vote, consent or other action falls during the term of the Loan.

7.2 Except as set forth in Sections 8.3 and 8.4 and as otherwise agreed by Borrower and Lender, if Lender may, pursuant to Section 4.2, Retransfer Collateral, Borrower hereby waives the right to vote, or to provide any consent or take any similar action with respect to, any such Collateral in the event that the record date or deadline for such vote, consent or other action falls during the term of a Loan and such Collateral is not required to be returned to Borrower pursuant to Section 4.5 or Section 9.

8. DISTRIBUTIONS.

8.1 Lender shall be entitled to receive all Distributions made on or in respect of the Loaned Securities which are not otherwise received by Lender, to the full extent it would be so entitled if the Loaned Securities had not been lent to Borrower.

8.2 Any cash Distributions made on or in respect of the Loaned Securities, which Lender is entitled to receive pursuant to Section 8.1, shall be paid by the transfer of cash to Lender by Borrower, on the date any such Distribution is paid, in an amount equal to such cash Distribution, so long as Lender is not in Default at the time of such payment. Non-cash Distributions that Lender is entitled to receive pursuant to Section 8.1 shall be added to the Loaned Securities on the date of distribution and shall be considered such for all purposes, except that if the Loan has terminated, Borrower shall forthwith transfer the same to Lender.

8.3 Borrower shall be entitled to receive all Distributions made on or in respect of non-cash Collateral which are not otherwise received by Borrower, to the full extent it would be so entitled if the Collateral had not been transferred to Lender.

8.4 Any cash Distributions made on or in respect of such Collateral, which Borrower is entitled to receive pursuant to Section 8.3, shall

be paid by the transfer of cash to Borrower by Lender, on the date any such Distribution is paid, in an amount

equal to such cash Distribution, so long as Borrower is not in Default at the time of such payment. Non-cash Distributions that Borrower is entitled to receive pursuant to Section 8.3 shall be added to the Collateral on the date of distribution and shall be considered such for all purposes, except that if each Loan secured by such Collateral has terminated, Lender shall forthwith transfer the same to Borrower.

8.5 Unless otherwise agreed by the parties:

(a) If (i) Borrower is required to make a payment (a "Borrower Payment") with respect to cash Distributions on Loaned Securities under Sections 8.1 and 8.2 ("Securities Distributions"), or (ii) Lender is required to make a payment (a "Lender Payment") with respect to cash Distributions on Collateral under Sections 8.3 and 8.4 ("Collateral Distributions"), and (iii) Borrower or Lender, as the case may be ("Payor"), shall be required by law to collect any withholding or other tax, duty, fee, levy or charge required to be deducted or withheld from such Borrower Payment or Lender Payment ("Tax"), then Payor shall (subject to subsections (b) and (c) below), pay such additional amounts as may be necessary in order that the net amount of the Borrower Payment or Lender Payment received by the Lender or Borrower, as the case may be ("Payee"), after payment of such Tax equals the net amount of the Securities Distribution or Collateral Distribution that would have been received if such Securities Distribution or Collateral Distribution had been paid directly to the Payee.

(b) No additional amounts shall be payable to a Payee under subsection (a) above to the extent that Tax would have been imposed on a Securities Distribution or Collateral Distribution paid directly to the Payee.

(c) No additional amounts shall be payable to a Payee under subsection (a) above to the extent that such Payee is entitled to an exemption from, or reduction in the rate of, Tax on a Borrower Payment or Lender Payment subject to the provision of a certificate or other documentation, but has failed timely to provide such certificate or other documentation.

(d) Each party hereto shall be deemed to represent that, as of the commencement of any Loan hereunder, no Tax would be imposed on any cash Distribution paid to it with respect to (i) Loaned Securities subject to a Loan in which it is acting as Lender or (ii) Collateral for any Loan in which it is acting as Borrower, unless such party has given notice to the contrary to the other party hereto (which notice shall specify the rate at which such Tax would be imposed). Each party agrees to notify the other of any change that occurs during the term of a Loan in the rate of any Tax that would be imposed on any such cash Distributions payable to it.

8.6 To the extent that, under the provisions of Sections 8.1 through 8.5, (a) a transfer of cash or other property by Borrower would give rise to a Margin Excess or (b) a transfer of cash or other property by Lender would give rise to a Margin Deficit, Borrower or Lender

(as the case may be) shall not be obligated to make such transfer of cash or other property in accordance with such Sections, but shall in lieu of such transfer immediately credit the amounts that would have been transferable under such Sections to the account of Lender or Borrower (as the case may be).

9. MARK TO MARKET.

9.1 If Lender is a Customer, Borrower shall daily mark to market any Loan hereunder and in the event that at the Close of Trading on any Business Day the Market Value of the Collateral for any Loan to Borrower shall be less than 100% of the Market Value of all the outstanding Loaned Securities subject to such Loan, Borrower shall transfer additional Collateral no later than the Close of Business on the next Business Day so that the Market Value of such additional Collateral, when added to the Market Value of the other Collateral for such Loan, shall equal 100% of the Market Value of the Loaned Securities.

9.2 In addition to any rights of Lender under Section 9.1, if at any time the aggregate Market Value of all Collateral for Loans by Lender shall be less than the Margin Percentage of the Market Value of all the outstanding Loaned Securities subject to such Loans (a "Margin Deficit"), Lender may, by notice to Borrower, demand that Borrower transfer to Lender additional Collateral so that the Market Value of such additional Collateral, when added to the Market Value of all other Collateral for such Loans, shall equal or exceed the Margin Percentage of the Market Value of the Loaned Securities.

9.3 Subject to Borrower's obligations under Section 9.1, if at any time the Market Value of all Collateral for Loans to Borrower shall be greater than the Margin Percentage of the Market Value of all the outstanding Loaned Securities subject to such Loans (a "Margin Excess"), Borrower may, by notice to Lender, demand that Lender transfer to Borrower such amount of the Collateral selected by Borrower so that the Market Value of the Collateral for such Loans, after deduction of such amounts, shall thereupon not exceed the Margin Percentage of the Market Value of the Loaned Securities.

9.4 Borrower and Lender may agree, with respect to one or more Loans hereunder, to mark the values to market pursuant to Sections 9.2 and 9.3 by separately valuing the Loaned Securities lent and the Collateral given in respect thereof on a Loan-by-Loan basis.

9.5 Borrower and Lender may agree, with respect to any or all Loans hereunder, that the respective rights of Lender and Borrower under Sections 9.2 and 9.3 may be exercised only where a Margin Excess or Margin Deficit exceeds a specified

dollar amount or a specified percentage of the Market Value of the Loaned Securities under such Loans (which amount or percentage shall be agreed to by Borrower and Lender prior to entering into any such Loans).

9.6 If any notice is given by Borrower or Lender under Sections 9.2 or 9.3 at or before the Margin Notice Deadline on any day on which a transfer of Collateral may be effected in accordance with Section 15, the party receiving such notice shall transfer Collateral as provided in such Section no later than the Close of Business on such day. If any such notice is given after the Margin Notice Deadline, the party receiving such notice shall transfer such Collateral no later than the Close of Business on the next Business Day following the day of such notice.

10. REPRESENTATIONS.

The parties to this Agreement hereby make the following representations and warranties, which shall continue during the term of any Loan

hereunder:

10.1 Each party hereto represents and warrants that (a) it has the power to execute and deliver this Agreement, to enter into the Loans contemplated hereby and to perform its obligations hereunder, (b) it has taken all necessary action to authorize such execution, delivery and performance, and (c) this Agreement constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms.

10.2 Each party hereto represents and warrants that it has not relied on the other for any tax or accounting advice concerning this Agreement and that it has made its own determination as to the tax and accounting treatment of any Loan and any dividends, remuneration or other funds received hereunder.

10.3 Each party hereto represents and warrants that it is acting for its own account unless it expressly specifies otherwise in writing and complies with Section 11.1(b).

10.4 Borrower represents and warrants that it has, or will have at the time of transfer of any Collateral, the right to grant a first priority security interest therein subject to the terms and conditions hereof.

10.5 (a) Borrower represents and warrants that it (or the person to whom it relends the Loaned Securities) is borrowing or will borrow Loaned Securities that are Equity Securities for the purpose of making delivery of such Loaned Securities in the case of short sales, failure to receive securities required to be delivered, or as otherwise permitted pursuant to Regulation T as in effect from time to time.

(b) Borrower and Lender may agree, as provided in Section 24.2, that Borrower shall not be deemed to have made the representation or warranty

in subsection (a) with respect to any Loan. By entering into any such agreement, Lender shall be deemed to have represented and warranted to Borrower (which representation and warranty shall be deemed to be repeated on each day during the term of the Loan) that Lender is either (i) an "exempted borrower" within the meaning of Regulation T or (ii) a member of a national securities exchange or a broker or dealer registered with the U.S. Securities and Exchange Commission that is entering into such Loan to finance its activities as a market maker or an underwriter.

10.6 Lender represents and warrants that it has, or will have at the time of transfer of any Loaned Securities, the right to transfer the Loaned Securities subject to the terms and conditions hereof.

11. COVENANTS.

11.1 Each party agrees either (a) to be liable as principal with respect to its obligations hereunder or (b) to execute and comply fully with the provisions of Annex I (the terms and conditions of which Annex are incorporated herein and made a part hereof).

11.2 Promptly upon (and in any event within seven (7) Business Days after) demand by Lender, Borrower shall furnish Lender with Borrower's most recent publicly-available financial statements and any other financial statements mutually agreed upon by Borrower and Lender. Unless otherwise agreed, if Borrower is subject to the requirements of Rule 17a-5(c) under the Exchange Act, it may satisfy the requirements of this Section by furnishing Lender with its most recent statement required to be furnished to customers pursuant to such Rule.

12. EVENTS OF DEFAULT.

All Loans hereunder may, at the option of the non-defaulting party (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), be terminated immediately upon the occurrence of any one or more of the following events (individually, a "Default"):

12.1 if any Loaned Securities shall not be transferred to Lender upon termination of the Loan as required by Section 6;

12.2 if any Collateral shall not be transferred to Borrower upon termination of the Loan as required by Sections 4.3 and 6;

12.3 if either party shall fail to transfer Collateral as required by Section 9;

12.4 if either party (a) shall fail to transfer to the other party amounts in respect of Distributions required to be transferred by Section 8, (b) shall have been notified of such failure by the other party prior to the Close of Business on any day, and (c) shall not have cured such failure by the Cutoff Time on the next day after such

Close of Business on which a transfer of cash may be effected in accordance with Section 15;

12.5 if an Act of Insolvency occurs with respect to either party;

12.6 if any representation made by either party in respect of this Agreement or any Loan or Loans hereunder shall be incorrect or untrue in any material respect during the term of any Loan hereunder;

12.7 if either party notifies the other of its inability to or its intention not to perform its obligations hereunder or otherwise disaffirms, rejects or repudiates any of its obligations hereunder; or

12.8 if either party (a) shall fail to perform any material obligation under this Agreement not specifically set forth in clauses 12.1 through 12.7, above, including but not limited to the payment of fees as required by Section 5, and the payment of transfer taxes as required by Section 14, (b) shall have been notified of such failure by the other party prior to the Close of Business on any day, and (c) shall not have cured such failure by the Cutoff Time on the next day after such Close of Business on which a transfer of cash may be effected in accordance with Section 15.

The non-defaulting party shall (except upon the occurrence of an Act of Insolvency) give notice as promptly as practicable to the defaulting party of the exercise of its option to terminate all Loans hereunder pursuant to this Section 12.

13. REMEDIES.

13.1 Upon the occurrence of a Default under Section 12 entitling Lender to terminate all Loans hereunder, Lender shall have the right, in addition to any other remedies provided herein, (a) to purchase a like amount of Loaned Securities ("Replacement Securities") in the principal market for such Loaned Securities in a commercially reasonable manner, (b) to sell any Collateral in the principal market for such Collateral in a commercially reasonable manner and (c) to apply and set off the Collateral and any proceeds thereof (including any amounts drawn under a letter of credit supporting any Loan) against the payment of the purchase price for such Replacement Securities and any amounts due to Lender under Sections 5, 8, 14 and

16. In the event that Lender shall exercise such rights, Borrower's obligation to return a like amount of the Loaned Securities shall terminate. Lender may similarly apply the Collateral and any proceeds thereof to any other obligation of Borrower under this Agreement, including Borrower's obligations with respect to Distributions paid to Borrower (and not forwarded to Lender) in respect of Loaned Securities. In the event that (i) the purchase price of Replacement Securities (plus all other amounts, if any, due to Lender hereunder) exceeds (ii) the amount of the Collateral, Borrower shall be liable to Lender for the amount of such excess together with interest thereon at a rate equal to (A) in

the case of purchases of Foreign Securities, LIBOR, (B) in the case of purchases of any other Securities (or other amounts, if any, due to Lender hereunder), the Federal Funds Rate or (C) such other rate as may be specified in Schedule B, in each case as such rate fluctuates from day to day, from the date of such purchase until the date of payment of such excess. As security for Borrower's obligation to pay such excess, Lender shall have, and Borrower hereby grants, a security interest in any property of Borrower then held by or for Lender and a right of setoff with respect to such property and any other amount payable by Lender to Borrower. The purchase price of Replacement Securities purchased under this Section 13.1 shall include, and the proceeds of any sale of Collateral shall be determined after deduction of, broker's fees and commissions and all other reasonable costs, fees and expenses related to such purchase or sale (as the case may be). In the event Lender exercises its rights under this Section 13.1, Lender may elect in its sole discretion, in lieu of purchasing all or a portion of the Replacement Securities or selling all or a portion of the Collateral, to be deemed to have made, respectively, such purchase of Replacement Securities or sale of Collateral for an amount equal to the price therefor on the date of such exercise obtained from a generally recognized source or the last bid quotation from such a source at the most recent Close of Trading. Subject to Section 18, upon the satisfaction of all obligations hereunder, any remaining Collateral shall be returned to Borrower.

13.2 Upon the occurrence of a Default under Section 12 entitling Borrower to terminate all Loans hereunder, Borrower shall have the right, in addition to any other remedies provided herein, (a) to purchase a like amount of Collateral ("Replacement Collateral") in the principal market for such Collateral in a commercially reasonable manner, (b) to sell a like amount of the Loaned Securities in the principal market for such Loaned Securities in a commercially reasonable manner and (c) to apply and set off the Loaned Securities and any proceeds thereof against (i) the payment of the purchase price for such Replacement Collateral, (ii) Lender's obligation to return any cash or other Collateral, and (iii) any amounts due to Borrower under Sections 5, 8 and 16. In such event, Borrower may treat the Loaned Securities as its own and Lender's obligation to return a like amount of the Collateral shall terminate; provided, however, that Lender shall immediately return any letters of credit supporting any Loan upon the exercise or deemed exercise by Borrower of its termination rights under Section 12. Borrower may similarly apply the Loaned Securities and any proceeds thereof to any other obligation of Lender under this Agreement, including Lender's obligations with respect to Distributions paid to Lender (and not forwarded to Borrower) in respect of Collateral. In the event that (i) the sales price received from such Loaned Securities is less than (ii) the purchase price of Replacement Collateral (plus the amount of any cash or other Collateral not replaced by Borrower and all other amounts, if any, due to Borrower hereunder), Lender shall be liable to Borrower for the amount of any such deficiency, together with interest on such amounts at a rate equal to (A) in the case of Collateral

consisting of Foreign Securities, LIBOR, (B) in the case of Collateral consisting of any other Securities (or other amounts due, if any, to Borrower hereunder), the Federal Funds Rate or (C) such other rate as may be specified in Schedule B, in each case as such rate fluctuates from day to day, from the date of such sale until the date of payment of such deficiency. As security for Lender's obligation to pay such deficiency, Borrower shall have, and Lender hereby grants, a security interest in any property of Lender then held by or for Borrower and a right of setoff with respect to such property and any other amount payable by Borrower to Lender. The purchase price of any Replacement Collateral purchased under this Section 13.2 shall include, and the proceeds of any sale of Loaned Securities shall be determined after deduction of, broker's fees and commissions and all other reasonable costs, fees and expenses related to such purchase or sale (as the case may be). In the event Borrower exercises its rights under this Section 13.2, Borrower may elect in its sole discretion, in lieu of purchasing all or a portion of the Replacement Collateral or selling all or a portion of the Loaned Securities, to be deemed to have made, respectively, such purchase of Replacement Collateral or sale of Loaned Securities for an amount equal to the price therefor on the date of such exercise obtained from a generally recognized source or the last bid quotation from such a source at the most recent Close of Trading. Subject to Section 18, upon the satisfaction of all Lender's obligations hereunder, any remaining Loaned Securities (or remaining cash proceeds thereof) shall be returned to Lender.

13.3 Unless otherwise agreed, the parties acknowledge and agree that (a) the Loaned Securities and any Collateral consisting of Securities are of a type traded in a recognized market, (b) in the absence of a generally recognized source for prices or bid or offer quotations for any security, the non-defaulting party may establish the source therefor in its sole discretion, and (c) all prices and bid and offer quotations shall be increased to include accrued interest to the extent not already included therein (except to the extent contrary to market practice with respect to the relevant Securities).

13.4 In addition to its rights hereunder, the non-defaulting party shall have any rights otherwise available to it under any other agreement or applicable law.

14. TRANSFER TAXES.

All transfer taxes with respect to the transfer of the Loaned Securities by Lender to Borrower and by Borrower to Lender upon termination of the Loan and with respect to the transfer of Collateral by Borrower to Lender and by Lender to Borrower upon termination of the Loan or pursuant to Section 4.5 or Section 9 shall be paid by Borrower.

15. TRANSFERS.

15.1 All transfers by either Borrower or Lender of Loaned Securities or Collateral consisting of "financial assets" (within the meaning of the UCC) hereunder shall

be by (a) in the case of certificated securities, physical delivery of certificates representing such securities together with duly executed stock and bond transfer powers, as the case may be, with signatures guaranteed by a bank or a member firm of the New York Stock Exchange, Inc., (b) registration of an uncertificated security in the transferee's name by the issuer of such uncertificated

security, (c) the crediting by a Clearing Organization of such financial assets to the transferee's "securities account" (within the meaning of the UCC) maintained with such Clearing Organization, or (d) such other means as Borrower and Lender may agree.

15.2 All transfers of cash hereunder shall be by (a) wire transfer in immediately available, freely transferable funds or (b) such other means as Borrower and Lender may agree.

15.3 All transfers of letters of credit from Borrower to Lender shall be made by physical delivery to Lender of an irrevocable letter of credit issued by a "bank" as defined in Section 3(a)(6)(A)-(C) of the Exchange Act. Transfers of letters of credit from Lender to Borrower shall be made by causing such letters of credit to be returned or by causing the amount of such letters of credit to be reduced to the amount required after such transfer.

15.4 A transfer of Securities, cash or letters of credit may be effected under this Section 15 on any day except (a) a day on which the transferee is closed for business at its address set forth in Schedule A hereto or (b) a day on which a Clearing Organization or wire transfer system is closed, if the facilities of such Clearing Organization or wire transfer system are required to effect such transfer.

15.5 For the avoidance of doubt, the parties agree and acknowledge that the term "securities," as used herein (except in this Section 15), shall include any "security entitlements" with respect to such securities (within the meaning of the UCC). In every transfer of "financial assets" (within the meaning of the UCC) hereunder, the transferor shall take all steps necessary (a) to effect a delivery to the transferee under Section 8-301 of the UCC, or to cause the creation of a security entitlement in favor of the transferee under Section 8-501 of the UCC, (b) to enable the transferee to obtain "control" (within the meaning of Section 8-106 of the UCC), and (c) to provide the transferee with comparable rights under any applicable foreign law or regulation.

16. CONTRACTUAL CURRENCY.

16.1 Borrower and Lender agree that (a) any payment in respect of a Distribution under Section 8 shall be made in the currency in which the underlying Distribution of cash was made, (b) any return of cash shall be made in the currency in which the underlying transfer of cash was made, and (c) any other payment of cash in connection with a Loan under this Agreement shall be in the currency agreed upon by Borrower and Lender in connection with such Loan (the

currency established under clause (a), (b) or (c) hereinafter referred to as the "Contractual Currency"). Notwithstanding the foregoing, the payee of any such payment may, at its option, accept tender thereof in any other currency; provided, however, that, to the extent permitted by applicable law, the obligation of the payor to make such payment will be discharged only to the extent of the amount of Contractual Currency that such payee may, consistent with normal banking procedures, purchase with such other currency (after deduction of any premium and costs of exchange) on the banking day next succeeding its receipt of such currency.

16.2 If for any reason the amount in the Contractual Currency received under Section 16.1, including amounts received after conversion of any recovery under any judgment or order expressed in a currency other than the Contractual Currency, falls short of the amount in the Contractual Currency due in respect of this Agreement, the party required to make the payment will (unless a Default has occurred and such party is the non-defaulting party) as a separate and independent obligation and to the extent permitted by applicable law, immediately pay such additional amount in the Contractual

Currency as may be necessary to compensate for the shortfall.

16.3 If for any reason the amount in the Contractual Currency received under Section 16.1 exceeds the amount in the Contractual Currency due in respect of this Agreement, then the party receiving the payment will (unless a Default has occurred and such party is the non-defaulting party) refund promptly the amount of such excess.

17. ERISA.

Lender shall, if any of the Securities transferred to the Borrower hereunder for any Loan have been or shall be obtained, directly or indirectly, from or using the assets of any Plan, so notify Borrower in writing upon the execution of this Agreement or upon initiation of such Loan under Section 2.1. If Lender so notifies Borrower, then Borrower and Lender shall conduct the Loan in accordance with the terms and conditions of Department of Labor Prohibited Transaction Exemption 81-6 (46 Fed. Reg. 7527, Jan. 23, 1981; as amended, 52 Fed. Reg. 18754, May 19, 1987), or any successor thereto (unless Borrower and Lender have agreed prior to entering into a Loan that such Loan will be conducted in reliance on another exemption, or without relying on any exemption, from the prohibited transaction provisions of Section 406 of the Employee Retirement Income Security Act of 1974, as amended, and Section 4975 of the Internal Revenue Code of 1986, as amended). Without limiting the foregoing and notwithstanding any other provision of this Agreement, if the Loan will be conducted in accordance with Prohibited Transaction Exemption 81-6, then:

17.1 Borrower represents and warrants to Lender that it is either (a) a bank subject to federal or state supervision, (b) a broker-dealer registered under the Exchange Act

or (c) exempt from registration under Section 15(a)(1) of the Exchange Act as a dealer in Government Securities.

17.2 Borrower represents and warrants that, during the term of any Loan hereunder, neither Borrower nor any affiliate of Borrower has any discretionary authority or control with respect to the investment of the assets of the Plan involved in the Loan or renders investment advice (within the meaning of 29 C.F.R. Section 2510.3-21(c)) with respect to the assets of the Plan involved in the Loan. Lender agrees that, prior to or at the commencement of any Loan hereunder, it will communicate to Borrower information regarding the Plan sufficient to identify to Borrower any person or persons that have discretionary authority or control with respect to the investment of the assets of the Plan involved in the Loan or that render investment advice (as defined in the preceding sentence) with respect to the assets of the Plan involved in the Loan. In the event Lender fails to communicate and keep current during the term of any Loan such information, Lender rather than Borrower shall be deemed to have made the representation and warranty in the first sentence of this Section 17.2.

17.3 Borrower shall mark to market daily each Loan hereunder pursuant to Section 9.1 as is required if Lender is a Customer.

17.4 Borrower and Lender agree that:

(a) the term "Collateral" shall mean cash, securities issued or guaranteed by the United States government or its agencies or instrumentalities, or irrevocable bank letters of credit issued by a person other than Borrower or an affiliate thereof;

(b) prior to the making of any Loans hereunder, Borrower shall provide Lender with (i) the most recent available audited statement of Borrower's financial condition and (ii) the most recent available unaudited statement of Borrower's financial

condition (if more recent than the most recent audited statement), and each Loan made hereunder shall be deemed a representation by Borrower that there has been no material adverse change in Borrower's financial condition subsequent to the date of the latest financial statements or information furnished in accordance herewith;

(c) the Loan may be terminated by Lender at any time, whereupon Borrower shall deliver the Loaned Securities to Lender within the lesser of (i) the customary delivery period for such Loaned Securities, (ii) five Business Days, and (iii) the time negotiated for such delivery between Borrower and Lender; provided, however, that Borrower and Lender may agree to a longer period only if permitted by Prohibited Transaction Exemption 81-6; and

(d) the Collateral transferred shall be security only for obligations of Borrower to the Plan with respect to Loans, and shall not be security for any obligation of Borrower to any agent or affiliate of the Plan.

18. SINGLE AGREEMENT.

Borrower and Lender acknowledge that, and have entered into this Agreement in reliance on the fact that, all Loans hereunder constitute a single business and contractual relationship and have been entered into in consideration of each other. Accordingly, Borrower and Lender hereby agree that payments, deliveries and other transfers made by either of them in respect of any Loan shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Loan hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted. In addition, Borrower and Lender acknowledge that, and have entered into this Agreement in reliance on the fact that, all Loans hereunder have been entered into in consideration of each other. Accordingly, Borrower and Lender hereby agree that (a) each shall perform all of its obligations in respect of each Loan hereunder, and that a default in the performance of any such obligation by Borrower or by Lender (the "Defaulting Party") in any Loan hereunder shall constitute a default by the Defaulting Party under all such Loans hereunder, and (b) the non-defaulting party shall be entitled to set off claims and apply property held by it in respect of any Loan hereunder against obligations owing to it in respect of any other Loan with the Defaulting Party.

19. APPLICABLE LAW.

THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF.

20. WAIVER.

The failure of a party to this Agreement to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. All waivers in respect of a Default must be in writing.

21. SURVIVAL OF REMEDIES.

All remedies hereunder and all obligations with respect to any Loan shall survive the termination of the relevant Loan, return of Loaned Securities or Collateral and termination of this Agreement.

22. NOTICES AND OTHER COMMUNICATIONS.

Any and all notices, statements, demands or other communications hereunder may be given by a party to the other by telephone, mail, facsimile,

e-mail, electronic message,

telegraph, messenger or otherwise to the individuals and at the facsimile numbers and addresses specified with respect to it in Schedule A hereto, or sent to such party at any other place specified in a notice of change of number or address hereafter received by the other party. Any notice, statement, demand or other communication hereunder will be deemed effective on the day and at the time on which it is received or, if not received, on the day and at the time on which its delivery was in good faith attempted; provided, however, that any notice by a party to the other party by telephone shall be deemed effective only if (a) such notice is followed by written confirmation thereof and (b) at least one of the other means of providing notice that are specifically listed above has previously been attempted in good faith by the notifying party.

23. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

23.1 EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY (A) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK CITY, AND ANY APPELLATE COURT FROM ANY SUCH COURT, SOLELY FOR THE PURPOSE OF ANY SUIT, ACTION OR PROCEEDING BROUGHT TO ENFORCE ITS OBLIGATIONS HEREUNDER OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY LOAN HEREUNDER AND (B) WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, ANY DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT AND ANY RIGHT OF JURISDICTION ON ACCOUNT OF ITS PLACE OF RESIDENCE OR DOMICILE.

23.2 EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT THAT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

24. MISCELLANEOUS.

24.1 Except as otherwise agreed by the parties, this Agreement supersedes any other agreement between the parties hereto concerning loans of Securities between Borrower and Lender. This Agreement shall not be assigned by either party without the prior written consent of the other party and any attempted assignment without such consent shall be null and void. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Borrower and Lender and their respective heirs, representatives, successors and assigns. This Agreement may be terminated by either party upon notice to the other, subject only to fulfillment of any obligations then outstanding. This Agreement shall not be modified, except by an instrument in writing signed by the party against whom enforcement is sought. The parties hereto acknowledge and agree that, in connection with this Agreement and each Loan hereunder, time is of the essence.

Each provision and agreement herein shall be treated as separate and independent from any other provision herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

24.2 Any agreement between Borrower and Lender pursuant to Section 10.5(b) or Section 25.37 shall be made (a) in writing, (b) orally, if confirmed promptly in writing or through any system that compares Loans and in which Borrower and Lender are participants, or (c) in such other manner as may be agreed by Borrower and Lender in

writing.

25. DEFINITIONS.

For the purposes hereof:

25.1 "Act of Insolvency" shall mean, with respect to any party, (a) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party's seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (b) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (i) is consented to or not timely contested by such party, (ii) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (iii) is not dismissed within 15 days, (c) the making by such party of a general assignment for the benefit of creditors, or (d) the admission in writing by such party of such party's inability to pay such party's debts as they become due.

25.2 "Bankruptcy Code" shall have the meaning assigned in Section 26.1

25.3 "Borrower" shall have the meaning assigned in Section 1.

25.4 "Borrower Payment" shall have the meaning assigned in Section 8.5(a).

25.5 "Broker-Dealer" shall mean any person that is a broker (including a municipal securities broker), dealer, municipal securities dealer, government securities broker or government securities dealer as defined in the Exchange Act, regardless of whether the activities of such person are conducted in the United States or otherwise require such person to register with the U.S. Securities and Exchange Commission or other regulatory body.

25.6 "Business Day" shall mean, with respect to any Loan hereunder, a day on which regular trading occurs in the principal market for the Loaned Securities subject to

such Loan, provided, however, that for purposes of determining the Market Value of any Securities hereunder, such term shall mean a day on which regular trading occurs in the principal market for the Securities whose value is being determined. Notwithstanding the foregoing, (a) for purposes of Section 9, "Business Day" shall mean any day on which regular trading occurs in the principal market for any Loaned Securities or for any Collateral consisting of Securities under any outstanding Loan hereunder and "next Business Day" shall mean the next day on which a transfer of Collateral may be effected in accordance with Section 15, and (b) in no event shall a Saturday or Sunday be considered a Business Day.

25.7 "Cash Collateral Fee" shall have the meaning assigned in Section 5.1.

25.8 "Clearing Organization" shall mean (a) The Depository Trust Company, or, if agreed to by Borrower and Lender, such other "securities intermediary" (within the meaning of the UCC) at which Borrower (or Borrower's agent) and Lender (or Lender's agent) maintain accounts, or (b) a Federal Reserve Bank, to the extent that it maintains a book-entry system.

25.9 "Close of Business" shall mean the time established by the parties in Schedule B or otherwise orally or in writing or, in the absence of any such agreement, as shall be determined in accordance with market practice.

25.10 "Close of Trading" shall mean, with respect to any Security, the end of the primary trading session established by the principal market for such Security on a Business Day, unless otherwise agreed by the parties.

25.11 "Collateral" shall mean, whether now owned or hereafter acquired and to the extent permitted by applicable law, (a) any property which Borrower and Lender agree prior to the Loan shall be acceptable collateral and which is transferred to Lender pursuant to Sections 4 or 9 (including as collateral, for definitional purposes, any letters of credit mutually acceptable to Lender and Borrower), (b) any property substituted therefor pursuant to Section 4.5, (c) all accounts in which such property is deposited and all securities and the like in which any cash collateral is invested or reinvested, and (d) any proceeds of any of the foregoing; provided, however, that if Lender is a Customer, "Collateral" shall (subject to Section 17.4(a), if applicable) be limited to cash, U.S. Treasury bills and notes, an irrevocable letter of credit issued by a "bank" (as defined in Section 3(a)(6)(A)-(C) of the Exchange Act), and any other property permitted to serve as collateral securing a loan of securities under Rule 15c3-3 under the Exchange Act or any comparable regulation of the Secretary of the Treasury under Section 15C of the Exchange Act (to the extent that Borrower is subject to such Rule or comparable regulation) pursuant to exemptive, interpretive or no-action relief or otherwise. If any new or different Security shall be exchanged for any Collateral by recapitalization, merger, consolidation or other corporate action, such new or different Security shall, effective upon such exchange, be deemed to become Collateral in substitution for the former Collateral for which such exchange is

made. For purposes of return of Collateral by Lender or purchase or sale of Securities pursuant to Section 13, such term shall include Securities of the same issuer, class and quantity as the Collateral initially transferred by Borrower to Lender, as adjusted pursuant to the preceding sentence.

25.12 "Collateral Distributions" shall have the meaning assigned in Section 8.5(a).

25.13 "Confirmation" shall have the meaning assigned in Section 2.1.

25.14 "Contractual Currency" shall have the meaning assigned in Section 16.1.

25.15 "Customer" shall mean any person that is a customer of Borrower under Rule 15c3-3 under the Exchange Act or any comparable regulation of the Secretary of the Treasury under Section 15C of the Exchange Act (to the extent that Borrower is subject to such Rule or comparable regulation).

25.16 "Cutoff Time" shall mean a time on a Business Day by which a transfer of cash, securities or other property must be made by Borrower or Lender to the other, as shall be agreed by Borrower and Lender in Schedule B or otherwise orally or in writing or, in the absence of any such agreement, as shall be determined in accordance with market practice.

25.17 "Default" shall have the meaning assigned in Section 12.

25.18 "Defaulting Party" shall have the meaning assigned in Section 18.

25.19 "Distribution" shall mean, with respect to any Security at any time,

any distribution made on or in respect of such Security, including, but not limited to: (a) cash and all other property, (b) stock dividends, (c) Securities received as a result of split ups of such Security and distributions in respect thereof, (d) interest payments, (e) all rights to purchase additional Securities, and (f) any cash or other consideration paid or provided by the issuer of such Security in exchange for any vote, consent or the taking of any similar action in respect of such Security (regardless of whether the record date for such vote, consent or other action falls during the term of the Loan). In the event that the holder of a Security is entitled to elect the type of distribution to be received from two or more alternatives, such election shall be made by Lender, in the case of a Distribution in respect of the Loaned Securities, and by Borrower, in the case of a Distribution in respect of Collateral.

25.20 "Equity Security" shall mean any security (as defined in the Exchange Act) other than a "nonequity security," as defined in Regulation T.

25.21 "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

25.22 "Extension Deadline" shall mean, with respect to a letter of credit, the Cutoff Time on the Business Day preceding the day on which the letter of credit expires.

25.23 "FDIA" shall have the meaning assigned in Section 26.4.

25.24 "FDICIA" shall have the meaning assigned in Section 26.5.

25.25 "Federal Funds Rate" shall mean the rate of interest (expressed as an annual rate), as published in Federal Reserve Statistical Release H.15(519) or any publication substituted therefor, charged for federal funds (dollars in immediately available funds borrowed by banks on an overnight unsecured basis) on that day or, if that day is not a banking day in New York City, on the next preceding banking day.

25.26 "Foreign Securities" shall mean, unless otherwise agreed, Securities that are principally cleared and settled outside the United States.

25.27 "Government Securities" shall mean government securities as defined in Section 3(a)(42)(A)-(C) of the Exchange Act.

25.28 "Lender" shall have the meaning assigned in Section 1.

25.29 "Lender Payment" shall have the meaning assigned in Section 8.5(a).

25.30 "LIBOR" shall mean for any date, the offered rate for deposits in U.S. dollars for a period of three months which appears on the Reuters Screen LIBO page as of 11:00 a.m., London time, on such date (or, if at least two such rates appear, the arithmetic mean of such rates).

25.31 "Loan" shall have the meaning assigned in Section 1.

25.32 "Loan Fee" shall have the meaning assigned in Section 5.1.

25.33 "Loaned Security" shall mean any Security transferred in a Loan hereunder until such Security (or an identical Security) is transferred back to Lender hereunder, except that, if any new or different Security shall be exchanged for any Loaned Security by recapitalization, merger, consolidation or other corporate action, such new or different Security shall, effective upon such exchange, be deemed to become a Loaned Security in substitution for the former Loaned Security for which such exchange is made. For purposes of return of Loaned Securities by Borrower or purchase or sale of Securities pursuant to Section 13, such term shall include

Securities of the same issuer, class and quantity as the Loaned Securities, as adjusted pursuant to the preceding sentence.

25.34 "Margin Deficit" shall have the meaning assigned in Section 9.2.

25.35 "Margin Excess" shall have the meaning assigned in Section 9.3.

25.36 "Margin Notice Deadline" shall mean the time agreed to by the parties in the relevant Confirmation, Schedule B hereto or otherwise as the deadline for giving notice requiring same-day satisfaction of mark-to-market obligations as provided

in Section 9 hereof (or, in the absence of any such agreement, the deadline for such purposes established in accordance with market practice).

25.37 "Margin Percentage" shall mean, with respect to any Loan as of any date, a percentage agreed by Borrower and Lender, which shall be not less than 100%, unless (a) Borrower and Lender agree otherwise, as provided in Section 24.2, and (b) Lender is not a Customer. Notwithstanding the previous sentence, in the event that the writing or other confirmation evidencing the agreement described in clause (a) does not set out such percentage with respect to any such Loan, the Margin Percentage shall not be a percentage less than the percentage obtained by dividing (i) the Market Value of the Collateral required to be transferred by Borrower to Lender with respect to such Loan at the commencement of the Loan by (ii) the Market Value of the Loaned Securities required to be transferred by Lender to Borrower at the commencement of the Loan.

25.38 "Market Value" shall have the meaning set forth in Annex II or otherwise agreed to by Borrower and Lender in writing. Notwithstanding the previous sentence, in the event that the meaning of Market Value has not been set forth in Annex II or in any other writing, as described in the previous sentence, Market Value shall be determined in accordance with market practice for the Securities, based on the price for such Securities as of the most recent Close of Trading obtained from a generally recognized source agreed to by the parties or the closing bid quotation at the most recent Close of Trading obtained from such source, plus accrued interest to the extent not included therein (other than any interest credited or transferred to, or applied to the obligations of, the other party pursuant to Section 8, unless market practice with respect to the valuation of such Securities in connection with securities loans is to the contrary). If the relevant quotation did not exist at such Close of Trading, then the Market Value shall be the relevant quotation on the next preceding Close of Trading at which there was such a quotation. The determinations of Market Value provided for in Annex II or in any other writing described in the first sentences of this Section 25.38 or, if applicable, in the preceding sentence shall apply for all purposes under this Agreement, except for purposes of Section 13.

25.39 "Payee" shall have the meaning assigned in Section 8.5(a).

25.40 "Payor" shall have the meaning assigned in Section 8.5(a).

25.41 "Plan" shall mean: (a) any "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 which is subject to Part 4 of Subtitle B of Title I of such Act; (b) any "plan" as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986; or (c) any entity the assets of which are deemed to be assets of any such "employee benefit plan" or "plan" by reason of the Department of Labor's plan asset regulation, 29 C.F.R. Section 2510.3-101.

25.42 "Regulation T" shall mean Regulation T of the Board of Governors of the Federal Reserve System, as in effect from time to time.

25.43 "Retransfer" shall mean, with respect to any Collateral, to pledge, repledge, hypothecate, rehypothecate, lend, relend, sell or otherwise transfer such Collateral, or to re-register any such Collateral evidenced by physical certificates in any name other than Borrower's.

25.44 "Securities" shall mean securities or, if agreed by the parties in writing, other assets.

25.45 "Securities Distributions" shall have the meaning assigned in Section 8.5(a).

25.46 "Tax" shall have the meaning assigned in Section 8.5(a).

25.47 "UCC" shall mean the New York Uniform Commercial Code.

26. INTENT.

26.1 The parties recognize that each Loan hereunder is a "securities contract," as such term is defined in Section 741 of Title 11 of the United States Code (the "Bankruptcy Code"), as amended (except insofar as the type of assets subject to the Loan would render such definition inapplicable).

26.2 It is understood that each and every transfer of funds, securities and other property under this Agreement and each Loan hereunder is a "settlement payment" or a "margin payment," as such terms are used in Sections 362(b)(6) and 546(e) of the Bankruptcy Code.

26.3 It is understood that the rights given to Borrower and Lender hereunder upon a Default by the other constitute the right to cause the liquidation of a securities contract and the right to set off mutual debts and claims in connection with a securities contract, as such terms are used in Sections 555 and 362(b)(6) of the Bankruptcy Code.

26.4 The parties agree and acknowledge that if a party hereto is an "insured depository institution," as such term is defined in the Federal Deposit Insurance Act, as amended ("FDIA"), then each Loan hereunder is a "securities contract" and "qualified financial contract," as such terms are defined in the FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to the Loan would render such definitions inapplicable).

26.5 It is understood that this Agreement constitutes a "netting contract" as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") and each payment obligation under any Loan hereunder shall constitute a "covered contractual payment entitlement" or "covered contractual payment obligation," respectively, as defined in and subject

to FDICIA (except insofar as one or both of the parties is not a "financial institution" as that term is defined in FDICIA).

26.6 Except to the extent required by applicable law or regulation or as otherwise agreed, Borrower and Lender agree that Loans hereunder shall in no event be "exchange contracts" for purposes of the rules of any securities exchange and that Loans hereunder shall not be governed by the buy-in or similar rules of any such exchange,

registered national securities association or other self-regulatory organization.

27. DISCLOSURE RELATING TO CERTAIN FEDERAL PROTECTIONS.

27.1 WITHOUT WAIVING ANY RIGHTS GIVEN TO LENDER HEREUNDER, IT IS UNDERSTOOD AND AGREED THAT THE PROVISIONS OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 MAY NOT PROTECT LENDER WITH RESPECT TO LOANED SECURITIES HEREUNDER AND THAT, THEREFORE, THE COLLATERAL DELIVERED TO LENDER MAY CONSTITUTE THE ONLY SOURCE OF SATISFACTION OF BORROWER'S OBLIGATIONS IN THE EVENT BORROWER FAILS TO RETURN THE LOANED SECURITIES.

27.2 LENDER ACKNOWLEDGES THAT, IN CONNECTION WITH LOANS OF GOVERNMENT SECURITIES AND AS OTHERWISE PERMITTED BY APPLICABLE LAW, SOME SECURITIES PROVIDED BY BORROWER AS COLLATERAL UNDER THIS AGREEMENT MAY NOT BE GUARANTEED BY THE UNITED STATES.

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Title: Attorney-In-Fact

Date: March 11, 2003

CIBC World Markets Corp.

By: /s/ Louis R. Caraccio

Title: Executive Director

Date: March 11, 2003

ANNEX I

PARTY ACTING AS AGENT

This Annex sets forth the terms and conditions governing all transactions in which a party lending or borrowing Securities, as the case may be ("Agent"), in a Loan is acting as agent for one or more third parties (each, a "Principal"). Unless otherwise defined, capitalized terms used but not defined in this Annex shall have the meanings assigned in the Securities Loan Agreement of which it forms a part (such agreement, together with this Annex and any other annexes, schedules or exhibits, referred to as the "Agreement") and, unless otherwise specified, all section references herein are intended to refer to sections of such Securities Loan Agreement.

1. ADDITIONAL REPRESENTATIONS AND WARRANTIES. In addition to the representations and warranties set forth in the Agreement, Agent hereby makes the following representations and warranties, which shall continue during the term of any Loan: Principal has duly authorized Agent to execute and deliver the Agreement on its behalf, has the power to so authorize Agent and to enter into the Loans contemplated by the Agreement and to perform the obligations of Lender or Borrower, as the case may be, under such Loans, and has taken all necessary action to authorize such execution and delivery by Agent and such performance by it.

2. IDENTIFICATION OF PRINCIPALS. Agent agrees (a) to provide the other party, prior to any Loan under the Agreement, with a written list of Principals for which it intends to act as Agent (which list may be amended in writing from time to time with the consent of the other party), and (b) to provide the other party, before the Close of Business on the next Business Day after agreeing to enter into a Loan, with notice of the specific Principal or Principals for whom it is acting in connection with such Loan. If (i) Agent fails to identify such Principal or Principals prior to the Close of Business on such next Business Day or (ii) the other party shall determine in its sole discretion that any Principal or Principals identified by Agent are not acceptable to it, the other party may reject and rescind any Loan with such Principal or Principals, return to Agent any Collateral or Loaned Securities, as the case may be, previously transferred to the other party and refuse any further performance under such Loan, and Agent shall immediately return to the other party any portion of the Loaned Securities or Collateral, as the case may be, previously transferred to Agent in connection with such Loan; provided, however, that (A) the other party shall promptly (and in any event within one Business Day of notice of the specific Principal or Principals) notify Agent of its determination to reject and rescind such Loan and (B) to the extent that any performance was rendered by any party under any Loan rejected by the other party, such party shall remain entitled to any fees or other amounts that would have been payable to it with respect to such performance if such Loan had not been rejected. The other party acknowledges that Agent shall not have any obligation to provide it with confidential information regarding the financial status of its Principals; Agent agrees, however, that it will assist the other party in obtaining from Agent's Principals such information regarding the financial status of such Principals as the other party may reasonably request.

3. LIMITATION OF AGENT'S LIABILITY. The parties expressly acknowledge that if the representations and warranties of Agent under the Agreement, including this Annex, are true and correct in all material respects during the term of any Loan and Agent otherwise complies with the provisions of this Annex, then (a) Agent's obligations under the Agreement shall not include a guarantee of performance by its Principal or Principals and (b) the other party's remedies shall not include a right of setoff against obligations, if any, of Agent arising in other transactions in which Agent is acting as principal.

4. MULTIPLE PRINCIPALS.

(a) In the event that Agent proposes to act for more than one Principal hereunder, Agent and the other party shall elect whether (i) to treat Loans under the Agreement as transactions entered into on behalf of separate Principals or (ii) to aggregate such Loans as if they were transactions by a single Principal. Failure to make such an election in writing shall be deemed an election to treat Loans under the Agreement as transactions on behalf of separate Principals.

(b) In the event that Agent and the other party elect (or are deemed to elect) to treat Loans under the Agreement as transactions on behalf of separate Principals, the parties agree that (i) Agent will provide the other party, together with the notice described in Section 2(b) of this Annex, notice specifying the portion of each Loan allocable to the account of each of the Principals for which it is acting (to the extent that any such Loan is allocable to the account of more than one Principal), (ii) the portion of any individual Loan allocable to each Principal shall be deemed a separate Loan under the Agreement, (iii) the mark to market obligations of Borrower and Lender under the Agreement shall be determined on a Loan-by-Loan basis (unless the parties agree to determine such obligations on a Principal-by-Principal basis), and (iv) Borrower's and Lender's remedies under the Agreement upon the occurrence of a Default shall be determined as if Agent had entered into a separate Agreement with the other party on behalf of each of its Principals.

(c) In the event that Agent and the other party elect to treat Loans under the Agreement as if they were transactions by a single Principal, the parties agree that (i) Agent's notice under Section 2(b) of this Annex need only identify the names of its Principals but not the portion of each Loan allocable to each Principal's account, (ii) the mark to market obligations of Borrower and Lender under the Agreement shall, subject to any greater requirement imposed by applicable law, be determined on an aggregate basis for all Loans entered into by Agent on behalf of any Principal, and (iii) Borrower's and Lender's remedies upon the occurrence of a Default shall be determined as if all Principals were a single Lender or Borrower, as the case may be.

(d) Notwithstanding any other provision of the Agreement (including, without limitation, this Annex), the parties agree that any transactions by Agent on behalf

of a Plan shall be treated as transactions on behalf of separate Principals in accordance with Section 4(b) of this Annex (and all mark to market obligations of the parties shall be determined on a Loan-by-Loan basis).

5. INTERPRETATION OF TERMS. All references to "Lender" or "Borrower," as the case may be, in the Agreement shall, subject to the provisions of this Annex (including, among other provisions, the limitations on Agent's liability in Section 3 of this Annex), be construed to reflect that (i) each Principal shall have, in connection with any Loan or Loans entered into by Agent on its behalf, the rights, responsibilities, privileges and obligations of a "Lender" or "Borrower," as the case may be, directly entering into such Loan or Loans with the other party under the Agreement, and (ii) Agent's Principal or Principals have designated Agent as their sole agent for performance of Lender's obligations to Borrower or Borrower's obligations to Lender, as the case may be, and for receipt of performance by Borrower of its obligations to Lender or Lender of its obligations to Borrower, as the case may be, in connection with any Loan or Loans under the Agreement (including, among other things, as Agent for each Principal in connection with transfers of securities, cash or other property and as agent for giving and receiving all notices under the Agreement). Both Agent and its Principal or Principals shall be deemed "parties" to the Agreement and all references to a "party" or "either party" in the Agreement shall be deemed revised accordingly (and any Default by Agent under the Agreement shall be deemed a Default by Lender or Borrower, as the case may be).

By:

Title:

Date:

By:

Title:

Date:

ANNEX II

MARKET VALUE

Unless otherwise agreed by Borrower and Lender:

1. If the principal market for the Securities to be valued is a national securities exchange in the United States, their Market Value shall be determined by their last sale price on such exchange at the most recent Close of Trading or, if there was no sale on the Business Day of the most recent Close of Trading, by the last sale price at the Close of Trading on the next preceding Business Day on which there was a sale on such exchange, all as quoted on the Consolidated Tape or, if not quoted on the Consolidated Tape, then as quoted by such exchange.

2. If the principal market for the Securities to be valued is the over-the-counter market, and the Securities are quoted on The Nasdaq Stock Market ("Nasdaq"), their Market Value shall be the last sale price on Nasdaq at the most recent Close of Trading or, if the Securities are issues for which last sale prices are not quoted on Nasdaq, the last bid price at such Close of Trading. If the relevant quotation did not exist at such Close of Trading, then the Market Value shall be the relevant quotation on the next preceding Close of Trading at which there was such a quotation.

3. Except as provided in Section 4 of this Annex, if the principal market for the Securities to be valued is the over-the-counter market, and the Securities are not quoted on Nasdaq, their Market Value shall be determined in accordance with market practice for such Securities, based on the price for such Securities as of the most recent Close of Trading obtained from a generally recognized source agreed to by the parties or the closing bid quotation at the most recent Close of Trading obtained from such a source. If the relevant quotation did not exist at such Close of Trading, then the Market Value shall be the relevant quotation on the next preceding Close of Trading at which there was such a quotation.

4. If the Securities to be valued are Foreign Securities, their Market Value shall be determined as of the most recent Close of Trading in accordance with market practice in the principal market for such Securities.

5. The Market Value of a letter of credit shall be the undrawn amount thereof.

6. All determinations of Market Value under Sections 1 through 4 of this Annex shall include, where applicable, accrued interest to the extent not already included therein (other than any interest credited or transferred to, or applied to the obligations of, the other party pursuant to Section 8 of the Agreement), unless market practice with respect to the valuation of such Securities in connection with securities loans is to the contrary.

7. The determinations of Market Value provided for in this Annex shall apply for all purposes under the Agreement, except for purposes of Section 13 of the Agreement.

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Title: Attorney-In-Fact

Date: March 11, 2003

CIBC World Markets Corp.

By: /s/ Louis R. Caraccio

Title: Executive Director

Date: March 11, 2003

ANNEX III

TERM LOANS

This Annex sets forth additional terms and conditions governing Loans designated as "Term Loans" in which Lender lends to Borrower a specific amount of Loaned Securities ("Term Loan Amount") against a pledge of cash Collateral by Borrower for an agreed upon Cash Collateral Fee until a scheduled termination date ("Termination Date"). Unless otherwise defined, capitalized terms used but not defined in this Annex shall have the meanings assigned in the Securities Loan Agreement of which it forms a part (such agreement, together with this Annex and any other annexes, schedules or exhibits, referred to as the "Agreement").

1. The terms of this Annex shall apply to Loans of Equity Securities only if they are designated as Term Loans in a Confirmation therefor provided pursuant to the Agreement and executed by each party, in a schedule to the Agreement or in this Annex. All Loans of Securities other than Equity Securities shall be "Term Loans" subject to this Annex, unless otherwise agreed in a Confirmation or other writing.

2. The Confirmation for a Term Loan shall set forth, in addition to any terms required to be set forth therein under the Agreement, the Term Loan Amount, the Cash Collateral Fee and the Termination Date. Lender and Borrower agree that, except as specifically provided in this Annex, each Term Loan shall be subject to all terms and conditions of the Agreement, including, without limitation, any provisions regarding the parties' respective rights to terminate a Loan.

3. In the event that either party exercises its right under the Agreement to terminate a Term Loan on a date (the "Early Termination Date") prior to the Termination Date, Lender and Borrower shall, unless otherwise agreed, use their best efforts to negotiate in good faith a new Term Loan (the "Replacement Loan") of comparable or other Securities, which shall be mutually agreed upon by the parties, with a Market Value equal to the Market Value of the Term Loan Amount under the terminated Term Loan (the "Terminated Loan") as of the Early Termination Date. Such agreement shall, in accordance with Section 2 of this Annex, be confirmed in a new Confirmation at the commencement of the Replacement Loan and be executed by each party. Each Replacement Loan shall be subject to the same terms as the corresponding Terminated Loan, other than with respect to the commencement date and the identity of the Loaned Securities. The Replacement Loan shall commence on the date on which the parties agree which Securities shall be the subject of the Replacement Loan and shall be scheduled to terminate on the scheduled Termination Date of the Terminated Loan.

4. Borrower and Lender agree that, except as provided in Section 5 of this Annex, if the parties enter into a Replacement Loan, the Collateral for the related Terminated Loan need not be returned to Borrower and shall instead serve as Collateral for such Replacement Loan.

5. If the parties are unable to negotiate and enter into a Replacement Loan for some or all of the Term Loan Amount on or before the Early Termination Date, (a) the party requesting termination of the Terminated Loan shall pay to the other party a Breakage Fee computed in accordance with Section 6 of this Annex with respect to that portion of the Term Loan Amount for which a Replacement Loan is not entered into and (b) upon the transfer by Borrower to Lender of the Loaned Securities subject to the Terminated Loan, Lender shall transfer to Borrower Collateral for the Terminated Loan in accordance with and to the extent required under the Agreement, provided that no Default has occurred with respect to Borrower.

6. For purposes of this Annex, the term "Breakage Fee" shall mean a fee agreed by Borrower and Lender in the Confirmation or otherwise orally or in writing. In the absence of any such agreement, the term "Breakage Fee" shall mean, with respect to Loans of Government Securities, a fee equal to the sum of (a) the cost to the non-terminating party (including all fees, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of the termination of the Terminated Loan, and (b) any other loss, damage, cost or expense directly arising or resulting from the termination of the Terminated Loan that is incurred by the non-terminating party (other than consequential losses or costs for lost profits or lost opportunities), as determined by the non-terminating party in a commercially reasonable manner, and (c) any other amounts due and payable by the terminating party to the non-terminating party under the Agreement on the Early Termination Date.

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Title: Attorney-In-Fact

Date: March 11, 2003

CIBC World Markets Corp.

By: /s/ Louis R. Caraccio

Title: Executive Director

Date: March 11, 2003

ANNEX IV

COLLATERAL ACCOUNT

Reference is hereby made to that certain Master Securities Loan Agreement (the "Agreement") dated as of March 11, 2003 between CIBC World Markets Corp. ("CIBC") and Nortel Networks Inc. ("Nortel").

In connection with any stock lending transactions pursuant to this Agreement, CIBC and Nortel agree that

(i) any Collateral (as defined in this Agreement) posted by CIBC in favor of Nortel shall be held in one or more accounts (the "Accounts") of Nortel at CIBC, and

(ii) Nortel shall not remove the Collateral from the Accounts unless CIBC defaults on its obligations pursuant to the Agreement.

If the following is in accordance with your understanding, kindly sign in the space provided below.

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Title: Attorney-In-Fact

Date: March 11, 2003

CIBC World Markets Corp.

By: /s/ Louis R. Caraccio

Title: Executive Director

Date: March 11, 2003

ANNEX V

SUPPLEMENTAL REPRESENTATION, WARRANTY AND AGREEMENTS BY BORROWER

Reference is hereby made to (i) that certain Master Securities Loan Agreement (the "Agreement") dated as of March 11, 2003 between CIBC World Markets Corp. ("CIBC") and Nortel Networks Inc. ("Nortel") and (ii) the Prospectus Supplement dated as of March 11, 2003 (the "Prospectus Supplement") to the Prospectus dated June 7, 2002 (together with the Prospectus Supplement, the "Prospectus") included in that certain Registration Statement on Form S-3 (File No. 333-88498) filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended from time to time, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act").

1. CIBC hereby represents and warrants to Nortel that CIBC is, and at all times throughout the term of the Agreement will be, a "Broker-Dealer" as that term is defined in Section 25.5 of the Agreement.

2. In connection with any stock lending transactions pursuant to this Agreement, CIBC agrees to comply with:

(a) the prospectus delivery requirements of the Securities Act; and

(b) the manner of sale provisions set forth in the Prospectus.

3. To the extent ARRIS Group, Inc. amends or supplements the Prospectus, CIBC agrees that the term "Prospectus" for purposes of this Annex V shall then include the Prospectus as so amended or supplemented.

4. CIBC agrees that a breach of the representation and warranty in Section 1 of this Annex V and breach of any of the covenants in Section 2 of this Annex V would be deemed to be a Default under the Agreement.

If the following is in accordance with your understanding, kindly sign in the space provided below.

Nortel Networks Inc.

By: /s/ Khush Dadyburjor

Title: Attorney-In-Fact

Date: March 11, 2003

CIBC World Markets Corp.

By: /s/ Louis R. Caraccio

Title: Executive Director

Date: March 11, 2003

SCHEDULE A

NAMES AND ADDRESSES FOR COMMUNICATIONS

IF TO NORTEL NETWORKS INC.:

John Williams
Nortel Networks Limited
8200 Dixie Road Suite 100
Brampton ON L6T 5P6 * Canada
Business: 905-863-2390
Business Fax: 905-863-8563

AND

Arno Nadolny
Director, Mergers and Acquisitions
2221 Lakeside Blvd
Richardson, TX 75082-4399
Phone: 972-685-8211
Fax: 972-685-3398

IF TO CIBC WORLD MARKETS CORP.:

Andrew MacInnes
CIBC World Markets Corp
425 Lexington Avenue, 6th floor
New York, New York 10017
Tel: 212-667-7138
Fax: 212-667-6140

SCHEDULE B

DEFINED TERMS AND SUPPLEMENTAL PROVISIONS

None.