

February 5th, 2009

International Swaps and Derivatives Association, Inc. Send to: NortelProtocol@isda.org

Dear Sirs,

2009 Nortel Entities CDS Protocol - Adherence

The purpose of this letter is to confirm our adherence the 2009 Nortel Entities CDS Protocol, as published by the International Swaps and Derivatives Association, Inc. on February 2, 2009 (the "Protocol"). This letter constitutes an "Adherence Letter" as referred to in the Protocol.

In adhering to the Protocol, we confirm that we are adhering to its terms with respect to the following Auctions (as defined in the Protocol):

Auction

Check to confirm adherence

Nortel Networks Corporation

Nortel Networks Limited

We acknowledge and agree that if (a) no boxes are checked, each box will be deemed to be checked and this letter will confirm our adherence to the Protocol with respect to each of the Auctions and (b) if one or both boxes have been checked, this letter will confirm our adherence to the Protocol respectively with respect to the Auction corresponding to each box checked.

The definitions and provisions contained in the Protocol are incorporated into this Adherence Letter, which will supplement and form part of each Covered Transaction (now or in the future) between us and each other Adhering Party, respectively.

1. Specified Terms

The amendments in Section 1 and Schedule 1 of this Protocol shall apply to Covered Transactions to which we are a party.

2. Appointment as Agent and Release

We hereby appoint ISDA as our agent for the limited purposes of the Protocol and accordingly we waive, and hereby release ISDA from, any rights, claims, actions or causes of action whatsoever (whether in contract, tort or otherwise) arising out of, or in any way relating to, this Adherence Letter or our adherence to the Protocol or any actions contemplated as being required by ISDA.



3. DTCC Account Number

For purposes of electronic matching and counterparty recognition, our DTCC Account Number is as follows, but you understand and agree that our failure to provide any such details pursuant to this letter will not affect the legal validity and binding nature of the Protocol with respect to us:

DTCC Account Number:

4. Contact Details

Our contact details for purposes of this Adherence Letter are:

Name:

Penny Morgan

Address:

385 East Colorado Blvd. Pasadena CA 91101

Telephone:

626-844-9400 626-844-8340

Fax: E-mail:

swaps.operations@westernasset.com

We consent to the publication of the conformed copy of this letter by ISDA and to the disclosure by ISDA of the contents of this letter.

Yours faithfully,

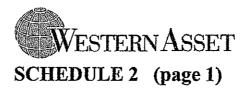
Western Asset Management Company, acting as Investment Manager and Agent on behalf of the accounts listed on Schedule 2

By:

Name: Stephen Venable

Title: Manager, US Legal and Corporate Affairs

Signature:

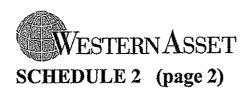


Parties

Each of the following entities is a Party to this Agreement:

Legal name of Party

	14/40/70
	WA0178
	WA0654
	WA0655
	WA0671
	WA0701
	WA0750
	WA0751
	WA0775
	WA0803
	WA0923
	WA0968
	WA0984
	- WA0992
	WA0993
	WA1050
	WA1059
	WA1068
	WA1078
	WA1082
	WA1098
	WA1121
	WA1140
	WA1143
	WA1144
	WA1151
	WA1157
	WA1171
	WA1177
	WA1213
	WA1264
	WA1268
	WA1277
	WA1281
	WA1285
	WA1295
	WA1311
	WA1319
	WA1328
	WA1332
	WA1339
	WA1364

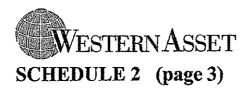


Parties

Each of the following entities is a Party to this Agreement:

Legal name of Party

WA1376
WA1384
WA1385
WA1389
WA1412
WA1413
WA1415
WA1418
WA1419
WA1425
WA1428
WA1434
WA1438
WA1447
WA1450
WA1452
WA1462
WA1464
WA1472
WA1474
WA1481
WA1482
WA1483
WA1487
WA1494
WA1496
WA1523
WA1535
WA1558
WA1601
WA1614
WA1619
WA1621
WA1643
WA1647
WA1669
WA1675
WA1680
WA1690
WA1700
WA1700 WA1729
VVMIIZO



Parties

Each of the following entities is a Party to this Agreement:

Legal name of Party

WA1734
WA1755
WA1762
WA1763
WA1771
WA1796
WA1839
WA1840
WA1862
WA1907
WA1911
WA1929
WA1931
WA1948
WA1965
WA1978
WA1982
WA2126
WA2139
WA2232
WA2301
WA2306
WA2317
WA2319
WA2362
WA2372
WA2548
WA2592
WA2606
WA2792
WA2797
WA4004
WA4010