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AWS-3 spectrum auction bids soar to nearly $25.8B, and are likely to keep climbing

November 20, 2014 | By Phil Goldstein

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Bids in the FCC's AWS-3 spectrum auction keep climbing: After 20 rounds the auction has raised a total of $25.77 billion in provisionally winning bids.

Although the bidding is confidential, analysts think that Verizon Wireless (NYSE: VZ) and AT&T Mobility (NYSE: T) are spending heavily, with Dish Network (NASDAQ: DISH) likely bidding up prices.

The paired spectrum in the AWS-3 auction runs from 1755-1780 MHz for uplink operations and 2155-2180 MHz for downlink, and those bands have drawn the vast majority of the bids. The unpaired uplink spectrum licenses running from 1695-1710 MHz have received only a fraction of bids the paired spectrum has attracted.

According to the FCC's data, the highest provisional winning bid through 20 rounds was around $1.71 billion for a 10x10 MHz license of paired AWS-3 spectrum in the J-Block covering the New York City area, which has consistently been the most attractive license. A license covering the Los Angeles area in the same block of spectrum attracted a $1.26 billion provisional winning bid in round 20. Both bids highlight the desire of carriers--likely Verizon and AT&T--to secure 10x10 MHz channels in major markets.

After round 19, New Street Research analyst Jonathan Chaplin noted that the most contested blocks have been the J Block and the I Block (a 5x5 MHz block), both of which were bidding at $1.57 per MHz-POP at that point, while the nearby H

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Block (a 5x5 MHz block) was at $1.56 per MHz-POP. The G Block (another paired 5x5 MHz block) was at $1.32 per MHz-POP. The 15 MHz of unpaired spectrum saw increased bidding today, but only reached 10 cents per MHz-POP in round 19.

Additionally, Chaplin noted, the bidding rules have changed such that a new bidder on a license will only have to bid $50 million more than the previous winning bidder. Chaplin wrote that "previously this minimum amount had been much larger for the key licenses, potentially deterring new bids." For example, bidders were required to increase their bids by $343 million in round 19 for the New York City J Block, and no bids were made.

Chaplin is assuming that AT&T and Verizon will win about 47 percent of the spectrum in the auction. Based on the bids made in round 19, that would mean AT&T and Verizon would spend $11 billion each and T-Mobile US would spend $1.5 billion.

However, he noted those prices could go higher. "If bidding gets to $2 per MHz-POP ($31 billion in aggregate), AT&T and Verizon will be spending $14.5 billion each and TMUS will be spending $1.9 billion, again assuming the same ratio."

Meanwhile, Macquarie Capital analyst Kevin Smith wrote in a research note that Verizon "is largely spending on AWS-3 to improve service quality and add capacity for existing subs, with limited incremental rêvenue and EBITDA but for this analysis we are assuming that the new spectrum is entirely used for incremental EBITDA."

For more:
- see this FCC page
- see this *Re/code* article
- see this *WSJ* article (sub. req.)

Special Report: AWS-3 spectrum auction primer: What you need to know

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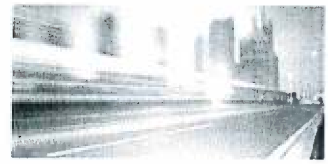

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15 Comments

wonshikee
The strong gets stronger.

Nunyur_Biznezz
Yeah I'm sure Verizon and at&t are happy Dish made BS bids so they ended up

paying twice as much as they should have for the spectrum. This make is LESS likely Verizon and at&t will participate in the 600 MHz auction.

vrm

Good, they can finally understand what it is taking t-mobile to acquire low frequency spectrum. They had it a lot easier with the low frequencies so finally they are having to pay the piper I hope they have to pay $50 billion for this spectrum and I hope it bankrupts vz as it nearly did t-mobile and sprint.

I know you don't want to hear this, much as you have been a vz shill but maybe next time you will be kinder to t-mobile/sprint when you dump on them.

wonshikee

You're right, it's better that a small company is unable to get much of the spectrum because they can't afford it than it is for a rich company to have to pay more.

Do you really think VZ/T hasn't done their due diligence to figure out at what point the spectrum isn't worth the price? The fact that they're still bidding on it suggests it's still in their best interest.

Nunyur_Biznezz

The point is if Dish as not involved the prices would not be as high. Verizon would have settled on the J block at&t and the H and I blocks and T-Mobile on the G blocks where they need spectrum. If a small company can afford the spectrum well it's an auction. Are the big guys supposed to stop bidding so some small guy can get spectrum?

r_ _ 7

The auction may not have gotten so high if there was more spectrum. 50MHz isn't a lot at all.
600MHz is up in the air for 2015/16 and that might get expensive too.

After that there is nothing other than just talks on what to do with 100/150MHz of 3.5GHz.

Other then that, from what we know there is nothing left. Data consumption is increasing exponentially which equals stress on spectrum capacity 25MHz split between two, three companies is not a lot at all.

sky

does t mobile still need new york city aws spectrum and los angeles areas?

t mobile has wideband network up in los angeles, and in new york city wideband network is about to go live also nyc is getting 700 aws spectrum.

r_dc 7

Just shy of $30billion

red_ 7

It is at $27.2 billion now with another round about to open. Might hit $30billion.

I think ATT/VZW will come away with a lot more than <50%

The 700MHz auction had more spectrum and didn't even hit $20billion. Even counting in inflation, $20billion doesn't come close to what the auction is at now.

I bet the FCC is drooling of the current price tag and I am sure that this auction will super excite broadcasters to give up their 600MHz.

If TMobile dropped $5billion, at current prices, theoretically a 5x5 nationwide block would be possible. But I imagine that they are spending much less than that, and is now just trying to hold onto locations where they only have 5MHz or 10MHz worth of spectrum. Places like Cincinnati, Knoxville, Spartanburg, etc.

Nunyur_Biznezz

The bidding only got this high because Dish was making bids so their own spectrum would be worth more. They were never actually interested in the spectrum they bid on.

Fabian Cortez

And/or making sure AT&T and Verizon paid a pretty penny for this AWS-3.

Either way it's pretty contriving.

vrm

stop whining and read your own post above- it IS an auction. I guess you will stop whining if vz is able to corner all spectrum for a buck.

The article means 47% each, not combined. In other words the AT&T and Verizon will take 94% of the paired spectrum

GatorDrew

How long do wireless spectrum leases last?

Nunyur_Biznezz

12 years then 10 year renewals after that. Licenses should be awarded by Feb 2015.

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AWS-3 $10 Billion Reserve Met in FCC Auction

Round 13 did trick, but bidding continues at furious pace; TIA dubs auction successful

By:

Round 14 in the AWS-3 auction is over and the bidding total stands at $14,176,437,300 for 1,303 of the 1,614 licenses available.

The FCC has officially popped the champagne, announcing that the reserve price for the largest block of spectrum has been met—which actually happened in round 13.

"At the conclusion of Round 13, the provisionally winning bid amounts, net of any applicable bidding credit discounts, for the paired 1755-1780/2155-2180 MHz licenses (the licenses in Blocks G, H, I, and J) exceeded $10,0660,326,600, thus meeting the aggregate reserve price for these licenses in Auction 97," the FCC said.

The auction looked like it was not pausing to toast the milestone, with almost $2 billion bid in round 14—there are 70 qualified bidders including AT&T, Verizon and T-Mobile—and over 700 new bids.

The AWS-3 auction may now officially be a success, or at least a partial one, but it won't be over until there are no bids or bid waiver requests in a round for either the paired or unpaired spectrum. It was not clear whether the $580 million reserve for the 15 MHz of unpaired spectrum had yet been met.

The more money the FCC raises in this auction, the less it has to use from the broadcast incentive auction to pay for the FirstNet interoperable broadband network, advanced 911, R&D, and deficit reduction.

The Telecommunications Industry Association, which represents the manufacturers of those wireless nets that will be using the spectrum to build out, already had the toast poured. "[TIA] is pleased that bids in the FCC's ongoing auction of AWS-3 spectrum have exceeded the $10 billion reserve price for 50 MHz of paired spectrum," it said.

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"The successful outcome of this auction will help mitigate the effects of the spectrum crunch caused by exploding consumer demand for mobile broadband," said TIA. "The auction will also provide significant funding towards the construction of FirstNet, the new national public safety broadband network. Moreover, the 1755-1780 MHz and 2155-2180 MHz bands are globally harmonized, allowing manufacturers to build wireless devices at lower cost while also potentially permitting international roaming more easily."

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This is **Exhibit "E"** to the
Affidavit of James Riley
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David Moore

____
A Commissioner, etc.

Government of Canada Gouvernement du Canada Canada

Industry Canada

Spectrum Management and Telecommunications

Comments Received on Gazette Notice SLPB-004-14

Consultation on the Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3)

PDF Readers

Posted on Industry Canada website: September 9, 2014

Companies and Organizations

ABC Communications
- Submission (PDF, 605 KB, 4 pages)

Bell Mobility Inc.
- Letter (PDF, 19 KB, 1 page)
- Submission (PDF, 134 KB, 15 pages)

Bragg Communications Inc. (o/a Eastlink)
- Submission (PDF, 341 KB, 8 pages)

Cogeco Cable Inc.
- Submission (PDF, 289 KB, 13 pages)

First Mile Connectivity Consortium (FMCC)
- Submission (PDF, 77 KB, 4 pages)

Globalive Wireless Management Corp. (WIND)
- Submission (PDF, 490 KB, 10 pages)

Independent Telecommunications Providers Association (ITPA)
- Submission (PDF, 114 KB, 5 pages)

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Consultation on the Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3)

Gazette Notice SLPB-004-14

Reply Comments New

- Submission (PDF, 80 KB, 5 pages)

Niagara Networks Incorporated

- Submission (PDF, 408 KB, 12 pages)

Public Interest Advocacy Centre (PIAC)

- Letter (PDF, 230 KB, 1 page)
- Submission (PDF, 634 KB, 26 pages)

Québecor Média inc.

- Submission (PDF, 94 KB, 16 pages)

Rogers Communications Partnership

- Letter (PDF, 28 KB, 1 page)
- Submission (PDF, 180 KB, 21 pages)

Sasktel

- Letter (PDF, 29 KB, 1 page)
- Submission (PDF, 117 KB, 21 pages)

SSi Group of Companies

- Letter (PDF, 152 KB, 1 page)
- Submission (PDF, 164 KB, 9 pages)

Tbaytel

- Submission (PDF, 255 KB, 16 pages)

TELUS Communications Company

- Submission (PDF, 317 KB, 36 pages)

Xplornet

- Submission (PDF, 201 KB, 7 pages)

Private Individuals

McNally, Michael, Dr., University of Alberta, Taylor, Gregory, Dr. and Middleton, Catherine, Dr., University of Ryerson

- Submission (PDF, 388 KB, 5 pages)

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Canadian taxpayers as a result of the 2008 AWS spectrum auction was more than $4.2 billion.

18. Rogers also notes that the U.S. FCC has determined that the reserve price for paired blocks of AWS-3 spectrum will be set at more than US $10 billion, or approximately US $0.64/MHz/Pop.[11] This represents the minimum level of winning bids that the FCC must receive in order to conclude the AWS-3 auction. In addition, Rogers notes that the FCC has decided to license all AWS-3 spectrum using an open bidding format, without the use of a set-aside for new entrants.

19. Whether measured according to the market value of AWS spectrum that was established in the total winning bids of the 2008 auction, or by the level of the reserve price proposed by the FCC for AWS-3 spectrum, the windfall which the Department has proposed for successful bidders of set-aside spectrum, and the corresponding forgone benefit for the Canadian taxpayers, will be enormous.

20. Well capitalized and established incumbent telecommunications service providers such as Quebecor and Vimpelcom do not require the substantial taxpayer subsidy that will undoubtedly be gifted to these companies if the Department proceeds to license AWS-3 spectrum on the basis of the measures it has proposed.

21. Lastly, the proposed second-price rule, coupled with the use of a mechanism whereby eligible new entrants will be permitted to bid for both the set-aside block and the open block while large wireless service providers (LWSPs) will be limited to bidding on the open block, confers an unfair advantage on eligible new entrants. By bidding on the open block, eligible new entrants will be fully able to set the price that LWSPs will pay for the open block while the LWSPs will have no ability to set the price that eligible new entrants will pay for the set-aside block.

22. For all of these reasons, Rogers recommends that the Department license all 50 MHz of the AWS-3 spectrum using an open bidding format. This will ensure that all successful bidders will pay the true market value of this spectrum.

23. In the event that the Department elects to proceed with the proposed set-aside, then Rogers supports the specific designation of the G, H and I blocks for new entrants.

[11] Federal Communications Commission, *Auction of Advanced Wireless Services Licenses Scheduled for November 13, 2014* (DA 14-1018), July 23, 2014, par. 188.

A4 – Industry Canada is seeking comments on the proposed eligibility criteria to bid on set-aside spectrum licences.

24. As Rogers explains above, Rogers supports open bidding for the licensing of mobile spectrum since this will result in spectrum being put to its highest use. Setting aside the majority of AWS-3 spectrum, combined with other measures that have been proposed by the Department, will significantly limit the demand that can be expressed for this spectrum and will result in a substantial and unwarranted taxpayer subsidy to the new entrants that will successfully bid for this spectrum.

25. In the event that the Department elects to license AWS-3 spectrum on the basis that it has proposed in the Consultation Paper, then Rogers supports the proposed requirement that only those new entrants that are actively providing commercial mobile wireless services and are operating a wireless network, providing an acceptable level of coverage in a given licence area, will be eligible to bid for the AWS-3 set-aside block.

26. Rogers does not agree with the Department's proposal that eligible bidders for set-aside spectrum be required to satisfy the minimum population coverage levels shown in Table 1 of the Consultation Paper which represent 50% of the AWS licensing deployment targets. Rogers notes that the AWS licensing deployment targets are 5-year targets and not 10-year targets as stated in the Consultation Paper.[12] Accordingly, Rogers submits that the minimum population coverage levels that must be satisfied by eligible bidders for set-aside spectrum should be equal to 100% of the 5-year AWS deployment targets.

27. New entrants that acquired valuable set-aside spectrum in the 2008 AWS auction should be required to satisfy their original deployment targets before they will be eligible to bid for additional set-aside spectrum in the AWS-3 auction. Upholding the original deployment requirements will ensure that Canadians can enjoy the benefits arising from investment in competing networks and the provision of advanced new services.

[12] *Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range* (DGRB-011-07), December 2007, Appendix C.

16. We note similar concerns expressed by other parties,[10] particularly with respect to band plan contiguity, and therefore continue to propose the above band plan modifications as being the optimum band plan for Canada.

A2 Industry Canada is seeking comments on its proposal to use Tier 2 licence areas for both the 15 + 15 MHz and 10 + 10 MHz blocks.

17. Our Comments proposed that the set-aside spectrum be licensed on a Tier 3 basis since this more closely mirrors an urban/rural split. We further proposed that the set-aside only apply to the urban portion of that spectrum. The benefits of this proposal, include providing new entrants with immediate access to the urban spectrum which they actually desire, and which they will likely deploy on a more timely basis than they would rural-based spectrum. A number of parties to the proceeding observed that considerable spectrum, not limited to but mostly in rural areas, licensed to new entrants in the 2008 AWS auction remains unused to this day.[11]

18. Conversely, our proposal establishes a framework that facilitates maximum use of rural spectrum by making it available to a larger group of potential bidders. Our proposal would also maximize potential revenue return to the Treasury while ensuring that Canadians in rural areas are able to benefit from advanced spectrum-based broadband services on the fastest possible timeline. We continue to recommend this proposal.

Licensing Process and Pro-competitive Measures

A3 Industry Canada is seeking comments on its proposals to use an auction mechanism and to implement a pro-competitive measure, namely:

(a) to set aside 30 MHz in the AWS-3 band for new entrants by restricting the participation of LWSP in this block; and

(b) to have open bidding (no pro-competitive measures) on the remaining 20 MHz block in the band.

19. Regarding proposal (a) above, we do not agree in principle with the use of set-asides, and continue to note the potential reduction in auction proceeds and the large implied subsidy that the new entrants will receive as a result of this measure. In this regard, we along with

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[10] Telus, Comments, paragraphs 43 to 45.
[11] See for example SaskTel, Comments, paragraph 27 and Telus, Comments, paragraphs 21 and 24.

Rogers[12] and Telus[13] noted that the combination of the eligibility criteria to bid on set-aside spectrum licences and the second-price rule will likely lead to extraordinarily low prices paid for spectrum licences by the new entrants. In this regard, our Comments noted that in the likely scenario where set-aside licences are sold at the proposed opening bid price and the market value of those licences is equivalent to the average price paid by the incumbents in the recent 700 MHz auction ($2.99 per MHz-pop), then the implied subsidy to the new entrants is approximately $2.7 billion. We remain of the above view.

20. Also, in this regard, Bell Mobility notes that it agrees with Telus that a 10 MHz LWSP spectrum cap could achieve the same policy objectives as a 20 MHz set-aside. Alternatively, if a spectrum cap is not implemented, Telus recommends reducing the new entrant set-aside to 20 MHz. We share Telus' view with respect to both issues.

21. Finally, in this regard, we share the view of Telus, expressed in its comments,[14] as well as based on our introductory comments above, that establishing a set-aside of 60% of the available AWS-3 spectrum for operating new entrants who only serve 5% of the market does not seem warranted in the circumstances and is not in line with good spectrum management practice.

22. Regarding proposal (b) above, our Comments noted that we are in agreement with not imposing pro-competitive measures on this, or indeed, any block of spectrum awarded through competitive auction. In this regard we agree with Rogers, in its comments, when it notes:

> Generally speaking, Rogers fully supports the use of open bidding for the licensing of mobile spectrum so that those companies that value the spectrum the most will be able to bid for it and put the spectrum to its highest use. This will ensure that Canadians will derive the maximum benefits from this scarce and valuable resource.[15]

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12 Rogers, Comments, paragraph 16.
13 Telus, Comments, paragraph 29.
14 Telus, Comments, paragraph 4.
15 Rogers, Comments, paragraph 15.

This is **Exhibit "F"** to the
Affidavit of James Riley
sworn before me this 26th
day of November, 2014

Daniel Moon

A Commissioner, etc.

Bellmore & Moore
Barristers & Solicitors

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BY EMAIL to walied.soliman@nortonrosefulbright.com

September 24, 2014

Norton Rose Canada LLP
Royal Bank Plaza, South Tower
200 Bay St., Suite 3800
Toronto, ON M5J 2Z4

Attn: Walied Soliman

Dear Mr. Soliman:

Re: In the Matter of Data & Audio-Visual Enterprises Holdings Inc., et al.
Court File No. CV-13-10274-00CL

Thank you for the candid discussion last night.

As indicated, we were calling to advise that Catalyst was contemplating filing a brief affidavit in relation to the stay extension motion, returnable today.

Upon further reflection, we have concluded that the better approach is to write this letter to outline our views about the most appropriate course of action going forward.

Catalyst has been concerned, particularly in the context of the Federal Government's apparent opposition to any sale of Mobilicity's spectrum to Telus, that the value of the collateral held as security for the First Lien Notes would erode over time—given, among other things, the operational constraints and costs resulting from the continuance of the CCAA proceedings, and the absence of an alternative plan.

In our view, recent events create urgency to finding an alternative <u>business</u> solution on a cooperative basis. The termination of the mediation makes it clear that there will be no resurrection of the Telus transaction. The filing of the recently announced lawsuit against the Federal Government by Mobilicity investors, and the references therein to several matters internal to Mobilicity, are not

Bellmore & Moore

positive. And the terms of the recently announced Wind transaction may imply a value of Mobilicity that suggests—in the current circumstances—that the First Lien Notes are indeed at risk.

On the positive side, as alluded to in the motion materials which have been filed, Mobilicity so is uniquely positioned (if it had the resources to do) to take advantage of the Federal Government's upcoming spectrum auction, including as a participant and/or as a competitor to other new entrants. Certain recent regulatory changes, also alluded to in Mr. Aziz's affidavit, present new business opportunities for Mobilicity.

In our view, the stakeholders with the most at risk—the First Lien Holders—need to develop a restructuring plan for Mobilicity which will enable the company to participate in the upcoming spectrum auction, take advantage of the new regulatory rules, and expand its operations into a viable and valuable business.

In our view, achieving this is possible. But it must be done quickly, or else the window of opportunity presented by the above developments will close.

As mentioned in our telephone call last night, a meeting has been arranged for 3 pm today between Catalyst and representatives of certain First Lien Holders to discuss the above business issues. Catalyst has a proposed structure/transaction that it intends to present at this meeting in which it is willing to take the lead. But this structure is not a precondition, and Catalyst would welcome the participation of the other First Lien holders in such an initiative.

Catalyst views this meeting as an important first step to finding the right business solution.

Catalyst also intends to reach out directly to Mobilicity and to the Monitor for assistance in order to achieve this objective.

In these circumstances, we believe that the CCAA extension should be for a shorter period—we would suggest November 1. Alternatively, there should be explicit language in any extension order providing for the ability of any interested stakeholder to return to Court to permit a restructuring plan, or to seek further directions (including an abridgment of any stay), depending upon how circumstances unfold between now and, say, October 15, 2014. Attached is a draft provision which we would suggest to reflect this.

Subject to such modifications as may result from informal discussions prior to our attendance before Justice Newbould later this morning, Catalyst intends to suggest the above the Court.

Bellmore & Moore

In so doing, Catalyst does not intend to file or rely upon the contents of this letter. Similarly, when counsel attend before Newbould J. later this morning, Catalyst does not intend to refer to or rely upon the fact of the 3 pm meeting.

Thank you for your consideration of the above.

Yours very truly,
BELLMORE & MOORE

David Moore

Per: David C. Moore
DCM/bh

Enclosure

cc:	Orestes Pasparakis	orestes.pasparakis@nortonrosefulbright.com
	Robert Chadwick	rchadwick@goodmans.ca
	Leanne Williams	lwilliams@tgf.ca

ADDITIONAL TERM OF ORDER

__. THIS COURT ORDERS that from and after October 15, 2014, any interested party is at liberty to file a motion, upon 7 days notice to all affected parties, to vary the terms of this order (including seeking an abridgment of the stay granted herein), to obtain Court approval of any financing/restructuring plan as may be appropriate, or to seek such other relief as may be deemed necessary.

This is **Exhibit "G"** to the
Affidavit of James Riley
sworn before me this 26th
day of November, 2014

David Moore

A Commissioner, etc.

The Catalyst
Capital Group Inc.

77 King Street West
Royal Trust Tower
TD Bank Centre
Suite 4320, P.O. Box 212
Toronto, Ontario M5K 1J3

Telephone: 416.945.3000
Facsimile: 416.945.3060

CONFIDENTIAL

[October [xx], 2014]

[Data & Audio-Visual Enterprises Holdings Inc. ("**Holdco**" or the "**Company**")
Data & Audio-Visual Enterprises Wireless Inc. ("**Opco**")
101 Exchange Avenue
Vaughan, ON L4K 5R6

Ernst & Young Inc.
222 Bay Street
PO Box 251
Toronto, Ontario M5K 1J7]

Attention: Mr. Anthony Booth, Interim CEO & Mr. Michael P. Dean, Monitor

Dear Sir(s),

The Catalyst Capital Group Inc. ("**Catalyst**") on behalf of investment funds managed by it is pleased to present to you the proposed general terms and conditions of a recapitilization plan for Holdco and Opco ("**Recap Plan**"). This Recap Plan includes a [new operating facility] of up to [$200 million] ("**New 1st Lien Facility**"), a new 3rd lien convertible notes investment of [$200 million] ("**New 3rd Lien Notes**") and the creation of [$100 million] of New 2nd Lien Notes ("**New 2nd Lien Notes**") in partial satisfaction of existing 1st lien claims. Catalyst will commit to purchase up to $300 million of the New 1st Lien Facility and New 3rd Lien Notes through the Recap Plan. The New 1st Lien Facility proceeds are to be used for the upcoming AWS-3 wireless spectrum auction and the New 3rd Lien Notes are to be used for approved capital expenditures and general corporate purposes as set forth herein and in the attached CCAA Plan of Arrangement Summary of Terms and Conditions (the "**POA Term Sheet**"). The POA Term Sheet will be subject to the conditions as outlined in the POA Term Sheet. The POA Term Sheet contemplates, amongst other things, the conversion of most of the Company's current outstanding debt into Post-Restructuing Common Equity (as defined in the POA Term Sheet) and the infusion of growth capital to support Opco and the Company. The CCAA Plan of Arrangement as outlined in the POA Term Sheet will provide for a more sustainable capital structure for the Company given the business realities confronting the Company going forward.

By executing this letter agreement (this letter agreement together with the POA Term Sheet are hereinafter referred to as "this Commitment Letter"), you agree to reimburse Catalyst from time to time on demand for all reasonable out-of-pocket fees and other expenses (including, but not limited to, the reasonable fees, disbursements and other charges of Catalyst's outside counsel, and professional fees of consultants, local counsel and other experts) incurred in connection with the restructuring of the Company, Opco and any subsidiaries, including the preparation of definitive documentation for the Recap Plan, New 1st Lien Facility, New 2nd Lien Notes, New 3rd Lien Notes, New Preferred Equity and other transactions contemplated hereby, as indicated in the POA Term Sheet.

You agree to indemnify and hold harmless Catalyst and their affiliates and each of their respective officers, directors, employees, agents, advisors and representatives (each, an "**Indemnified Party**") from and against any and all claims, damages, losses, liabilities and expenses (including, without limitation, fees and disbursements of counsel) that may be incurred by or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Commitment Letter, whether or not such investigation, litigation or proceeding is brought by Holdco, the Opco, any of the shareholders or creditors of Holdco or the Opco, an Indemnified Party or any other person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. You agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract, tort or otherwise) to you or any of your shareholders or creditors, for or in connection with the transactions contemplated hereby, except for direct, as opposed to indirect or consequential, damages to the extent such liability is found in a final nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or wilful misconduct.

The provisions of the two immediately preceding paragraphs shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the commitment of Catalyst hereunder and shall survive closing.

You appoint us as Sponsor (as defined in POA Term Sheet) provided that such roles shall cease in the event that we notify you in writing that we are unable to proceed with the financing because any of the conditions set out in this Commitment Letter have not been or will not be satisfied. We agree (but without being under any liability of any nature to you in relation to such agreement) to notify you as soon as we become aware that any such condition has not been and will not be satisfied.

This Commitment Letter may be executed in counterparts which, taken together shall constitute one original. This letter agreement together with the POA Term Sheet, embodies the entire agreement and understanding among Catalyst, Holdco, Opco and any of their respective subsidiaries with respect to the specific matters set forth herein and therein and supersedes all prior agreements and understandings relating to the subject matter hereof. No party has been authorized by Catalyst to make any oral or written statements inconsistent with this Commitment Letter. The Company and the Monitor will have this Commitment Letter approved by the CCAA court as soon as possible after execution.

This Commitment Letter may not be assigned without the prior written consent of Catalyst.

If you are in agreement with the foregoing, please execute and return to Catalyst the enclosed copy of this letter agreement and the POA Term Sheet to the attention of Newton Glassman and Gabriel de Alba no later than 12:00 P.M. EST time on [October 17, 2014]. This Commitment Letter will become effective upon your delivery to us of executed counterparts of each such letter. This Commitment Letter shall terminate if not so accepted by you prior to that time. Following acceptance by you, this Commitment Letter shall expire at 12:00 P.M. EST on [October 31, 2014], unless the definitive documentation has been finalized to launch the Recap Plan.

Each of us submits to the jurisdiction of the courts of Ontario for the purpose of hearing and determining any dispute arising out of this Commitment Letter and for the purpose of the enforcement of any judgment against our respective assets. The submission to jurisdiction of the courts referred to in this paragraph shall not (and shall not be construed so as to) limit our right to take proceedings in the courts of any country where we have our respective assets or in any other courts of competent jurisdiction nor shall the taking of proceeding in any one or more jurisdiction preclude the taking of proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

THIS COMMITMENT LETTER SHALL BE GOVERNED BY AND CONSTRUCTED IN ACCORDANCE WITH THE LAWS OF ONTARIO, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW.

Very truly yours,

The Catalyst Capital Group Inc.
(on behalf of investment funds managed by it)
as Sponsor

By:__________________________
Name: Gabriel de Alba

Title: Managing Director & Partner

COMMITMENT ACCEPTED AND AGREED TO

THIS ____ DAY OF OCTOBER, 2014

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

By:______________________________________
Name:____________________________________

Title:_____________________________________

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

By:______________________________________
Name:____________________________________

Title:_____________________________________

Data & Audio-Visual Enterprises Holdings Inc. ("DAVE" or the "Company")
Plan of Arrangement Summary of Terms and Conditions

Restructuring

Restructuring	Plan of Arrangement to be effected under the CCAA involving holders of the 1st Lien Claims, Existing 2nd Lien Claims, Senior Unsecured Claims, Subordinated Unsecured Claims and existing equity.

New Equity Sponsor

Sponsor	The Catalyst Capital Group Inc. (on behalf of investment funds managed by it) (the "**Sponsor**")

Post-Restructuring Common Equity

Post-Restructuring Common Equity	Plan of Arrangement will contemplate the cancellation of the current Company equity and the creation of new post-restructuring equity securities.

Ownership Breakdown of Post-Restructuring Common Equity:

Existing 1st Lien Claims	95.0% of Post-Restructuring Common Equity
Existing 2nd Lien Claims	[3.5%] of Post-Restructuring Common Equity.
Senior Unsecured Claims	[1.0%] of Post-Restructuring Common Equity
Subordinated Unsecured Claims	[0.5%] of Post-Restructuring Common Equity

Treatment

Existing 1st Lien Claims	Holders to receive the following: (i) new 2nd Lien Notes (as outlined in Schedule 2) with principal equivalent to [$100.0 million], (ii) Rights Offering Units and (iii) the Post-Restructuring Common Equity.
Existing 2nd Lien Claims	Holders to receive [3.5%] of Post-Restructuring Common Equity
Senior Unsecured Claims	Holders to receive [1.0%] of Post-Restructuring Common Equity
Subordinated Unsecured Claims	Holders to receive [0.5%] of Post-Restructuring Common Equity.
Existing Equity Interests	Existing warrants, options, equity shares, equity interests and the like will be extinguished.

Rights Offering Units

Rights Offering Units	Existing 1st Lien Claim Holders will receive Rights Offering Units for up to [$150 million] prorata for Existing 1st Lien Claims. Each unit will allow the holder to partipate in up to [$75 million] of the New 1st Lien Facility and up to [$75 million] of the New 3rd Lien Notes.
Sponsor Rights Offering Units	The Sponsor will be given Sponsor Rights Offering Units for up to [$300 million]. Each unit will allow the holder to partipate in up to [$150 million] of the New 1st Lien Facility and up to [$150 million] of the New 3rd Lien Notes.
Rights Offering Pool	Up to [$200 million] New 1st Lien Facility (as outlined in Schedule 1) and up to [$200 million] New 3rd Lien Notes (as outlined in Schedule 3). For every $1 committed by Existing 1st Lien Claim Holders above an initial [$50 million] threshold ([$25 million] 1st Lien Facility and [$25 million] New 3rd Lien Notes), Sponsor Rights Offering Unit allocation will be reduced by $0.50.

New 1st Lien Facility

Size of New 1st Lien Facility	Up to [C$200 million] Commitment of New 1st Lien Facility
Eligible Investors	Existing holders of 1st Lien Claims up to [$75 million]. Sponsor up to [$150 million].
New 1st Lien Commitment Fee	[3-5%], subject to level of participation
New 1st Lien Drawdown Fee	[3-5%], subject to level of participation

New 3rd Lien Notes

Total Issue Size	Up to [C$200million] of New 3rd Lien Notes
Eligible Investors	Existing holders of 1st Lien Claims up to [$75 million]. Sponsor up to [$150 million].
New 3rd Lien Commitment Fee	[3-5%], subject to level of participation
New 3rd Lien Drawdown Fee	[3-5%], subject to level of participation
Conversion Feature	Each New 3rd Lien Note will be convertible into the equivalent par value of New Preferred Equity (as outlined in Schedule 4)

Exclusivity	The Company will not pursue, discuss or allow the additional issuance of debt, securities, commercial bank facilities or equity by the Company, Opco or any of their respective subsidiaries being offered, placed or arranged ("**Alternative Financing/Plan**") except with the written consent of the Sponsor. The Company needs to immediately notify, provide all materials, documents or descriptions of or related to all communications, offers, arrangements or placements to Sponsor and immedidately disengage any communications, informal or formal, related to said Alternative Financing/Plan. The Sponsor will not consent to any Alternative Financing/Plan without a cash payment amounting to [3%] of the total enterprise value of the Company (the "**Break Fee**").
Commitment Fee	1% of Sponsor Minimum Commitment Amount ($300 million)
Shareholders Agreement	Prior to the receipt of the Post-Restructuring Common Equity to which a holder is entitled, such holder will be required to enter into a Shareholders Agreement in form and substance satisfactory to the Sponsor, which Shareholders Agreement will contain terms related to (i) Sponsor board appointment rights, (ii) Sponsor approval rights over certain material actions of the Company, (iii) registration rights, (iv) preemptive rights, (v) the right to receive quarterly and annual financial statements, (vi) transfer restrictions, (vii) Sponsor drag-along rights, (viii) the right of the Sponsor to force the Company to conduct a public offering (ix) customary anti-dilution protection and (x) other terms taking into account the nature and business of the Company and Opco, any regulatory requirements and the respective Post-Restructuring Common Equity of shareholders.
Conditions:	1. Regulatory approvals and required consents and licenses. 2. No current DIP funding has been drawn down prior to the closing of the Plan of Arrangement. 3. Sponsor will have the right to appoint and hold a majority of the board seats of New Holdco, the Company, Opco and any related subsidiaries. 4. Court approval of Plan of Arrangement under substantially similar terms as outlined in this POA Term Sheet. The court order approving the Plan of

Arrangement shall be in form satisfactory to the Sponsor.

5. There shall be no additional issuance of debt, securities or commercial bank facilities by the Company, Opco or any of their respective subsidiaries being offered, placed or arranged except with the written consent of Sponsor (which consent shall only be forthcoming if all fees referred to herein and otherwise payable on closing or drawdown are paid immediately upon any commitment being accepted in relation to such debt, securities or bank facilities).

6. Execution and delivery of definitive documentation with respect to the New Investment in a form acceptable to Catalyst that contains terms and conditions consistent with those set out herein and the satisfaction or waiver of all conditions precedent contained in such definitive documentation.

7. The commitment of Catalyst hereunder is also subject to the conditions that, as of the financial close (being the date upon which the definitive documentation is signed by Catalyst), there will have occurred as determined by Catalyst in its sole discretion no event or events of whatever nature, foreseeable or unforeseeable, that could reasonably be expected to have a material adverse effect, individually or in the aggregate, on (a) the business, financial condition or prospects, short or long-term, of the Company, Opco, or any of their subsidiaries or (b) the industry in which the Company, Opco, or any of their subsidiaries operate, or (c) domestic or international debt or capital markets.

Documentation:................................. Definitive documentation for the Restructuring to be approved by the Sponsor, the Monitor and the Company. Target completion date of [October 31st, 2014] for definitive documentation to launch the Restructuring.

Plan Sponsor Fee .... In exchange for services provided as plan sponsor, the Sponsor shall receive a plan sponsor fee of [$5.0 million] at the closing of the Restructuring and will be entitled to reimbursement of its reasonable out-of-pocket expenses incurred in connection with the Plan of Arrangement and prior to the date hereof in connection with the CCAA proceedings.

Expiration of Term Sheet:.................. October [17th], 2014 at 12pm EST

Confidential
The Catalyst Capital Group Inc.
October [10], 2014

Schedule 1

Preliminary Term Sheet - New 1st Lien Revolver Facility Lien Debt ("New 1st Lien Facility")

Borrowers	Data & Audio-Visual Enterprises Wireless Inc. ("**Opco**") and a to be established special purpose spectrum subsidiary ("**SpecCo**")
Guarantors	New Holdco, all existing and future subsidiaries
Agent	Catalyst or its designated affiliate
Lendors	Sponsor and Existing 1st Lien ClaimHolders
Ranking	1st Lien Senior Secured
Security Interest	1st ranking security on all present and future property and assets of all Guarantors and 1st ranking security on all present and future property and assets of the Borrower
Principal	Up to [C$200 million] Revolver Commitment, drawdown schedule to be agreed upon by the Company and Catalyst based on AWS-3 auction strategy to be determined by the Company and Catalyst.
Use of Proceeds	AWS-3 Spectrum Auction, all uses to be approved by Sponsor
Maturity	December 31, 2016
Rate	[10% Cash]
Drawdown Fee	[3-5%], subject to level of participation
Commitment Fee	[3-5%], subject to level of participation
Documentation	Definitive documentation for the New 1st Lien Facility is to be approved by the Sponsor, the Company and the Monitor.
Right of First Refusal	Lendors will have right of first refusal to provide any future Debtor-In-Possesion financing
Mandatory Prepayment	The Principal payment of the New 1st Lien Facility will be due in full at Maturity. The Borrower will redeem at par plus accrued interest and fees to the date of redemption, plus the applicable Prepayment Premium referred to below, with: (a) the net after-tax cash proceeds received by the Borrower or any of its subsidiaries from any permitted sale or other disposition of assets, (b) all net insurance proceeds or other awards payable in connection with the loss, destruction or condemnation of any assets of the Borrower or any of its subsidiaries not utilized within 6 months to replace or repair such assets, and (c) the net proceeds of any additional issuance of debt, securities, commercial bank facilities or equity by the Borrower or the Guarantors.
Optional Prepayment	The 1st Lien Facility may be redeemed in full, at the option of the Borrower at any time after the closing date, upon at least 30 but not more than 60 days' prior written notice at a price equal to 100% of the principal amount thereof, plus accrued interest and fees to the date of prepayment, [plus a call premium of 105% in the first year and 103% in the second year of the New 1st Lien Facility] ("**Prepayment Premium**").
Change of Control	Prior to the occurrence of a Change of Control, the Borrower will be required to make an offer to prepay the New 1st Lien Facility at [105%] plus accrued interest to the date of prepayment (the "**Change of Control Premium**").
Financial Covenants	▪ Maximum Leverage Ratio ▪ Maximum First Lien Leverage Ratio ▪ Minimum Cash Balance ▪ Maximum Capital Expenditures Covenant levels established off Management Projections Materials with 10% cushion. The Management Projections Materials are based on material provided by management of Borrower.

Negative Covenants	▪ Prohibitions on dividends or other distributions, liens, investments, asset sales and debt
Reporting Requirements	Monthly
Representations	Usual and customary
Events of Default	Usual and customary

Schedule 2

Preliminary Term Sheet - New 2nd Lien Debt ("New 2nd Lien Notes")

Borrower	Data & Audio-Visual Enterprises Wireless Inc. ("**Opco**")
Guarantors	New Holdco, all existing and future subsidiaries excluding SpecCo and NetworkCo (as discussed in Schedule 3)
Trustee	To be determined
Ranking	2nd Lien Senior Secured
Security Interest	2nd ranking security on all present and future property and assets of all Guarantors and 2nd ranking security on all present and future property and assets of the Borrower
Principal	[C$100.0] million
Maturity	December 31, 2021
Rate	[11.0%] PIK toggle at the Company's option
Documentation	Definitive documentation for the New 2nd Lien Notes is to be approved by the Sponsor, Company and Monitor.
Mandatory Prepayment	The Principal payment of the 2nd Lien Notes will be due in full at Maturity. After the New 1st Lien Facility has been redeemed in full, the Borrower will redeem at par plus accrued interest and fees to the date of redemption, plus the applicable Prepayment Premium referred to below with: (a) the net after-tax cash proceeds received by the Borrower or any of its subsidiaries from any permitted sale or other disposition of assets, (b) all net insurance proceeds or other awards payable in connection with the loss, destruction or condemnation of any assets of the Borrower or any of its subsidiaries not utilized within 6 months to replace or repair such assets, and (c) the net proceeds of any sale or issuance of equity securities of the Borrower or any of its subsidiaries by the Borrower or the Sponsor.
Optional Prepayment	On or after December 31, 2018, the Company may redeem the New 2nd Lien Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on January 1st of the years set forth below:

Period	Redemption Price
2019.	[105.50%]
2020.	[102.75%]
2021 and thereafter	[100.00%]

In addition, prior to December 31, 2018, the Company may redeem the New 2nd Lien Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the greater of:

1) 1% of the then outstanding principal amount of the Note; and

2) the excess of:

   (a) the present value at such redemption date of (i) the redemption price of the Note at December 31, 2018 (such redemption price being set forth in the applicable table appearing above under "–Optional Prepayment") plus (ii) all required interest payments due on the Note through December 31, 2018 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to Government of Canada Rate (determined on the second Business Day immediately preceding the date of redemption) as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of the Note.

With the entire payment schedule above hereinafter referred to as the applicable **Prepayment Premium**.

Change of Control	Prior to the occurrence of a Change of Control, the Borrower will be required to make an offer to prepay the New 2nd Lien Notes at [105.5%] plus accrued interest to the date of prepayment ("**Change of Control Premium**").
Financial Covenants	▪ Maximum Leverage Ratio ▪ Maximum First Lien Leverage Ratio ▪ Minimum Cash Balance ▪ Maximum Capital Expenditures Covenant levels established off Management Projections Materials with 10% cushion. The Management Projections Materials are based on material provided by management of Borrower.
Negative Covenants	▪ Prohibitions on dividends or other distributions, liens, investments, asset sales and debt
Reporting Requirements	Monthly for Year 1 and Year 2, Quarterly thereafter
Subordination	Subordination provisions and intercreditor agreement usual and customary for transactions of this type on terms reasonably satisfactory to Sponsor, Company and Monitor
Representations	Usual and customary
Events of Default	Usual and customary

Schedule 3

Preliminary Term Sheet - New Convertible 3rd Lien Notes ("New 3rd Lien Notes")

Borrower	Data & Audio-Visual Enterprises Wireless Inc. ("**Opco**"), SpecCo, and/or to be determined new network equipment subsidiary ("**NetworkCo**")
Guarantors	New Holdco, all existing and future subsidiaries
Trustee	To be determined
Ranking	3rd Lien Senior Secured on all Opco and Guarantors; 2nd Lien Senior Secured on Speco and NetworkCo
Security Interest	3rd ranking security on all present and future property and assets of all Guarantors and 3rd ranking security on all present and future property and assets of the Borrower (excluding SpecCo and NetworkCo) 2nd ranking security on all present and future property and assets of SpecCo and NetworkCo
Principal	Up to [C$200.0] million
Maturity	December 31, 2019
Use of Proceeds	LTE Network Upgrade and Operating Capex, all uses to be approved by Sponsor
Rate	[13.0%] PIK toggle at the Company's option
Drawdown Fee	[3-5%], subject to level of participation
Commitment Fee	[3-5%], subject to level of participation
Conversion	Each New 3rd Lien Note will be convertible into the equivalent par value of New Preferred Equity (as outlined in Schedule 4)
Documentation	Definitive documentation for the New 3rd Lien Notes is to be approved by the Sponsor, Company and Monitor.
Right of First Refusal	New 3rd Lien Note holders will have right of first refusal to provide any future Debtor-In-Possesion financing
Mandatory Prepayment	The Principal payment of the 3rd Lien Notes will be due in full at Maturity. Subject to any prior ranking security interest being redeemed in full ahead of the New 3rd Lien Notes, the Borrower will redeem at par plus accrued interest and fees to the date of redemption, plus the applicable Prepayment Premium referred to below with: (a) the net after-tax cash proceeds received by the Borrower or any of its subsidiaries from any permitted sale or other disposition of assets, (b) all net insurance proceeds or other awards payable in connection with the loss, destruction or condemnation of any assets of the Borrower or any of its subsidiaries not utilized within 6 months to replace or repair such assets, and (c) the net proceeds of any sale or issuance of equity securities of the Borrower or any of its subsidiaries by the Borrower or the Sponsor.
Optional Prepayment	On or after December 31, 2017, the Company may redeem the New 3rd Lien Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on January 1st of the years set forth below:

Period	Redemption Price
2018	[106.50%]
2019 and thereafter	[100.00%]

In addition, prior to December 31, 2017, the Company may redeem the New 3rd Lien

Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the greater of:

3) 1% of the then outstanding principal amount of the Note; and

4) the excess of:

(c) the present value at such redemption date of (i) the redemption price of the Note at December 31, 2017 (such redemption price being set forth in the applicable table appearing above under "– Optional Prepayment") plus (ii) all required interest payments due on the Note through December 31, 2017 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to Government of Canada Rate (determined on the second Business Day immediately preceding the date of redemption) as of such redemption date plus 50 basis points; over

(d) the then outstanding principal amount of the Note.

With the entire payment schedule above hereinafter referred to as the applicable **Prepayment Premium**.

Change of Control.................................. Prior to the occurrence of a Change of Control, the Borrower will be required to make an offer to prepay the New 3rd Lien Notes at [107.5%] plus accrued interest to the date of prepayment ("**Change of Control Premium**").

Financial Covenants ....

- Maximum Leverage Ratio
- Maximum First Lien Leverage Ratio
- Minimum Cash Balance
- Maximum Capital Expenditures

Covenant levels established off Management Projections Materials with 10% cushion. The Management Projections Materials are based on material provided by management of Borrower.

Negative Covenants ....

- Prohibitions on dividends or other distributions, liens, investments, asset sales and debt

Reporting Requirements........................ Monthly for Year 1 and Year 2, Quarterly thereafter

Subordination... Subordination provisions and intercreditor agreement usual and customary for transactions of this type on terms reasonably satisfactory to Sponsor, Company and Monitor

Representations...................................... Usual and customary

Events of Default.................................... Usual and customary

Schedule 4

Preliminary Term Sheet - New Convertible Preferred Equity ("New Preferred Equity")

Issuer	SpecCo, and/or to be determined new network equipment subsidiary ("`**NetworkCo**")
Trustee	To be determined if needed
Ranking	Senior
Liquidation/Par Value	Up to [C$200.0] million
Dividend	[15.0%] Cumulative
Documentation	Definitive documentation for the New Preferred Equity is to be approved by the Sponsor, Company and Monitor.
Change of Control/Participation	Prior to the occurrence of a Change of Control, the Borrower will be required to make an offer to prepay the Par Value of the New Preferred Equity multiplied by [107.5%] plus cumulative dividends to the date of prepayment ("**Change of Control Premium**"). The New Preferred Equity will have a further participation right upon a Change of Control whereas each New Preferred Equity Holder will have the right to receive the equivalent ownership participation as if the preferred securities had been converted to Post-Restructuring Common Equity ("**Participation Right**").
Conversion	Each New Preferred Equity share will be convertible into the equivalenet of [4] Post-Restructuring Common shares in New Holdco for every Post-Restructuring Common share outstanding in New Holdco
Customary Preferred Equity Protections	Anti-dilution, anti-layering, tag-along/drag along rights, amongst others
Reporting Requirements	Monthly for Year 1 and Year 2, Quarterly thereafter
Representations	Usual and customary

This is **Exhibit "H"** to the
Affidavit of James Riley
sworn before me this 26th
day of November, 2014

David [illegible]

A Commissioner, etc.

David Moore

From: Jon Levin [jlevin@fasken.com]
Sent: Friday, October 24, 2014 8:14 PM
To: Leanne Williams; Mr Rob J. Chadwick; Orestes Pasparakis; Walied Soliman
Cc: Mike P. Dean; Mr Bill E. Aziz; Mr Barry I. Goldberg; Stuart Brotman; John Elias; David Moore
Subject: Mobilicity - Preliminary Draft Opco CCAA Plan
Attachments: DM_TOR-#7515732-v1-Opco_CCAA_Plan_of_Arrangement.DOCX; ATT00001.htm

Categories: Saved

As you may be aware, Catalyst previously circulated to certain Mobilicity stakeholders a term sheet for the recapitalization of Mobilicity. Catalyst tells me that it had the benefit of receiving preliminary comments from Mobilicity's financial advisor, Barry Goldberg of Canaccord, in relation to that term sheet. Enclosed for your review is a draft Plan that incorporates most of what was in the term sheet. As well, it includes some adjustments in part suggested by Barry and in part as a result of further discussions which Catalyst has had. The adjustments include a Dutch auction whereby Catalyst would offer to purchase additional First Lien Notes in order to provide liquidity for those holders wishing to exit. In addition, Catalyst has reallocated a portion of the equity as an inducement for those First Lien Noteholders who participate in the funding of the new Credit Facility or who purchase the New Third Lien Notes.

While Catalyst believes the proposed Plan is fair and reasonable in the circumstances, it is open to consider changes to the Plan that do not materially diminish its economics.

Catalyst would like to see the recapitalization of Mobilicity move ahead with reasonable despatch. Aside from the very substantial CCAA costs that would be brought to an end, the AWS-3 wireless spectrum auction is early next year. Catalyst is strongly of the view that it is highly desirable that Mobilicity be restructured so that it can participate in that auction.

We would like arrange a meeting with you to discuss the proposed Plan of Arrangement as soon as possible next week. Please let us know if you are available to meet Tuesday.

Please note that I have taken the liberty of copying Messrs. Dean, Aziz and Goldberg.

Jon Levin
Fasken Martineau DuMoulin LLP
Barristers & Solicitors
Patent & Trade Mark Agents

Tel: 416 865 4401
Fax: 416 364 7813

333 Bay Street, suite 2400
Bay Adelaide Centre, Box 20
Toronto ON M5H 2T6
Canada

Court File No. CV-13-10274-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO VISUAL ENTERPRISES HOLDINGS INC.

APPLICANTS

CONSOLIDATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

PURSUANT TO THE
***COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA) AND**
CANADA BUSINESS CORPORATIONS ACT

concerning, affecting and involving

8440522 CANADA INC. AND
DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.,

<@>, 2014

TABLE OF CONTENTS

Page

CONSOLIDATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

This is the consolidated plan of compromise, arrangement and reorganization of 8440522 Canada Inc. and Data & Audio-Visual Enterprises Wireless Inc. pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act.*

BACKGROUND

A. Each of the Applicants is a debtor company (as defined in the CCAA).

B. On April 25, 2013, the Applicants commenced two separate arrangement proceedings under the CBCA as part of their restructuring efforts. Pursuant to these arrangement proceedings, the Applicants sought to either reach agreement with a willing buyer who could finance the operations going forward or to restructure their capital and secure additional funding in order to advance their businesses. The Applicants proposed two separate Plans of Arrangement which were mutually exclusive but were advanced concurrently.

C. The two CBCA Plans of Arrangement were an acquisition plan (the "**Acquisition Plan**") and a recapitalization plan (the "**Re-Cap Plan**"). The Acquisition Plan provided the framework for a potential purchaser to implement an acquisition of the Applicants on a going concern basis and provided for the repayment of the First Lien Notes and the Existing Second Lien Notes, with any remaining proceeds being distributed to holders of unsecured debt securities in accordance with their priorities. The Re-Cap Plan would have provided for the subscription by certain existing debt holders for $75 million in principal value of new second lien notes. The proceeds of the new second lien notes would be used to: (i) repay the Existing Second Lien Notes; and (ii) the remainder would be used for general corporate purposes.

D. Interim orders (the "**Interim Orders**") were granted under the CBCA in respect of the Acquisition Plan and the Re-Cap Plan by the Honourable Mr. Justice Wilton-Siegel of the Court on April 26, 2013.

E. The Applicants announced on February 12, 2013 a financing by way of the issue by Wireless of the Existing Second Lien Notes. Shortly after the announcement the Plan Sponsor commenced the Plan Sponsor Oppression Claim.

F. After the Interim Orders were granted, the Applicants reached an agreement with TELUS Corporation for the sale of the Applicants for $380 million (the "**TELUS Sale**") subject to certain adjustments, pursuant to a CBCA Plan of Arrangement based upon the form of framework Acquisition Plan, with certain modifications to implement the TELUS Sale (the "**TELUS Acquisition Plan**").

G. The Applicants held meetings of its creditors to consider and vote on the TELUS Acquisition Plan. A majority of the Applicants' respective creditors voted to approve the TELUS Acquisition Plan and, on May 28, 2013, the Honourable Mr. Justice Campbell of the Court granted a final order under the CBCA approving the TELUS Acquisition Plan subject to a number of terms and conditions.

H. The federal Minister of Industry announced on June 4, 2013 that Industry Canada would not approve TELUS Corporation's application to transfer certain spectrum licenses from the Applicants to TELUS Corporation as part of the TELUS Sale. As a result of Industry Canada's refusal, the TELUS Sale could not be completed.

I. Following Industry Canada's rejection of the TELUS Sale, the Applicants reported continued discussions with certain undisclosed parties in connection with alternative acquisition transactions. In particular, the Applicants solicited and received an expression of interest from a significant U.S.-based wireless service provider. The Applicants granted due diligence access to the potential acquirer and engaged in detailed discussions about a potential sale transaction. However, in early September 2013, the potential acquirer announced that it would not be continuing with negotiations.

J. During September 2013 the Applicants developed another proposed transaction with prospective purchasers but this proposed transaction also did not proceed.

K. Due to the insolvency of the Applicants and the liquidity crisis the Applicants faced in September 2013, the Applicants sought and on September 30, 2013 obtained the Initial Order providing, among other things, protection under the CCAA, and approval of a DIP loan agreement with certain holders of the Notes.

L. On April 23, 2014 the Court ordered that the parties involved in the TELUS Sale attend a mediation to mediate any outstanding issues relating to the completion of the TELUS Sale before the Honourable Former Chief Justice of Ontario Warren Winkler (the "**Mediator**"). On September 14, 2014 the Mediator gave notice to the relevant parties that the mediation had been terminated.

M. Stay extension orders have been obtained since the Initial Order to extend the stay under the CCAA Proceeding until December 1, 2014. The Applicants have not satisfied the conditions under the DIP loan agreement to drawdown under the DIP facility and have not put forward a cohesive restructuring plan to date.

N. None of the initiatives proposed by the Applicants to restructure the Applicants prior to or under the CCAA Proceeding has been viable. The substantial delay in obtaining a successful restructuring is rapidly and significantly eroding value for the Applicants' stakeholders.

O. The liquidity crisis for the Applicants has not improved and the 2015 AWS-3 wireless spectrum auction is rapidly approaching. The Plan Sponsor has proposed the Plan which has been endorsed and recommended by the Chief Restructuring Officer and the Monitor and which the Plan Sponsor understands is generally supported by a number of stakeholders.

P. The purpose of the Plan is (i) to effect a compromise and settlement of all Affected Claims against the Plan Entities as finally determined in accordance with the Plan Filing and Meeting Order, the CCAA and the Plan; (ii) to facilitate the closing of the transactions contemplated in the Recapitalization Transaction Term Sheet; (iii) to provide the Plan Entities with additional liquidity to enable the Business to continue on a going concern basis as a viable and competitive participant in the Canadian wireless telecommunications industry; (iv) to facilitate the continuation of substantial employment; and (v) to maintain choice for the general public in respect of wireless telecommunications providers. The Plan is put forward in the expectation that stakeholders generally will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy or liquidation of the Plan Entities.

Q. Unless otherwise defined in the Background, each defined term in the Background is used with the defined meaning given to it in the Plan.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or the context otherwise requires:

"**8440522**" means 8440522 Canada Inc., a corporation governed by the CBCA, and it successors.

"**Ad Hoc Committee**" means the informal *ad hoc* committee of certain Noteholders represented by its legal counsel, Goodmans LLP, as such committee may be constituted from time to time.

"**Administration Charge**" means the charge created under paragraph 32 of the Initial Order as security for the professional fees and disbursements of the Monitor, counsel to the Monitor, the Applicants' counsel, counsel for the DIP Lenders and the Ad Hoc Committee, National Bank of Canada and Canaccord Genuity, the Chief Restructuring Officer and counsel to any board of directors of the Applicants.

"**Adjusted Pro Rata Share**" means:

(a) in respect of the New Credit Facility Privilege Commitment Amount, the percentage that a Participating Eligible Investor's Secured Portion of its First Lien Noteholder Claim immediately after the Electing Eligible Investors Funding Deadline bears to the aggregate of all Participating Eligible Investors' Secured Portion of their First Lien Noteholder Claims calculated immediately after the Electing Eligible Investors Funding Deadline; and

(b) in respect of the New Third Lien Privilege Notes, the percentage that a Participating Eligible Investor's Secured Portion of its First Lien Noteholder Claim immediately after the Electing Eligible Investors Funding Deadline bears to the aggregate of all Participating Eligible Investors' Secured Portion of their First Lien Noteholder Claims calculated immediately after the Electing Eligible Investors Funding Deadline.

"**Affected Claims**" means the First Lien Noteholder Claims, Existing Second Lien Noteholder Claims, Holdings Intercompany Claims and Equity Claims.

"**Affected Creditor**" means any Person having an Affected Claim in respect of and to the extent of such Affected Claim, and includes the transferee or assignee of a transferred or assigned Affected Claim who is recognized as an Affected Creditor by the relevant Plan Entity and the Monitor in accordance with the Plan Filing and Meeting Order, or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

"**Applicants**" means, collectively, 8440522, Wireless and Holdings.

"**Arrangement**" means an arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and Section 10.1 of the Plan or made at the direction of the Court in the Sanction Order or otherwise with the consent of the Plan Entities and the Plan Sponsor, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement, dated <@>, amongst the Plan Entities and any amendment thereto made in accordance with such agreement and with the consent of the Plan Sponsor, acting reasonably.

"**Articles of Arrangement**" means the articles of arrangement of <@> in respect of the Arrangement, that are required to be filed with the CBCA Director after the Sanction Order is made in order for the Arrangement to become effective on the Plan Implementation Date.

"**Backstop Agreement**" means the backstop agreement dated <@>, 2014 between, among others, Wireless and the Plan Sponsor, attaching and incorporating therein the Recapitalization Transaction Term Sheet.

"**Backstop Funding Deadline**" has the meaning given to such term in Section 5.2(i).

"**Backstopped New Third Lien Notes**" has the meaning given to such term in Section 5.2(h)(ii).

"**Beneficial First Lien Noteholder**" means a beneficial owner of any First Lien Notes as at the Voting Record Date (or, if applicable, an investment advisor, manager or representative with voting discretion over the First Lien Notes owned by such beneficial owner), regardless of whether such beneficial owner is a Registered Noteholder.

"**Beneficial Second Lien Noteholder**" means a beneficial owner of any Second Lien Notes as at the Voting Record Date (or, if applicable, an investment advisor, manager or representative with voting discretion over the Second Lien Notes owned by such beneficial owner), regardless of whether such beneficial owner is a Registered Noteholder.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada).

"**Bid Price**" means, with respect to any holder of First Lien Notes that elects on its Election Form to participate in the Plan Sponsor Purchase Offer, the price specified by such holder on its Election Form for which it would be willing, subject to the terms and conditions of the Plan Sponsor Purchase Offer, to exchange each $1,000 principal amount of First Lien Notes provided however, that (a) the Bid Price must be in increments of \$10.00 and within a range between \$<@> and \$<@>, (b) if the Bid Price is not submitted in a whole increment of \$10.00, such Bid Price will be rounded down to the nearest \$10.00 increment, (c) if a holder of First Lien Notes elects to participate in the Plan Sponsor Purchase Offer but does not specify its Bid Price or it specifies a Bid Price that is less than \$<@>, then the Bid Price for such holder shall be \$<@>, and (d) if the holder specifies a Bid Price that is greater than \$<@>, then such holder's First Lien Notes will not be accepted for exchange in the Plan Sponsor Purchase Offer and will not be used for purposes of calculating the Clearing Price or the Plan Sponsor Purchase Offer Consideration.

"**Break Fee**" means the break fee in the amount equal to [3%] of the total enterprise value of the Plan Entities, which amount shall be payable by Wireless to the Plan Sponsor subject to and in accordance with the terms and conditions of the Backstop Agreement.

"**Business**" means the business of the Plan Entities to provide wireless telecommunication services to Canadian consumers.

"**Business Day**" means a day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario.

"**Canadian Tax Act**" means the *Income Tax Act* (Canada).

"**CBCA**" means the *Canada Business Corporations Act*.

"**CBCA Director**" means the Director appointed under section 260 of the CBCA.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CCAA Proceedings**" means the proceedings under the CCAA commenced by the Applicants pursuant to a notice of application dated September 29, 2013 in which the Initial Order was made.

"**CDS**" means CDS Clearing and Depository Services Inc., or any successor thereof.

"**Certificate of Arrangement**" means the certificate giving effect to the Arrangement, to be issued by the CBCA Director pursuant to section 192(7) of the CBCA upon receipt of the Articles of Arrangement in accordance with section 262 of the CBCA.

"**Chief Restructuring Officer**" means BlueTree Advisors II Inc.

"**Claim**" means any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against any of the Plan Entities, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation by any of the Applicants of any contract, lease or other agreement, whether written or oral, any claim made or asserted against any of the Plan Entities through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including without limiting the generality of the foregoing, any security interest, charge, mortgage or other encumbrance in connection with any of the foregoing.

"**Claims Bar Date**" means 5:00 p.m. on <@>, or such other date as may be ordered by the Court.

"**Classes**" means, collectively, the First Lien Noteholders Secured Class and the Undersecured Noteholders Class.

"**Clearing Price**" means the lowest Bid Price, as determined based upon each Bid Price's percentage of the respective First Lien Note's principal amount, such that the aggregate purchase price to purchase all First Lien Notes electing to participate in the Plan Sponsor Purchase Offer would equal or exceed $<@> million.

"**Common Shares**" means the common shares in the capital of Wireless.

"**Conditions Precedent**" means the conditions precedent to implementation of the Plan, and the Transactions as set out in Section 8.3.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Court Charges**" means, collectively, the Administration Charge, the Directors Charge, the DIP Charge and the KERP Charge.

"**Creditor**" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a personal representative, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person.

"**DIP Agreement**" means the DIP note purchase and guarantee agreement made as of September 30, 2013 among Wireless, as issuer, Holdings, as guarantor, the DIP Lenders and Equity Financial Trust Company, as collateral agent.

"**DIP Charge**" means the charge in favour of the DIP Lenders as created under paragraph 45 of the Initial Order.

"**DIP Facility**" means the credit facility established pursuant to the DIP Agreement.

"**DIP Lenders**" means, as applicable, the Registered Holders or beneficial holders of the DIP Notes, in their capacities as such.

"**DIP Notes**" means the second lien secured promissory notes issued and certified, or deemed to be issued and certified, under the DIP Agreement.

"**Directors and Officers**" means, collectively, all current and former directors and officers (or their respective estates) of one or more of the Plan Entities and, individually, any one of them, a "**Director**" or "**Officer**".

"**Directors Charge**" means the charge in favour of the directors and officers created under paragraph 22 of the Initial Order as security for the indemnity granted in favour of the directors and officers under paragraph 21 of the Initial Order.

"**Distribution Record Date**" means the date that is 10 (ten) Business Days prior to the Plan Implementation Date.

"**E&Y**" means Ernst & Young Inc. and any of its affiliates, partners, officers, directors, employees, agents and subcontractors.

"**Effective Time**" means 12:05 a.m. on the Plan Implementation Date (or such other time as the Plan Entities, the Monitor and the Plan Sponsor may agree in writing).

"**Electing Eligible Investor**" means an Eligible Investor who has completed and submitted an Election Form on or prior to the Election Deadline to exercise any of its rights under its New Third Lien Subscription Privilege and New Credit Facility Commitment Privilege in accordance with the Plan Filing and Meeting Order, provided for the purposes of Sections <@> and <@>, the term "Electing Eligible Investor" shall only include an Electing Eligible Investor who has deposited in escrow with the Trust Company the full amount of funds required to be deposited by such Electing Eligible Investor in accordance with Section <@>.

"**Electing Eligible Investor Credit Facility Commitment Amount**" has the meaning set out in Section 5.2(a).

"**Electing Eligible Investor Funding Amount**" has the meaning set out in Section 5.2(f)(iii).

"**Electing Eligible Investor Funding Deadline**" has the meaning set out in Section 5.2(g).

"**Electing Eligible Investors Aggregate Funding Amounts**" means the aggregate of the Electing Eligible Investor Funding Amounts for all of the Electing Eligible Investors.

"**Election Date**" means <@> (or such other date as the Plan Entities and the Plan Sponsor may agree).

"**Election Deadline**" means <@> (or such other date as the Plan Entities and the Plan Sponsor may agree).

"**Election Form**" has the meaning given to such term in Section 5.2(c).

"**Eligible Investor**" means a First Lien Noteholder in respect of and to the extent of the Secured Portion of its First Lien Noteholder Claim.

"**Employee Priority Claims**" means the following Claims of employees and former employees of the Plan Entities:

(a) Claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(1)(d) of the BIA if the Plan Entities had become bankrupt on the Filing Date; and

(b) Claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the Effective Time together with, in the case of traveling salespersons, disbursements properly incurred by them in and about the Business during the same period.

"**Equity Claims**" means any Claim of the Existing Equity Holders constituting an equity claim under section 2(1) of the CCAA or arising from any shareholder agreement in connection with or related to the Existing Shares.

"**Excluded Claim**" means those Claims identified as "Excluded Claims" under the Plan Filing and Meeting Order.

"**Existing Common Shares**" means the Common Shares that are duly issued and outstanding immediately prior to the Effective Time, and for greater certainty shall not include the New Common Shares.

"**Existing Equity Holders**" means, collectively, the Existing Shareholders and, as context requires the Registered Holders or beneficial holders, of Existing Share Options, or any transferees or assignees thereof, in their capacities as such, as applicable.

"**Existing Second Lien Collateral Agent**" means Equity Financial Trust Company, or such other Person appointed as collateral agent from time to time under the Existing Second Lien Note Purchase Agreement.

"**Existing Second Lien Note Purchase Agreement**" means the note purchase, guarantee and backstop agreement dated as of February 6, 2013 between Wireless, as issuer, Holdings and Data & Audio-Visual Enterprises Leasing Inc. as guarantors, each of the "Purchasers" (as defined therein) and Equity Financial Trust Company, as collateral agent.

"**Existing Second Lien Noteholder Claim**" means any Claim of an Existing Second Lien Noteholder for amounts payable to it under the Existing Second Lien Note Purchase Agreement and the Existing Second Lien Notes as of (a) for the purpose of Article 2, Article 6 and Article 7, the Plan Implementation Date, and (b) for the purpose of Article 4, the Voting Record Date.

"**Existing Second Lien Noteholders**" means, as context requires, the Registered Holders of the Existing Second Lien Notes or the Beneficial Second Lien Noteholder, in their capacities as such, but only in respect of and to the extent of their Existing Second Lien Noteholder Claims.

"**Existing Second Lien Notes**" means the second lien secured promissory notes issued by Wireless under the Existing Second Lien Note Purchase Agreement.

"**Existing Security**" means the guarantees given and Liens granted by the Plan Entities pursuant to or in connection with (a) the First Lien Note Indenture and the First Lien Notes, (b) the Existing Second Lien Note Purchase Agreement and the Second Lien Notes, and (c) [**NTD: List any other security.**].

"**Existing Share Options**" means all rights, options, warrants and other securities convertible or exchangeable into equity securities (including <@>) that are duly issued and outstanding in the capital of the Plan Entities.

"**Existing Shareholders**" means, as context requires, Registered Holders or beneficial holders of the Existing Shares, in their capacities as such.

"**Existing Shares**" means, collectively, the Existing Common Shares and <@>.

"**Expiration Time**" means 11:59 pm on <@>, 2014, unless extended or earlier terminated by the Plan Sponsor.

"**Filing Date**" means September 29, 2013.

"**First Drawdown Date**" means the date upon which the first advance is made under the New First Lien Credit Agreement.

"**First Lien Note Indenture**" means the indenture dated as of April 29, 2011 between Wireless, as issuer, the guarantors party thereto and the First Lien Note Indenture Trustee, as trustee and collateral agent, as amended by a supplemental indenture dated February 6, 2013.

"**First Lien Note Indenture Trustee**" means Equity Financial Trust Company, or such other Person appointed as trustee and collateral agent from time to time under the First Lien Note Indenture.

"**First Lien Noteholder Claim**" means any Claim of a First Lien Noteholder for amounts payable to it under the First Lien Note Indenture and the First Lien Notes as of (a) for the purpose of Article 2, Article 6 and Article 7, the Plan Implementation Date, (b) for the purpose of Article 4, the Voting Record Date, and (c) for the purpose of Article 5, the Election Date.

"**First Lien Noteholders**" means, as the context requires, the Registered Holders of First Lien Notes or Beneficial First Lien Notes, in their capacities as such, but only in respect of and to the extent of their First Lien Noteholder Claims.

"**First Lien Noteholders Aggregate Secured Claims**" means the lesser of (a) the aggregate of all First Lien Noteholder Claims and (b) the Wireless FMV.

"**First Lien Noteholders Aggregate Undersecured Claims**" means the amount equal to the difference calculated as follows: (a) the aggregate of all First Lien Noteholder Claims <u>minus</u> (b) the Wireless FMV.

"**First Lien Noteholders Secured Class**" means the Class of Affected Creditors comprised of the First Lien Noteholders but only in respect of and to the extent of the Secured Portion of their First Lien Noteholder Claims.

"**First Lien Noteholders Secured Meeting**" means the meeting of the First Lien Noteholders Secured Class called and conducted pursuant to and in accordance with the Plan Filing and Meeting Order to consider and vote on the Plan, and includes any meeting resulting from an adjournment thereof.

"**First Lien Secured Noteholders New Common Shares**" means <@> New Common Shares.

"**First Lien Notes**" means the 9.5% first lien senior secured notes issued under the First Lien Note Indenture.

"**Governmental Entity**" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board, or authority of any of the entities listed in paragraph (a) of this definition; or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or, for the account of, any of the entities listed in paragraph (a) of this definition.

"**Government Priority Claims**" means all Claims of any Governmental Entity in respect of amounts that were outstanding as of the Effective Time and that are of a kind that could be subject to a demand under:

(a) subsections 224(1.2) of the Canadian Tax Act;

(b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee's premium or employer's premium, as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or

(c) any provision of provincial legislation that has a purpose similar to subsection 224(1.2) of the Canadian Tax Act, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, and the sum:

(i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Canadian Tax Act; or

(ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

"**Holdings**" means Data & Audio-Visual Enterprises Holdings Inc., a corporation governed by the OBCA, or any successor.

"**Holdings Existing Security**" means the guarantees given and Liens granted by Holdings in favour of the First Lien Note Indenture Trustee, the First Lien Noteholders, the Existing Second Lien Collateral Agent and the Existing Second Lien Noteholders under, in respect of, or otherwise in connection with the First Lien Note Indenture, the First Lien Notes, the Existing Second Lien Note Purchase Agreement and the Existing Second Lien Notes, including pursuant to the [**NTD: Insert description of relevant guarantee and security documents**.]

"**Holdings Intercompany Claim**" means any Claim of Holdings against the Plan Entities, excluding any Equity Claim of Holdings.

"**Holdings New Common Shares**" means <@> New Common Shares.

"**Holdings Second Lien Security**" has the meaning given to that term in Section 7.2(c).

"**Indentures and Funding Agreements**" means collectively (a) the First Lien Note Indenture and (b) the Existing Second Lien Note Purchase Agreement.

"**Initial Order**" means the Order made September 30, 2013 pursuant to which the Applicants were provided protection under the CCAA, as amended, restated or varied from time to time.

"**Intercreditor Agreement**" means the intercreditor agreement made as of April 29, 2011 between, among others, the First Lien Note Indenture Trustee, Holdings and Wireless.

"**KERP Charge**" means the charge in favour of the KERP Participants as created under paragraph 51 of the Initial Order.

"**KERP Participants**" means the employees of the Applicants that have been granted KERPs under or pursuant to the Initial Order.

"**KERPs**" means the key employee retention plans for certain employees of the Applicants approved under paragraph 50 of the Initial Order.

"**Law**" means any and all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions or any grant of approval, permission, authority, permit or licence of any court, Governmental Entity, statutory body or self-regulatory authority.

"**Lien**" means (a) any interest in property created by way of mortgage, pledge, charge, lien, assignment by way of security, hypothecation, security interest or deposit arrangement, (b) any statutory deemed trust or lien, (c) any preference, priority, adverse claim, levy, execution, seizure, attachment, garnishment or other encumbrance which binds property, and (d) any agreement to grant any of the rights or interests described in clauses (a) to (c) inclusive of this definition.

"**Meetings**" means collectively the First Lien Noteholders Secured Meeting and the Undersecured Noteholders Meeting, and "**Meeting**" means either one of them as the context requires.

"**Monitor**" means E&Y, in its capacity as the monitor of the Applicants appointed pursuant to the Initial Order and any successor thereto appointed in accordance with any further Order.

"**Monitor's Certificate**" has the meaning given to such term in Section 8.4.

"**NetworkCo**" means <@>, a corporation governed by the <@>, or any successor.

"**New Boards**" means the boards of directors of Wireless and any Subsidiaries of Wireless, in each case the majority of the members of which shall be nominated by or otherwise acceptable to the Plan Sponsor.

"**New Common Shares**" means the Common Shares to be issued pursuant to the Plan, including the First Lien Secured Noteholders New Common Shares, the Undersecured Noteholders New Common Shares, Holdings New Common Shares, the New Credit Agreement Lenders New Common Shares and the New Third Lien Noteholders New Common Shares.

"**New Credit Agreement Lender Right**" means, a right in form satisfactory to the Plan Sponsor, granted by Wireless to each Electing Eligible Investor who elects to exercise its New Credit Facility Commitment Privilege in accordance with Section 5.2 and the Plan Filing and Meeting Order entitling it to automatically receive on the First Drawdown Date at no additional cost its Pro Rata Share of New Credit Agreement Lenders New Common Shares provided that on the First Drawdown Date it is a lender and funds its portion of the first advance under the New First Lien Credit Agreement.

"**New Credit Agreement Lenders New Common Shares**" means <@> New Common Shares.

"**New Credit Agreement Security Documents**" has the meaning given to such term in Section 7.2(q).

"**New Credit Facility Commitment Backstop Amount**" means an aggregate commitment amount under the New First Lien Credit Agreement of [$150 million].

"**New Credit Facility Commitment Privilege**" has the meaning given to such term in Section 5.2(a).

["**New Credit Facility Commitment Backstop Amount Reduction**" means the amount calculated as follows:

(a) the product of:

(i) the difference (disregarding a negative amount) resulting from (A) the aggregate of the Electing Eligible Investors Credit Facility Commitment Amounts for all Electing Eligible Investors as of the Election Date, <u>minus</u> (B) [$25 million],

<u>multiplied</u> by,

(ii) 0.50;

plus

(b) 50% of the Plan Sponsor Offer Consideration.]

[NTD: Formula to be reviewed.]

"**New Credit Facility Privilege Commitment Amount**" means an aggregate commitment amount under the New First Lien Credit Agreement of [$75 million].

"**New First Lien Credit Agreement**" means the first lien revolving credit agreement to be dated on or about the Plan Implementation Date and entered into pursuant to the Plan by, among others, Wireless and SpecCo as borrowers, all existing and future subsidiaries of Wireless as guarantors, the Plan Sponsor as agent, and the Plan Sponsor and each Electing Eligible Investor who elects, pursuant to Section 5.2, to participate in the [$200 million] revolving credit facility as lenders, in a form incorporating the relevant terms and conditions of the Recapitalization Transaction Term Sheet and satisfactory to the Plan Sponsor to be presented to the Noteholders not less than seven Business Days prior to the Meetings.

"**New First Lien Credit Facility**" means the revolving credit facility in the principal amount of [$200 million] established pursuant to the New First Lien Credit Agreement.

"**New Intercreditor Agreement**" has the meaning given to such term in Section 8.3(n).

"**New Preferred Shares**" means the [<@>%] cumulative [convertible] preferred shares of SpecCo or NetworkCo, as the case may be, to be issued pursuant to the Plan and having the rights, privileges, restrictions and conditions set out in the Recapitalization Transaction Term Sheet and in form satisfactory to the Plan Sponsor to be presented to the Noteholders not less than seven Business Days prior to the Meetings.

"**New Second Lien Indenture**" means the second lien indenture to be dated on or about the Plan Implementation Date between Wireless, as issuer, and Holdings and all existing and future subsidiaries of Wireless (other than SpecCo and NetworkCo) as guarantors, and the New Second Lien Trustee, as trustee and collateral agent, in a form incorporating the relevant terms and conditions of the Recapitalization Transaction Term Sheet and satisfactory to the Plan Sponsor to be presented to the Noteholders not less than seven Business Days prior to the Meetings.

"**New Second Lien Notes**" means the [11%] [$100 million] aggregate principal amount of second lien notes due December 31, 2021 to be issued under the New Second Lien Indenture.

"**New Second Lien Security Documents**" has the meaning given to such term in Section 7.2(b).

"**New Second Lien Trustee**" means <@> or such other person appointed as trustee and collateral agent from time to time under the New Second Lien Indenture.

"**New Shareholders' Agreement**" means the shareholders agreement between, among others, Wireless, SpecCo, NetworkCo, the Plan Sponsor, the holders of the New Common Shares and the holders of the New Preferred Shares, in form and substance satisfactory to the Plan Sponsor, in relation to board composition, governance, liquidity and [**NTD: Insert additional items**].

"**New Third Lien Noteholders New Common Shares**" means <@> New Common Shares.

"**New Third Lien Notes**" means the [13%] [$200 million] aggregate principal amount of convertible subordinated notes due December 31, 2019 to be issued under the New Third Lien Notes Indenture which are convertible into New Preferred Shares.

"**New Third Lien Notes Backstop Amount**" means [$150 million].

["**New Third Lien Notes Backstop Amount Reduction**" means the amount calculated as follows:

(a) the product of:

(i) the difference (disregarding a negative amount) resulting from: (A) the amount equal to the Electing Eligible Investors Aggregate Funding Amounts, minus (B) [$25 million];

multiplied by

(ii) 0.50;

plus,

(b) 50% of the Plan Sponsor Offer Consideration.]

[NTD: Formula to be reviewed.]

"**New Third Lien Notes Backstop Payment Amount**" has the meaning given to that term in Section 5.2(e).

"**New Third Lien Notes Indenture**" means the convertible third lien notes indenture to be dated on or about the Plan Implementation Date between SpecCo or NetworkCo, as the case may be, as issuer, all existing and future subsidiaries of Wireless as guarantors, and the New Third Lien Notes Trustee, as trustee and collateral agent, in a form incorporating the relevant terms and conditions of the Recapitalization Transaction Term Sheet and satisfactory to the Plan Sponsor to be presented to the Noteholders not less than seven Business Days prior to the Meetings.

"**New Third Lien Notes Offering**" means the offering by Wireless, SpecCo or NetworkCo, as the case may be, of up to [$200 million] of New Third Lien Notes.

"**New Third Lien Notes Security Documents**" has the meaning given to such term in Section 7.2(c).

"**New Third Lien Notes Trustee**" means <@> or such other person appointed as trustee and collateral agent from time to time under the New Third Liens Notes Indenture.

"**New Third Lien Privilege Notes**" means New Third Lien Notes in an aggregate principal amount of [$75 million].

"**New Third Lien Subscription Privilege**" has the meaning given to such term in Section 5.2(b).

"**Noteholders**" means collectively, the First Lien Noteholders and the Existing Second Lien Noteholders, and "**Noteholder**" means any applicable one of them as the context requires.

"**Noteholders Notice of Dispute**" shall have the meaning given to such term in the Plan Filing and Meeting Order.

"**Noteholders Released Parties**" means, collectively, the First Lien Note Indenture Trustee, the First Lien Noteholders, the Existing Second Lien Noteholders, the Existing Second Lien Collateral Agent and their respective subsidiaries and affiliates, officers, directors, employees, auditors, financial advisors and legal counsel.

"**Notes**" means, collectively, the First Lien Notes and the Existing Second Lien Notes.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Order**" means any order of the Court in the CCAA Proceedings.

"**Outside Date**" means <@> (or such other date as the Plan Entities and the Plan Sponsor may agree).

"**Participating Eligible Investor**" has the meaning given to such term in Section 5.2(j).

"**Participating Eligible Investor New Third Lien Notes**" has the meaning given to such term in Section 5.2(j).

"**Person**" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Governmental Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status.

"**Plan**" means this consolidated plan of compromise, arrangement and reorganization under the CCAA, including the Schedules hereto, and any amendments, modifications or supplements hereto made in accordance with the terms hereof or made at the direction of the Court in the Sanction Order or otherwise with the consent of the Plan Entities and the Plan Sponsor, each acting reasonably.

"**Plan Entities**" means, collectively, Wireless and 8440522.

"**Plan Filing and Meeting Order**" means an Order in form and substance satisfactory to the Plan Sponsor to be made, *inter alia*:

(a) approving the Backstop Agreement, including the Break Fee set out therein and establishing a charge on the assets undertaking and properties of the Plan Entities as security for the payment of the Break Fee, which charge shall rank in priority to all existing Liens, including the Existing Security, and Court Charges;

(b) approving the Plan Sponsor Purchase Offer and authorizing the First Lien Noteholders to participate in and sell their respective First Lien Notes under and in accordance with the Plan Sponsor Purchase Offer notwithstanding any provision in any Support Agreement to the contrary;

(c) accepting the Plan for filing, authorizing the Plan Sponsor to seek approval of the Plan from Affected Creditors,

(d) classifying the Affected Creditors for voting purposes,

(e) directing the calling and holding of the First Lien Noteholders Secured Meeting and the Undersecured Noteholders Meeting,

(f) setting the date of the Plan Sanction Hearing and expanding the Monitor's powers in relation to the Meetings, and

(g) establishing the procedures governing the determination of Claims for voting and distribution purposes, all in accordance with the Plan and the Backstop Agreement, as such Order may be amended from time to time.

"**Plan Implementation Date**" means the day on which the Monitor delivers the Monitor's Certificate to the Plan Entities and the Plan Sponsor pursuant to Section 8.4.

"**Plan Sanction Hearing**" means the Court hearing at which the Plan Sponsor's motion for approval and sanction of the Plan will be heard.

"**Plan Sponsor**" means The Catalyst Capital Group Inc. (on behalf of investment funds managed by it).

"**Plan Sponsor Fee**" means the fee in the amount of [$5 million] together with reimbursement of the Plan Sponsor's reasonable out-of-pocket expenses incurred in connection with the restructuring of the Plan Entities and the CCAA Proceedings, including the negotiation, approval and implementation of the Plan and all Transactions, all payable by Wireless to the Plan Sponsor in accordance with the terms and conditions of the Backstop Agreement and the Plan.

"**Plan Sponsor Oppression Claim**" means the application commenced by the Plan Sponsor in the Court seeking, among other things, remedies for alleged oppression in connection with the Existing Second Lien Notes.

"**Plan Sponsor Purchase Offer**" means the Plan Sponsor's offer to purchase First Lien Notes in accordance with the provisions of Article 3.

"**Plan Sponsor Purchase Offer Consideration**" means cash, in an amount not to exceed $<@> million and representing the aggregate purchase price of all First Lien Notes accepted by the Plan Sponsor for exchange in the Plan Sponsor Purchase Offer.

"**Post-Filing Claim**" means any indebtedness, liability or obligation of any kind of any Plan Entity that arises after the Filing Date from or in respect of (a) any executory contract or unexpired lease that has not been restructured, terminated, repudiated, disclaimed or resiliated by a Plan Entity, (b) the supply of services or goods, or funds advanced, to any of the Plan Entities on or after the Filing Date, or (c) all amounts to be remitted to a tax authority pursuant to paragraph 9 of the Initial Order during the period after the Filing Date to but excluding the Plan Implementation Date; provided that "Post- Filing Claim" shall not include any Claim or any Unaffected Claim.

"**Pro Rata Share**" means:

(a) in respect of (i) the New Second Lien Notes or (ii) the First Lien Secured Noteholders New Common Shares, as applicable, in each applicable case the percentage that a First Lien Noteholder's Secured Portion of its First Lien Noteholder Claim as at the Record Date bears to the First Lien Noteholders Aggregate Secured Claims calculated as at the Record Date;

(b) in respect of Undersecured Noteholders New Common Shares, the percentage that a First Lien Noteholder's Undersecured Portion of its First Lien Noteholder Claim as at the Record Date or an Existing Second Lien Noteholder Claim as at the Record Date, as applicable, bears to the aggregate of the First Lien Noteholders Aggregate Undersecured Claims and the Existing Second Lien Noteholder Claims calculated as at the Record Date;

(c) in respect of the New Credit Facility Privilege Commitment Amount, the percentage that an Electing Eligible Investor's Secured Portion of its First Lien Noteholder Claim as at the Election Date bears to the aggregate of all Electing Eligible Investors' Secured Portion of their First Lien Noteholder Claims calculated as at the Election Date;

(d) in respect of the New Third Lien Privilege Notes, the percentage that an Electing Eligible Investor's Secured Portion of its First Lien Noteholder Claim as at the Election Date bears to the aggregate of all Electing Eligible Investors' Secured Portion of their First Lien Noteholder Claims calculated as at the Election Date;

(e) in respect of the (i) First Lien Noteholders Aggregate Secured Claims or (ii) First Lien Noteholders Aggregate Undersecured Claims, in each applicable case the percentage that the First Lien Noteholder Claim of a First Lien Noteholder as at the Record Date bears to the First Lien Noteholders Claims of all First Lien Noteholders calculated as at the Record Date;

(f) in respect the New Credit Agreement Lenders New Common Shares, the percentage that the Electing Eligible Investor Credit Facility Commitment Amount of an Electing Eligible Investor who elects to exercise its New Credit Facility Commitment Privilege in accordance with Section 5.2 and the Plan Filing and Meeting Order as at the First Drawdown Date bears to the Electing Eligible Investor Credit Facility Commitment Amounts of all Electing Eligible Investors who elect to exercise their New Credit Facility Commitment Privilege in accordance with Section 5.2 and the Plan Filing and Meeting Order calculated as at the First Drawdown Date; and

(g) in respect the New Third Lien Noteholders New Common Shares, the percentage that the Electing Eligible Investor Funding Amount of an Electing Eligible Investor bears to the Electing Eligible Investors Aggregate Funding Amounts calculated as at the Plan Implementation Date.

"**Proof of Claim**" shall have the meaning ascribed thereto in the Plan Filing and Meeting Order.

"**Proven Distribution Claims**" means First Lien Noteholder Claims and Second Lien Noteholder Claims as finally determined for distribution purposes in accordance with the Plan Filing and Meeting Order and the Plan.

"**Proven Voting Claim**" means First Lien Noteholder Claims and Existing Second Lien Noteholder Claims as finally determined for purposes of voting at a Meeting, in accordance with the Plan Filing and Meeting Order, the CCAA and the Plan, provided that a Claim which is an Unresolved Claim will be dealt with pursuant to Sections 4.6 and 4.7.

"**Recapitalization Transaction Term Sheet**" means the recapitalization transaction term sheet attached to the Backstop Agreement.

"**Record Date**" means <@>.

"**Registered Holder**" means, in respect of a First Lien Noteholder, Existing Second Lien Noteholder, Existing Shareholder or holder of Existing Share Options, as applicable, the holder of such securities: (a) in the case of First Lien Noteholders that hold their First Lien Notes through CDS, as recorded on the books and records of CDS, and (b) in all other cases, as recorded on the books and records of Wireless or the First Lien Note Indenture Trustee, as the case may be.

"**Released Claims**" has the meaning given to such term in Section 9.3(a).

"**Released Parties**" means collectively, the Plan Entities Released Parties and the Noteholders Released Parties.

"**Remaining New Credit Facility Commitment Backstop Amount**" has the meaning given to that term in Section 5.2(d).

"**Required Majority**" means,

(a) with respect to the First Lien Noteholders Secured Class, First Lien Noteholders holding at least a majority in number and representing at least two-thirds in value of the Secured Portion of Proven Voting Claims of First Lien Noteholders who are entitled to vote at the First Lien Noteholders Secured Meeting in accordance with the Plan Filing and Meeting Order and the Plan and who validly vote (in person or by proxy or are deemed to vote pursuant to the Plan or the Plan Filing and Meeting Order) on the resolution approving the Plan; and

(b) with respect to the Undersecured Noteholders Class, First Lien Noteholders and Existing Second Lien Noteholders holding at least a majority in number and representing at least two-thirds in value of the aggregate of the Undersecured

Portion of Proven Voting Claims of the First Lien Noteholders and the Proven Voting Claims of Existing Second Lien Noteholders who are entitled to vote at the Undersecured Noteholders Meeting in accordance with the Plan Filing and Meeting Order and the Plan and who validly vote (in person or by proxy) on the resolution approving the Plan.

"**Restructuring Period Claim**" means any right or claim of any Person against one or more of the Plan Entities in connection with any indebtedness, liability or obligation of any kind whatsoever owed by one or more of the Plan Entities to such Person arising out of the restructuring, disclaimer, repudiation, resiliation, termination or breach after the Filing Date of any contract, lease or other agreement, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Plan Filing and Meeting Order; provided that a "Restructuring Period Claim" does not include any Excluded Claim.

"**Right of First Refusal**" means the right of first refusal of the New Third Lien Noteholders set out in the New Third Lien Notes Indenture and the New Third Lien Notes to provide to the Plan Entities any future debtor-in-possession financing.

"**Sanction Order**" means the Order to be made by the Court under the CCAA and the CBCA sanctioning the Plan, as such Order may be amended, in form and substance acceptable to the Plan Entities, the Monitor and the Plan Sponsor.

"**Secured Portion**" means, in respect of each First Lien Noteholder Claim, the amount that is equal to the relevant First Lien Noteholder's Pro Rata Share of the First Lien Noteholders Aggregate Secured Claims.

"**Shareholders' Agreements**" means, collectively, (a) the second amended and restated shareholders' agreement dated May 14, 2010 between, among others, Data & Audio-Visual Enterprises Investments Inc., Holdings and Wireless, (b) the unanimous shareholder declaration dated August 1, 2008 between Wireless and Holdings, (c) the unanimous shareholder declaration dated February 19, 2010 between Data & Audio-Visual Enterprises Wireless Inc., Data & Audio-Visual Enterprises Leasing Inc. (each a predecessor by amalgamation of Wireless) and Holdings, and (d) any other agreements between some or all of the shareholders of a Plan Entity or between a Plan Entity and some or all of its shareholders.

"**SpecCo**" means <@>, a corporation governed by the <@>, or any successor.

"**Special Committee**" means the special committee of the board of directors of <@>.

"**Subco**" means <@>, a corporation governed by the OBCA, or any successor.

"**Subco Common Shares**" means the common shares in the capital of Subco to be issued pursuant to the Plan.

"**Subco Note**" has the meaning given to such term in Section 7.2(i).

"**Subsidiary**", in respect of a Person, means (a) any corporation or company of which at least a majority of the outstanding securities having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation or company is at the time directly, indirectly or beneficially owned or controlled by the Person or one or more of its Subsidiaries; (b) any general or limited partnership of which, at the time, the Person or one or more of its Subsidiaries directly, indirectly or beneficially own or control at least a majority of the voting interests (however designated) thereof, or otherwise control such partnership; and (c) any other Person of which at least a majority of the voting interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by the Person or one or more of its Subsidiaries (and in respect of a trust that has not issued any voting interests, the beneficiaries of which are owned or controlled by the Person or one or more of its Subsidiaries).

"**Support Agreements**" means, collectively, (a) the support agreement dated as of February 6, 2013 between Data & Audio-Visual Enterprises Wireless Inc., Data & Audio-Visual Enterprises Leasing Inc. (each a predecessor by amalgamation of Wireless), Holdings and the "Consenting Noteholders" noted therein, as amended, and any joinder agreement thereto; (b) the support agreement dated as of April 24, 2013 between Data & Audio-Visual Enterprises Wireless Inc., Data & Audio-Visual Enterprises Leasing Inc. (each a predecessor by amalgamation of Wireless), Holdings and certain First Lien Noteholders, and any joinder agreement thereto; (c) the support agreement between Data & Audio-Visual Enterprises Wireless Inc., Data & Audio-Visual Enterprises Leasing Inc. (each a predecessor by amalgamation of Wireless), Holdings and certain Existing Shareholders, and any joinder agreement thereto; (d) the support agreement dated as of April 17, 2014 between, among others, the Applicants and certain First Lien Noteholders, and any joinder agreement thereto; (e) the support agreement dated as of April 17, 2014 between, among others, the Applicants and certain Second Lien Noteholders, and any joinder agreement thereto; (f) the support agreement dated as of April 17, 2014 between, among others, the Applicants and the DIP Lenders, and any joinder agreement thereto; (g) the support agreement dated as of April 17, 2014 between, among others, the Applicants and certain unsecured creditors of Holdings, and any joinder agreement thereto; (h) any other agreements between the Plan Entities and any of their creditors in respect of a restructuring, recapitalization or refinancing, other than the Plan, and (i) all other similar agreements to those set out in the foregoing clauses to which any First Lien Noteholder is bound.

"**Tax**" or "**Taxes**" means any and all Canadian and foreign taxes, duties, fees, pending assessments, reassessments and other governmental charges, duties, impositions and liabilities of any kind whatsoever (including any claims by Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, Canada Revenue Agency and any similar revenue or taxing authority of any province or territory of Canada), including all interest, penalties, fines and additions with respect to such amounts.

"**Tax Claim**" means any Claim against any Plan Entity for any Taxes in respect of any taxation year or period.

"**Transactions**" means all of the transactions contemplated by the Plan, subject to any amendments or variations thereto made in accordance with Section <@> of the Plan or made at the direction of the Court in the Sanction Order or otherwise, in each case with the consent of the Plan Entities and the Plan Sponsor, including the transactions contemplated by the Recapitalization Transaction Term Sheet, the New First Lien Credit Agreement, the New Second

Lien Indenture, the New Second Lien Notes, the New Third Lien Notes Indenture (including the Right of First Refusal contained therein), the New Third Lien Notes, the New Intercreditor Agreement, the Backstop Agreement and the New Shareholders' Agreement.

"**Trust Company**" means a trust company incorporated under the laws of Canada or a province thereof that is satisfactory to Wireless and the Plan Sponsor, each acting reasonably.

"**Trustees**" means the First Lien Note Indenture Trustee and the Existing Second Lien Collateral Agent.

"**Trustees Claims**" means any rights or claims of the Trustees against the Plan Entities under the First Lien Note Indenture and the Existing Second Lien Note Purchase Agreement, as applicable, for compensation, indemnities, fees, expenses, disbursements or advances incurred or made by or on behalf of the Trustees before or after the Plan Implementation Date in connection with the performance of their respective duties under the First Lien Note Indenture, the Existing Second Lien Note Purchase Agreement or the Plan.

"**Unaffected Claims**" means any Claim other than an Affected Claim. For greater certainty, Unaffected Claims include:

(a) Governmental Priority Claims;

(b) Employee Priority Claims;

(c) Trustees Claims;

(d) Claims of the KERP Participants arising from or under the KERPs;

(e) Claims up to the Plan Implementation Date secured by any of the Court Charges;

(f) any claim against any Director that cannot be compromised due to the provisions of section 5.1(2) of the CCAA;

(g) any portion of a Claim for which the applicable Plan Entities are fully insured;

(h) Claims in respect of any payments referred to in sections 6(3), 6(5) and 6(6) of the CCAA; and

(i) any Post-Filing Claims.

"**Undeliverable Distribution**" has the meaning set out in Section 5.8.

"**Undersecured Noteholders Class**" means the Class of Affected Creditors comprised of (a) the First Lien Noteholders but only in respect of and to the extent of the Undersecured Portion of their First Lien Noteholders Claims and (b) the Existing Second Lien Noteholders.

"**Undersecured Noteholders New Common Shares**" means <@> New Common Shares.

"**Undersecured Noteholders Meeting**" means the meeting of the Undersecured Noteholders Class called and conducted pursuant to and in accordance with the Plan Filing and Meeting Order to consider and vote on the Plan, and includes any meeting resulting from an adjournment thereof.

"**Undersecured Portion**" means in respect of each First Lien Noteholder Claim, the amount that is equal to the relevant First Lien Noteholder's Pro Rata Share of the First Lien Noteholders Aggregate Undersecured Claims.

"**Unresolved Claim**" means a Claim that at the relevant time is disputed or otherwise unresolved and has not been accepted for purposes of voting on and/or receiving distributions under the Plan and is not barred pursuant to the Plan Filing and Meeting Order.

"**US Dollars**" or "**US $**" means immediately available dollars denominated in the lawful currency of the United States of America.

"**Voting Record Date**" means <@>.

"**Website**" means http://documentcentre.eycan.com/Pages/Main.aspx?SID=261.

"**Wireless**" means Data & Audio-Visual Enterprises Wireless Inc., a corporation governed by the OBCA, or any successor.

"**Wireless FMV**" means, solely for the purposes of the Plan, an amount deemed to be $<@>.

1.2 Construction

In the Plan, unless otherwise stated or the context otherwise requires:

(a) the division of the Plan into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Plan;

(b) the words "hereunder", "hereof and similar expressions refer to the Plan and not to any particular Article, Section or Schedule and references to "Articles", "Sections", and "Schedules" are to Articles and Sections of, and Schedules to the Plan;

(c) words importing the singular include the plural and *vice versa* and words importing any gender include all genders;

(d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation but rather shall mean "includes without limitation" or "including without limitation", as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced, and includes any regulation made thereunder;

(f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;

(g) unless otherwise specified, all references to dollar amounts or to the symbol "$" are references to Canadian dollars;

(h) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day; and

(i) unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day; whenever any payment to be made or action to be taken under the Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day.

1.3 Currency Conversion

All Affected Claims which are denominated in US Dollars shall be converted into Canadian dollars on the basis of the average US/Canadian dollar noon rate of exchange, as quoted by the Bank of Canada, over the ten Business Day period preceding the filing of the Plan as part of the CCAA Proceedings. All Affected Claims denominated in a currency other than lawful money of Canada or the United States are to be converted into Canadian dollars on the basis of the average noon rate of exchange for exchange of such currency into Canadian dollars, as quoted by the Bank of Canada, over the ten Business Day period preceding the date of filing of the Plan.

1.4 Claims Bar Date

Nothing in the Plan extends or shall be interpreted as extending or amending the Claims Bar Date, or gives or shall be interpreted as giving any rights to any Person in respect of Claims that have been barred or extinguished pursuant to the Plan Filing and Meeting Order, the Plan and/or the Sanction Order.

1.5 Interest

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

1.6 Schedules

The following are the Schedules to the Plan:

Schedule A -
Schedule B -

ARTICLE 2
PURPOSE, EFFECT OF PLAN AND OPERATIONS

2.1 Purpose of Plan

Subject to the specific provisions hereof, the purpose of the Plan is (a) to effect a compromise and settlement of all Affected Claims against the Plan Entities as finally determined in accordance with the Plan Filing and Meeting Order, the CCAA and the Plan; (b) to facilitate the closing of the Transactions; (c) to provide the Plan Entities with additional liquidity to enable the Business to continue on a going concern basis as a viable and competitive participant in the Canadian wireless telecommunications industry; (d) to facilitate the continuation of substantial employment; and (e) to maintain choice for the general public in respect of wireless telecommunications providers. The Plan is put forward in the expectation that stakeholders generally will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy or liquidation of the Plan Entities.

2.2 Effect of Plan

The Plan will become effective at the Effective Time in accordance with the steps and sequence set out in Section 7.2 and shall be binding on and enure to the benefit of the Plan Entities, the Affected Creditors, the Directors and Officers and all other Persons named or referred to in, or subject to, the Plan. For purposes of the Plan, all Affected Creditors shall receive the treatment provided in the Plan on account of their Affected Claims.

2.3 Unaffected Claims

The Plan does not affect the Unaffected Claims (including Post-Filing Claims). Persons with Unaffected Claims will not be entitled to vote or receive any distributions under the Plan in respect of such claims. Unaffected Claims shall be dealt with in accordance with Section 5.4. Nothing in the Plan shall affect any Plan Entity's rights and defences, both legal and equitable, with respect to any Unaffected Claim (including, for greater certainty, any Post-Filing Claim), including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such claims.

2.4 Business Operations

Subject to the terms of the Backstop Agreement, the Plan Entities shall continue to operate the Business during the CCAA Proceedings until the Plan Implementation Date in the ordinary course of business in accordance with the Initial Order and other Orders, having regard to their insolvency and the CCAA Proceedings.

ARTICLE 3
PLAN SPONSOR PURCHASE OFFER

3.1 Conditions Precedent to Plan Sponsor Purchase Offer

The Plan Sponsor shall not be obliged to proceed with or accept any offer made under the Plan Sponsor Purchase Offer unless each of the conditions set out below has been and remains satisfied (or waived in writing) by the Plan Sponsor:

(a) The Plan Filing and Meeting Order shall have been issued by the Court and shall be in full force and effect and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appeal court.

(b) The Court shall have declared pursuant to the Plan Filing and Meeting Order or the Plan Sponsor shall have received evidence satisfactory to it that all First Lien Notes purchased from any First Lien Noteholder by the Plan Sponsor pursuant to the Plan Sponsor Purchase Offer shall be:

(i) acquired with good and marketable rights in such First Lien Notes free and clear of any Liens;

(ii) freely voteable in the Meetings without any limitations or restrictions of any nature; and

(iii) free from and no longer subject to any Support Agreement, and without limiting the foregoing, no agreements or restrictions shall in any way limit or restrict the sale and purchase of such First Lien Notes hereunder or the participation of the Plan Sponsor in the CCAA Proceedings in respect of such First Lien Notes and associated First Lien Noteholder Claims.

(c) Such number of First Lien Notes shall have been validly tendered pursuant to the Plan Sponsor Purchase Offer that will together with the First Lien Notes held by the Plan Sponsor aggregate not less than 66 2/3% of all issued and outstanding First Lien Notes.

(d) All conditions of closing under the Backstop Agreement other than those that by their nature cannot be satisfied prior to the Effective Time shall have been satisfied or waived by the applicable parties in accordance with the terms of the Backstop Agreement and the Backstop Agreement shall not have been terminated.

(e) The conditions precedent set out in Sections 8.3(f) and 8.3(i) have been satisfied or waived by the Plan Sponsor.

(f) As of the Expiration Time, no event or events shall have occurred or exist, as determined by the Plan Sponsor, in its sole discretion, of whatever nature, foreseeable or unforeseeable, that could reasonably be expected to have a material adverse effect, individually or in the aggregate, on (i) the business, financial condition or prospects, short or long-term, of the Plan Entities or any Subsidiary thereof, (ii) the industry in which the Plan Entities or any Subsidiary thereof operates, (iii) domestic or international debt or capital markets, or (iv) the Transactions.

(g) **[NTD: Insert any other relevant conditions precedent.]**

3.2 Plan Sponsor Purchase Offer Procedure

(a) The Plan Sponsor Purchase Offer is being conducted as a reverse "Dutch Auction" procedure. Each First Lien Noteholder (other than the Plan Sponsor) may elect to participate in the Plan Sponsor Purchase Offer, the proceeds of which will be funded by the Plan Sponsor to a maximum of $<@> million.

(b) The Plan Sponsor will use a reverse Dutch auction procedure to determine which First Lien Notes will be accepted for exchange in the Plan Sponsor Purchase Offer. The Election Form, among other options, provides the First Lien Noteholders (other than the Plan Sponsor) with the option to elect to participate in the Plan Sponsor Purchase Offer. The auction will stay open until immediately prior to the Expiration Time, and the Election Form indicating any such election are due by the Expiration Time as provided herein.

(c) The Plan Sponsor will accept for purchase the First Lien Notes that elect to participate in the Plan Sponsor Purchase Offer in the order of the lowest to the highest Bid Prices (as determined based upon each Bid Price's percentage of the respective First Lien Note's principal amount) until reaching the Clearing Price. In addition, First Lien Noteholders that elect to participate in the Plan Sponsor Purchase Offer will be subject to proration. The Plan Sponsor will first accept for exchange all First Lien Notes with a Bid Price less than the Clearing Price and thereafter, First Lien Notes with a Bid Price equal to the Clearing Price on a pro rata basis. In all cases, appropriate adjustments will be made to avoid purchases of First Lien Notes in principal amounts other than integral multiples of $1,000. All First Lien Notes not accepted by the Plan Sponsor in the Plan Sponsor Purchase Offer as a result of proration or as a result of having a Bid Price above the Clearing Price will not participate in the Plan Sponsor Purchase Offer and be entitled to participate in the Plan as First Lien Noteholders. In addition, any First Lien Notes for which the respective First Lien Noteholders did not elect to participate in the Plan Sponsor Purchase Offer will be entitled to participate in the Plan as First Lien Noteholders.

(d) If tendering First Lien Noteholders elect to participate in the Plan Sponsor Purchase Offer by indicating as such on their Election Form and submitting such Election Form by the Expiration Time as provided herein, each such holder shall receive, subject to the foregoing, its portion of the Plan Sponsor Purchase Offer Consideration equal to such holder's Bid Price multiplied by the total amount of such holder's First Lien Notes accepted for exchange in the Plan Sponsor Purchase Offer and divided by $1,000.

(e) The Plan Sponsor will be deemed to have accepted validly tendered First Lien Notes when, as and if the Plan Sponsor has given written notice thereof to the Monitor. The Plan Sponsor will give such notice with respect to all such First Lien Notes validly tendered pursuant to the Plan Sponsor Purchase Offer and accepted by the Plan Sponsor.

(f) The Plan Sponsor shall pay the Plan Sponsor Purchase Offer Consideration to the First Lien Noteholders whose First Lien Notes are validly tendered pursuant to the Plan Sponsor Purchase Offer and accepted by the Plan Sponsor on the Plan Implementation Date in accordance with Section 7.2(r).

(g) The Plan Sponsor expressly reserves the right, at any time or from time to time, subject to applicable Law, (i) to terminate the Plan Sponsor Purchase Offer prior to the Expiration Time or extend the Plan Sponsor Purchase Offer beyond the Expiration Time, (ii) to amend the Plan Sponsor Purchase Offer in any respect by giving oral or written notice of such amendment in accordance with applicable Law, and (iii) to waive or amend certain conditions, and accept for purchase all First Lien Notes that are validly tendered, and not validly withdrawn, pursuant thereto prior to the Expiration Time without providing additional withdrawal rights. In no event will the failure by the Plan Sponsor to accept any First Lien Notes tendered in the Plan Sponsor Purchase Offer affect the validity of a vote in favor of the Plan.

(h) Each First Lien Noteholders whose First Lien Notes are validly tendered pursuant to the Plan Sponsor Purchase Offer and accepted by the Plan Sponsor shall be deemed to vote in favour of the Plan pursuant to the Plan Filing and Meeting Order.

ARTICLE 4
CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS

4.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under the Plan shall be governed by the Plan Filing and Meeting Order, the CCAA and the Plan.

4.2 Classes of Creditors

For purposes of voting on the Plan, there shall be two classes of Affected Creditors: (a) the First Lien Noteholders Secured Class and (b) the Undersecured Noteholders Class.

4.3 Meetings

The Meetings shall be held in accordance with the CCAA, the Plan Filing and Meeting Order, the Plan and any further Order. The only Persons entitled to attend a Meeting are those specified in the Plan Filing and Meeting Order.

4.4 Voting by First Lien Noteholders Secured Class

Only the Beneficial First Lien Noteholders as of the Voting Record Date shall be entitled to provide instructions relating to voting in the First Lien Noteholders Secured Class. The solicitation of votes from and the procedures for voting by the Beneficial First Lien Noteholders shall be conducted in accordance with the Plan Filing and Meeting Order. Each Beneficial First Lien Noteholder shall be entitled to one (1) vote as a member of the First Lien Noteholders Secured Class, which vote shall have a value equal to the Secured Portion of its First Lien Noteholder Proven Voting Claim at the First Lien Noteholders Secured Meeting, in accordance with and pursuant to the terms of the Plan Filing and Meeting Order and the Plan.

4.5 Voting by the Undersecured Noteholders Class

Only the Beneficial First Lien Noteholders and Registered Holders of Existing Second Lien Notes as of the Voting Record Date shall be entitled to provide instructions relating to voting in the Undersecured Noteholders Class. The solicitation of votes from and the procedures for voting by the Beneficial First Lien Noteholders and Registered Holders of Second Lien Notes shall be conducted in accordance with the Plan Filing and Meeting Order. Each Beneficial First Lien Noteholder shall be entitled to one vote as a member of the Undersecured Noteholders Class, which vote shall have a value equal to the Undersecured Portion of its First Lien Noteholder Proven Voting Claim at the Undersecured Noteholders Meeting, in accordance with and pursuant to the terms of the Plan Filing and Meeting Order and the Plan. Each Registered Holder of Second Lien Notes shall be entitled to one vote as a member of the Undersecured Noteholders Class, which vote shall have a value equal to its Existing Second Lien Noteholder Proven Voting Claim at the Undersecured Noteholders Meeting, in accordance with and pursuant to the terms of the Plan Filing and Meeting Order and the Plan. Notwithstanding the foregoing, the vote of any Noteholder shall count only as one vote for the purposes of calculating the majority in number in both the Undersecured Portion of its First Lien Noteholder Proven Voting Claim and the Existing Second Lien Noteholder Proven Voting Claim at the Undersecured Noteholders Meeting.

4.6 Voting of Unresolved Claims

Subject to Section 4.7, each Affected Creditor (other than a First Lien Noteholder in respect of the Secured Portion of its First Lien Noteholder Claim) holding an Unresolved Claim shall be entitled to attend the Undersecured Noteholders Meeting and shall be entitled to one vote at such Meeting. The Monitor shall keep a separate record of votes cast by Affected Creditors holding Unresolved Claims and shall report to the Court with respect thereto at the Plan Sanction Hearing. The votes cast in respect of any Unresolved Claim shall not be counted for any purpose unless, until and only to the extent that such Unresolved Claim is finally determined to be a Proven Voting Claim.

4.7 Order to Establish Procedure for Valuing Voting Claims

The procedure for valuing claims and resolving Unresolved Claims for voting purposes shall be as set forth in the Plan Filing and Meeting Order, the CCAA and the Plan. The Plan Entities and the Monitor shall have the right to seek the assistance of the Court in valuing any

Unresolved Claim in accordance with the Plan Filing and Meeting Order, the CCAA and the Plan, if required, to ascertain the result of any vote on the Plan.

4.8 Fractions

An Affected Creditor's Proven Voting Claim shall not include fractional numbers and Proven Voting Claims shall be rounded down to the nearest whole Canadian dollar amount without compensation.

4.9 Approval by Creditors

In order to be approved, the Plan must receive an affirmative vote by the Required Majority in each Class.

4.10 Unaffected Claims

Unaffected Creditors shall not be entitled to attend or vote at a Meeting in respect of their Unaffected Claims and shall not be entitled to a distribution in respect of their Unaffected Claims unless specifically provided for under and pursuant to this Plan.

ARTICLE 5
DISTRIBUTIONS, PAYMENTS AND ELECTIONS

5.1 Delivery of New Securities

(a) The delivery of the New Second Lien Notes to the First Lien Noteholders in consideration for the Secured Portion of their First Lien Noteholder Claims will be made (at the election of Wireless with the consent of the Monitor and the Plan Sponsor) by delivery of a New Second Lien Note to each of the First Lien Noteholders based on registration and delivery instructions received by the Monitor pursuant to the Plan Filing and Meeting Order or, if registration details are not provided therein, in the same name and delivered to the same address that such First Lien Noteholder's First Lien Notes exchanged therefor are registered on the Distribution Record Date.

(b) The delivery of the New Common Shares to the Noteholders in consideration for the Secured Portion of their First Lien Noteholder Claims, Undersecured Portion of their First Lien Noteholder Claims and Existing Second Lien Noteholder Claims, as the case may be, will be made (at the election of Wireless with the consent of the Monitor and the Plan Sponsor) by delivery of a share certificate to each of the Noteholders based on registration and delivery instructions received by the Monitor pursuant to the Plan Filing and Meeting Order or, if registration details are not provided therein, in the same name and delivered to the same address that such Noteholder's Notes exchanged therefor are registered on the Distribution Record Date.

(c) The delivery of the Participating Eligible Investors New Third Lien Notes to the Participating Eligible Investors in consideration for their Electing Eligible

Investor Funding Amounts will be made (at the election of Wireless with the consent of the Monitor and the Plan Sponsor) by delivery of a New Third Lien Note to each of the Participating Eligible Investors based on registration and delivery instructions provided in the Election Forms received by the Monitor pursuant to the Plan Filing and Meeting Order or, if registration details are not provided therein, in the same name and delivered to the same address that such Participating Eligible Investors' First Lien Notes are registered on the Distribution Record Date.

(d) The delivery of the Backstopped New Third Lien Notes to the Plan Sponsor in consideration for the New Third Lien Notes Backstop Payment Amount will be made by delivery of a New Third Lien Note to the Plan Sponsor based on registration and delivery instructions received by the Monitor pursuant to the Backstop Agreement or the Plan Filing and Meeting Order.

5.2 New First Lien Credit Agreement Commitment Amount and New Third Lien Notes Offering

(a) Each Eligible Investor shall be granted a right (the "**New Credit Facility Commitment Privilege**"), but not an obligation, to participate in the New First Lien Credit Facility by committing to the New First Lien Credit Agreement a commitment amount (the "**Electing Eligible Investor Credit Facility Commitment Amount**") in an aggregate principal amount equal to (i) its Pro Rata Share of the New Credit Facility Privilege Commitment Amount or (ii) if all Electing Eligible Investors do not exercise their New Credit Facility Commitment Privileges, its Adjusted Pro Rata Share of the New Credit Facility Privilege Commitment Amount, as applicable, with such commitment to be conditional upon the implementation of the Plan and effective on the Plan Implementation Date in accordance with Section 7.2.

(b) Each Eligible Investor shall be granted a right (the "**New Third Lien Subscription Privilege**"), but not an obligation, to participate in the New Third Lien Notes Offering by irrevocably electing, in accordance with the Election Form and the provisions of the Plan to subscribe for and purchase from Wireless, SpecCo or NetworkCo, as the case may be, New Third Lien Notes in an aggregate principal amount equal to (i) its Pro Rata Share of the New Third Lien Privilege Notes or (ii) if all Electing Eligible Investors do not exercise their New Third Lien Subscription Privilege, its Adjusted Pro Rata Share of the New Third Lien Privilege Notes, as applicable, with such subscription and purchase to be conditional upon the implementation of the Plan and effective on the Plan Implementation Date in accordance with Section 7.2.

(c) Pursuant to and in accordance with the Plan Filing and Meeting Order, Wireless or the Monitor shall deliver an election form ("**Election Form**") to each Eligible Investor, as of the Record Date, together with instructions to deliver such Election Form to the Beneficial First Lien Noteholders to the extent such Eligible Investor is not also the beneficial holder of such First Lien Notes. In order to elect to exercise its New Credit Facility Commitment Privilege and New Third Lien

Subscription Privilege, each Eligible Investor shall return, or caused to be returned, the duly executed Election Form to Wireless or the Monitor or as Wireless or the Monitor may direct on or before the Election Date.

(d) In accordance with the terms and conditions of the Backstop Agreement, the New First Lien Credit Agreement and the Plan, the Plan Sponsor shall participate in the New First Lien Credit Facility and shall commit to a commitment amount under the New First Lien Credit Agreement (the "**Remaining New Credit Facility Commitment Backstop Amount**") equal to the amount calculated as follows: (i) the New Credit Facility Commitment Backstop Amount minus (ii) the New Credit Facility Commitment Backstop Amount Reduction.

(e) In accordance with the terms and conditions of the Backstop Agreement, the New Third Lien Notes Indenture and the Plan, the Plan Sponsor shall participate in the New Third Lien Notes Offering and shall subscribe for and purchase New Third Lien Notes in an aggregate principal amount equal to the amount (the "**New Third Lien Notes Backstop Payment Amount**") calculated as follows: (i) the New Third Lien Notes Backstop Amount, minus (ii) the New Third Lien Notes Backstop Amount Reduction.

(f) Following the issuance of the Sanction Order, but in any event by 5.00 p.m. on the tenth Business Day prior to the expected Plan Implementation Date, Wireless and the Plan Sponsor shall inform each Electing Eligible Investor:

(i) of the expected Plan Implementation Date;

(ii) of the number of New Third Lien Notes that, subject to compliance with the procedures described in the Plan, will be acquired by such Electing Eligible Investor on the Plan Implementation Date pursuant to the New Third Lien Subscription Privilege;

(iii) of the amount of funds (in cash) required to be deposited in escrow with the Trust Company by such Electing Eligible Investor to pay its subscription price to purchase its New Third Lien Notes pursuant to the New Third Lien Subscription Privilege (the "**Electing Eligible Investor Funding Amount**"); and

(iv) of its Electing Eligible Investor Credit Facility Commitment Amount.

(g) Each Electing Eligible Investor must deposit its Electing Eligible Investor Funding Amount in escrow with the Trust Company so that it is received by the Trust Company by no later than 11:00 a.m. on the seventh Business Day prior to the expected Plan Implementation Date (the "**Electing Eligible Investor Funding Deadline**"). If an Electing Eligible Investor deposits less than the full amount of its Electing Eligible Investor Funding Amounts by the Electing Eligible Investor Funding Deadline, then (i) the funds so deposited by such Electing Eligible Investor shall be returned to such Electing Eligible Investor within five Business Days following the Electing Eligible Investor Funding Deadline; and (ii) such

Electing Eligible Investor shall be and shall be deemed to have ceased, as of the Electing Eligible Investor Funding Deadline, to be an Electing Eligible Investor and (A) its subscription for New Third Lien Notes pursuant to the New Third Lien Subscription Privilege shall be null and void and (B) its Electing Eligible Investor Credit Facility Commitment Amount shall be null and void and (iii) the New Credit Facility Commitment Privilege and New Third Lien Subscription Privilege of such former Electing Eligible Investor shall be offered to the other Electing Eligible Investors who have complied with the provisions of this Section 5.2(g) in accordance with the procedures to be determined by the Monitor. Interest shall accrue on the Electing Eligible Investor Funding Amounts deposited in accordance with this Section 5.2(g) at the same rate of interest payable under the Third Lien Notes and shall be payable (x) if the Plan is approved by the Required Majority and sanctioned by the Court, in accordance with the terms of the of the Third Lien Notes Indenture, or (y) if the Plan is not approved by the Required Majority or not sanctioned by the Court, upon return of the Electing Eligible Investor Funding Amounts.

(h) As soon as practicable but in any event no later than 11:00 a.m. on the day that is one Business Day after the Electing Eligible Investor Funding Deadline, Wireless shall inform the Plan Sponsor:

(i) of the Remaining New Credit Facility Commitment Backstop Amount;

(ii) of the number of New Third Lien Notes (the "**Backstopped New Third Lien Notes**") to be acquired by the Plan Sponsor pursuant to the Backstop Agreement and the Plan;

(iii) of the New Third Lien Notes Backstop Payment Amount; and

(iv) that the Plan Sponsor is required to deposit funds (in cash or a letter of credit) in an amount equal to the New Third Lien Notes Backstop Payment Amount in escrow with the Trust Company by the Backstop Funding Deadline.

(i) The Plan Sponsor shall deliver to the Trust Company and the Trust Company shall have received, not later than 2:00 p.m. on the day that is two Business Days prior to the expected Plan Implementation Date (the "**Backstop Funding Deadline**"), either:

(i) cash in an amount equal to the full amount of the New Third Lien Notes Backstop Payment Amount; or

(ii) a letter of credit, in form and substance reasonably satisfactory to Wireless, having a face amount equal to the New Third Lien Notes Backstop Payment Amount, and issued by a financial institution having an equity market capitalization of at least $10,000,000,000 and a credit rating on its senior debt of at least A+ from Standard & Poor's or **[A2]** from Moody's, in each case to be held by the Trust Company until all conditions to the New Third Lien Notes Offering have been satisfied or waived in accordance with the Backstop Agreement and with irrevocable instructions to use such cash or letter of credit, as applicable, to the extent required to enable the Plan Sponsor to comply with its obligations to purchase the Backstopped New Third Lien Notes in accordance with the terms and conditions of the Backstop Agreement and the Plan.

(j) An Electing Eligible Investor who complies with Section 5.2(g) (the "**Participating Eligible Investor**") shall participate in the New Third Lien Notes Offering and shall be and shall be deemed to have subscribed for New Third Lien Notes in an amount equal to the Electing Eligible Investor Funding Amount deposited in escrow with the Trust Company by that Participating Eligible Investor in accordance with Section 5.2(g) (the "**Participating Eligible Investor New Third Lien Notes**").

(k) The Plan Sponsor shall subscribe and shall be deemed to have subscribed for the Backstopped New Third Lien Notes.

(l) On the Plan Implementation Date and in accordance with the steps and sequence as set forth in the Plan, each Electing Eligible Investor who elects to exercise its New Credit Facility Commitment Privilege in accordance with Section 5.2 and the Plan Filing and Meeting Order shall receive one New Credit Agreement Lender Right entitling it to automatically receive on the First Drawdown Date at no additional cost its Pro Rata Share of New Credit Agreement Lenders New Common Shares provided that on the First Drawdown Date it is a lender and funds its portion of the first advance under the New First Lien Credit Agreement.

(m) On the Plan Implementation Date and in accordance with the steps and sequence as set forth in the Plan, each Participating Eligible Investor shall receive its Pro Rata Share of New Third Lien Noteholders New Common Shares.

5.3 Distributions Regarding Unresolved Claims

An Affected Creditor holding an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Unresolved Claim becomes a Proven Distribution Claim.

5.4 Payment of Unaffected Claims

The Claims listed in paragraphs <@> and <@> in the definition of Unaffected Claims shall be paid forthwith on or after the Plan Implementation Date by the Plan Entities, on behalf of the Plan Entities. To the extent that the value of an Unaffected Claim is at issue, the Monitor shall attempt to resolve such Unaffected Claim and may seek the advice and direction of the Court in connection therewith. Any outstanding Post-Filing Claims shall be paid by the Plan Entities. With respect to the Claims listed in paragraph <@> of the definition of Unaffected Claims, such Unaffected Claims shall be paid in full within six months after the date of the Sanction Order.

5.5 Cancellation of Instruments

Following completion of the steps in the sequence set forth in Section 7.2, all Notes, debentures, certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Plan and will be cancelled and will be null and void.

5.6 Issuance of New Common Shares

All New Common Shares issued and outstanding as part of the implementation of the Plan shall be and shall be deemed to be issued and outstanding as fully-paid and non-assessable. The amount added to the stated capital of the New Common Shares as a result of the issuance of New Common Shares in accordance with the Plan shall be equal to the fair market value of the consideration received by Wireless for the issuance of such New Common Shares.

5.7 Taxes

In connection with the Plan and all distributions hereunder, the Plan Entities shall, to the extent applicable, comply with all Tax withholding and reporting requirements imposed by any Law of a federal, state, provincial, local, or foreign taxing authority, and all distributions hereunder shall be subject to, and made net of, any such withholding and reporting requirements. Notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any Governmental Entity, including income, withholding and other Tax obligations, on account of such distribution, and (b) no distribution shall be made to or on behalf of such Affected Creditor pursuant to the Plan unless and until such Affected Creditor has made arrangements satisfactory to the Monitor for the payment and satisfaction of any such Tax obligations which could result in a Tax liability for the Monitor and/or the Plan Entities. Any distributions to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as Undeliverable Distributions pursuant to Section 5.8.

5.8 Undeliverable Distributions

If a distribution to any Affected Creditor in respect of its Proven Distribution Claim is returned as undeliverable (that is for greater certainty that cannot be properly registered or delivered to the intended recipient because of inadequate or incorrect registration or delivery information or otherwise) (each, an "**Undeliverable Distribution**"), no further delivery will be required unless and until the Monitor is notified in writing of such Affected Creditor's then current address. Any obligation to an Affected Creditor relating to an Undeliverable Distribution will expire [six months/365 days] after the date of such distribution, after which date any liability to such Affected Creditor under the Plan will be fully, finally, irrevocably and forever compromised, barred, discharged, released, cancelled and extinguished with prejudice and without compensation notwithstanding any federal, provincial, or state laws to the contrary. In addition, following that date, the Plan Entities and the Monitor shall not be liable to any Affected Creditor or any other Person for any damages related to the Undeliverable Distribution. No interest shall be payable in respect of an Undeliverable Distribution.

5.9 Recognition of Assignments

(a) ***Assignment of First Lien Noteholder Claims Prior to the Meetings*** – Subject to the transfer restrictions contained in the First Lien Note Indenture, a First Lien Noteholder may transfer or assign the whole or a part of its First Lien Noteholder Claim prior to the Meetings, provided that the Plan Entities shall not be obliged to deal with any such transferee or assignee as a First Lien Noteholder in respect thereof, including allowing such transferee or assignee to attend or vote at the Meetings, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the Plan Entities by no later than 10:30 a.m. on the second Business Day before the Meetings (and any adjournment thereof). Thereafter, such transferee or assignee shall, for all purposes in accordance with the Plan, constitute a First Lien Noteholder and shall be bound by any and all notices previously given to the transferor or assignor in respect of such First Lien Noteholder Claim.

(b) ***Assignment of Existing Second Lien Noteholder Claims Prior to the Undersecured Noteholders Meeting*** – Subject to the transfer restrictions contained in the Existing Second Lien Note Purchase Agreement, an Existing Second Lien Noteholder may transfer or assign the whole or a part of its Existing Second Lien Noteholder Claim prior to the Undersecured Noteholders Meeting, provided that the Plan Entities shall not be obliged to deal with any such transferee or assignee as an Existing Second Lien Noteholder in respect thereof, including allowing such transferee or assignee to attend or vote at the Undersecured Noteholders Meeting, unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the Plan Entities by no later than 10:30 a.m. on the second Business Day before the Undersecured Noteholders Meeting (and any adjournment thereof). Thereafter, such transferee or assignee shall, for all purposes in accordance with the Plan, constitute an Existing Second Lien Noteholder and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Existing Second Lien Noteholder Claim.

ARTICLE 6
TREATMENT OF FIRST LIEN NOTEHOLDERS, EXISTING SECOND LIEN NOTEHOLDERS AND EXISTING EQUITY HOLDERS

6.1 Treatment of First Lien Noteholders

(a) On the Plan Implementation Date and in accordance with the steps and sequence as set forth in the Plan, each First Lien Noteholder shall receive from Wireless in exchange for the right, title and interest in and to all of its First Lien Noteholder Claim:

(i) in respect of the Secured Portion of its First Lien Noteholder Claim:

(A) its Pro Rata Share of First Lien Secured Noteholders New Common Shares;

(B) its Pro Rata Share of New Second Lien Notes;

(C) its New Credit Facility Commitment Privilege; and

(D) its New Third Lien Subscription Privilege; and

(ii) in respect of the Undersecured Portion of its First Lien Noteholder Claim its Pro Rata Share of Undersecured Noteholders New Common Shares.

(b) After giving effect to the terms of Section 6.1(a), each First Lien Noteholder shall, and shall be deemed to, have irrevocably and finally extinguished all of its right, title and interest in and to its First Lien Notes through exchange of the Secured Portion and Undersecured Portion of its First Lien Noteholder Claim, as contemplated in Sections 6.1(a) and the Plan Entities shall have no further indebtedness, liability or obligation to any of the First Lien Noteholders in respect of the First Lien Notes or the distribution contemplated by this Section 6.1.

(c) On the Plan Implementation Date and in accordance with the steps and sequence as set forth in the Plan, (i) each Participating Eligible Investor shall receive its Participating Eligible Investor New Third Lien Notes, (ii) the Plan Sponsor shall receive the Backstopped New Third Lien Notes, (iii) each Electing Investor shall be committed to its Electing Eligible Investor Credit Facility Commitment Amount and (iv) the Plan Sponsor shall be committed to the Remaining New Credit Facility Commitment Backstop Amount.

6.2 Treatment of Existing Second Lien Noteholders

(a) On the Plan Implementation Date and in accordance with the steps and sequence as set forth in the Plan, each Existing Second Lien Noteholder shall receive from Wireless in exchange for the right, title and interest in and to all of its Existing Second Lien Noteholder Claim its Pro Rata Share of Undersecured Noteholders New Common Shares.

(b) After giving effect to the terms of Section 6.2(a), each Existing Second Lien Noteholder shall, and shall be deemed to, have irrevocably and finally extinguished all of its right, title and interest in and to its Existing Second Lien Notes through exchange of its Existing Second Lien Noteholder Claim, as contemplated in Section 6.2(a) and the Plan Entities shall have no further indebtedness, liability or obligation to any of the Existing Second Lien Noteholders or the Existing Second Lien Collateral Agent in respect of the Existing Second Lien Notes or the distribution contemplated by this Section 6.2(b).

6.3 Application of Distributions

All amounts paid or payable hereunder on account of Proven Distribution Claims, (including, for greater certainty, any securities received hereunder, or any set-off, in satisfaction of such Proven Distribution Claims) shall be applied as follows: (i) first, in respect of the principal amount of the obligations to which such Proven Distribution Claims relate, (ii) second, if such principal amounts have been fully repaid, in respect of any accrued but unpaid interest on such obligations and (iii) third, if such accrued but unpaid interest on such obligations have been fully repaid, in respect of fees, penalties, indemnities, reimbursements, damages and other liabilities payable on such obligations.

6.4 Treatment of Equity Claims

(a) Pursuant to the Plan and in accordance with the steps and sequences set forth herein the Existing Equity Holders will not be entitled to any distributions under the Plan or any other compensation from the Plan Entities on account of their Equity Claims in connection with or as a result of the Transactions. All Existing Shares (other than Existing Shares held by Holdings) and Existing Share Options shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and for greater certainty no Existing Equity Holders shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

(b) Pursuant to the Plan and in accordance with the steps and sequences set forth herein on the Plan Implementation Date all Existing Shares held by Holdings shall be exchanged for Holdings New Common Shares.

6.5 Treatment of Holdings Intercompany Claims

Except as set out in Section 7.2(i), pursuant to the Plan and in accordance with the steps and sequences set forth herein Holdings will not be entitled to any distributions under the Plan or any other compensation from the Plan Entities on account of Holdings Intercompany Claims in connection with or as a result of the Transactions.

ARTICLE 7
RESTRUCTURING AND PLAN IMPLEMENTATION

7.1 Corporate and Other Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate or other action of the Applicants will occur and be effective as of the Plan Implementation Date in the sequence set out in Section 7.2, and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by the shareholders of any Applicant or any of their directors or officers. All necessary approvals to take actions, if required, shall be deemed to have been obtained from the directors and officers or the shareholders of the relevant Applicants, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the taking of any such steps or actions contemplated by the Plan shall be effective and shall be and shall be deemed to have no force or effect.

7.2 Steps To Be Taken on the Plan Implementation Date

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order and at the times set out in this Section 7.2 (or in such other manner or order or at such other time or times as Wireless and the Plan Sponsor may agree), without any further act or formality required on the part of any Person, except as may be expressly provided herein

(a) The Shareholders' Agreements and the Support Agreements shall be and shall be deemed cancelled and terminated.

(b) The New Second Lien Indenture shall become effective and the New Second Lien Notes issued thereunder in step <@> below shall be governed by the New Second Lien Indenture and the indebtedness, liabilities and obligations of Wireless shall be secured by the Holdings Second Lien Security and the other guarantees and second ranking security agreements contemplated in the New Second Lien Indenture (collectively, the "**New Second Lien Security Documents**"). The New Second Lien Security Documents shall become effective. The New Second Lien Indenture shall be and shall be deemed to be binding on all holders of the New Second Lien Notes pursuant to the Plan at the same time as the New Second Lien Indenture becomes effective.

(c) The Holdings Existing Security shall (i) cease, and shall be deemed to have ceased, to apply to the indebtedness, liabilities and obligations of Wireless under the First Lien Note Indenture, First Lien Notes, Existing Second Lien Note Purchase Agreement and Existing Second Lien Notes, (ii) apply, and shall be deemed to apply, to the indebtedness, liabilities and obligations of Wireless under the New Second Lien Indenture and the New Second Lien Notes, *mutatis mutandis*, with such changes to the Holdings Existing Security as may be necessary or desirable to reflect the terms and conditions set out in the Recapitalization Transaction Term Sheet and the Plan and such other changes as may be acceptable to the Plan Sponsor, and for greater certainty shall include a pledge of the New Common Shares held by Holdings (the "**Holdings Second Lien Security**"). The Holdings Second Lien Security shall be and shall be deemed to be effective and binding upon Holdings.

(d) The New Third Lien Notes Indenture shall become effective and the New Third Lien Notes issued thereunder in step <@> below shall be governed by the New Third Lien Notes Indenture and the indebtedness, liabilities and obligations of Wireless, SpecCo or NetworkCo, as the case may be, shall be secured by the guarantees and second and third ranking security agreements contemplated in the New Third Lien Notes Indenture (the "**New Third Lien Notes Security Documents**"). The New Third Lien Notes Security Documents shall become effective. The New Third Lien Notes Indenture shall be and shall be deemed to be binding on all holders of the New Third Lien Notes pursuant to the Plan at the same time as the New Third Lien Notes Indenture becomes effective.

(e) The following shall occur concurrently:

(i) All Existing Shares (other than Existing Shares held by Holdings) shall be and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and for greater certainty no Existing Equity Holders shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

(ii) Pursuant to the Plan and in accordance with the steps and sequences set forth herein on the Plan Implementation Date all Existing Shares held by Holdings shall be and shall be deemed to be exchanged for Holdings New Common Shares as follows: (A) all Existing Shares held by Holdings shall be cancelled without the need for any repayment of capital thereof or any other compensation therefor and for greater certainty Holdings shall not be entitled to receive any interest, dividends, premium or other payment in connection therewith, (B) the Holdings New Common Shares shall be issued by Wireless to Holdings, (C) Wireless shall deliver to Holdings a certificate representing the Holdings New Common Shares based on registration and delivery instructions received by the Monitor from Holdings not less than <@> Business Days prior to the Plan Implementation Date or further Order of the Court.

(iii) All Existing Share Options shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any further force or effect.

(iv) All Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any consideration or distributions therefor.

(f) The following shall occur concurrently:

(i) In exchange for, and in full and final settlement of, the First Lien Noteholders' First Lien Noteholders Claims as at the Plan Implementation Date:

(A) Wireless shall issue to each First Lien Noteholder in respect of the Secured Portion of its First Lien Noteholder Claim:

(I) its Pro Rata Share of the First Lien Secured Noteholders New Common Shares in accordance with Section 6.1(a)(i); and

(II) its Pro Rata Share of New Second Lien Notes in accordance with Section 6.1(a)(i); and

(B) Wireless shall issue to each First Lien Noteholder in respect of the Undersecured Portion of its First Lien Noteholder Claim its Pro

Rata Share of the Undersecured Noteholders New Common Shares in accordance with Section 6.1(a)(ii).

Upon issuance of the First Lien Secured Noteholders New Common Shares, the New Second Lien Notes and such Undersecured Noteholders New Common Shares, the First Lien Noteholders' First Lien Noteholder Claims shall be and shall be deemed to be irrevocably and finally extinguished and each First Lien Noteholder shall have no further right, title or interest in and to the First Lien Notes, the First Lien Notes Indenture or its First Lien Noteholder Claims.

(ii) In exchange for, and in full and final settlement of, the Existing Second Lien Noteholders' Existing Second Lien Noteholder Claims as at the Plan Implementation Date Wireless shall issue to each Existing Second Lien Noteholder its Pro Rata Share of Undersecured Noteholders New Common Shares. Upon issuance of the Undersecured Noteholders New Common Shares, the Existing Second Lien Noteholders' Existing Second Lien Noteholder Claims shall be and shall be deemed to be irrevocably and finally extinguished and each Existing Second Lien Noteholder shall have no further right, title or interest in and to the Existing Second Lien Notes, the Existing Second Lien Notes Indenture or its Existing Second Lien Noteholder Claims.

(g) The Notes and the Indentures and Funding Agreements will not entitle any Noteholder to any compensation or participation other than as expressly provided for in the Plan and shall be and shall be deemed to be cancelled and will thereupon be null and void, and the indebtedness, liabilities and obligations of the Plan Entities thereunder or in any way related thereto shall be and shall be deemed to be satisfied and discharged.

(h) The following shall occur concurrently:

(i) The elections and the subscriptions of the Participating Eligible Investors with respect to the New Third Lien Subscription Privilege made in accordance with Section 5.2(b) shall be effective and the Trust Company shall cease to hold the Electing Eligible Investors Aggregate Funding Amounts in trust for and on behalf of the Participating Eligible Investors, and shall hold, and shall be deemed to be holding, the Electing Eligible Investors Aggregate Funding Amounts in trust for and on behalf of Wireless, SpecCo or NetworkCo, as the case may be, and shall pay to Wireless, SpecCo or NetworkCo, as the case may be, the Electing Eligible Investors Aggregate Funding Amount.

(ii) Wireless, SpecCo or NetworkCo, as the case may be, shall issue to each Participating Eligible Investor its Participating Eligible Investor New Third Lien Notes in accordance with Section 6.1(c) in consideration for its Electing Eligible Investor Funding Amount, which Participating Eligible

Investor New Third Lien Notes shall be distributed in the manner described in Section 5.1.

(iii) The subscriptions of the Plan Sponsor with respect to the Backstopped New Third Lien Notes made in accordance with Section 5.2(e) shall be effective and the Trust Company shall cease to hold the New Third Lien Notes Backstop Payment Amount in trust for and on behalf of the Plan Sponsor, and shall hold, and shall be deemed to be holding, the New Third Lien Notes Backstop Payment Amount in trust for and on behalf of Wireless, SpecCo or NetworkCo, as the case may be, and shall pay to Wireless, SpecCo or NetworkCo, as the case may be, the New Third Lien Notes Backstop Payment Amount.

(iv) Wireless, SpecCo or NetworkCo, as the case may be, shall issue to the Plan Sponsor the Backstopped New Third Lien Notes in accordance with Section 6.1(c) in consideration for its New Third Lien Notes Backstop Payment Amount, which Backstopped New Third Lien Notes shall be distributed in the manner described in Section 5.1.

(i) Wireless shall issue to each Electing Eligible Investor who elects to exercise its New Credit Facility Commitment Privilege in accordance with Section 5.2 and the Plan Filing and Meeting Order one New Credit Agreement Lender Right entitling it to automatically receive on the First Drawdown Date at no additional cost its Pro Rata Share of New Credit Agreement Lenders New Common Shares provided that on the First Drawdown Date it is a lender and funds its portion of the first advance under the New First Lien Credit Agreement.

(j) Wireless shall issue to each Participating Eligible Investor its Pro Rata Share of New Third Lien Noteholders New Common Shares.

(k) The following transactions shall be and shall be deemed to be carried out in sequence:

(i) Holdings shall incorporate Subco under the OBCA;

(ii) Holdings shall transfer, assign and convey the Holdings Intercompany Claims to Subco at fair market value in consideration for a convertible promissory note, in a form satisfactory to the Plan Sponsor, issued by Subco (the "**Subco Note**");

(iii) Holdings shall exercise its option under the Subco Note to convert the Subco Note into additional common shares in the capital of Subco; and

(iv) Holdings shall transfer, assign and convey 100% of its shares of Subco to Wireless for [one] additional New Common Share.

(l) All contract defaults arising as a result of the CCAA Proceedings and the filing and implementation of the Plan shall be and shall be deemed to be cured.

(m) The Court Charges shall be released, discharged and terminated in respect of the Plan Entities and their respective assets, properties and undertakings.

(n) The Existing Security shall be, and shall be deemed to be, irrevocably released, discharged and terminated without the need for any further action by any First Lien Noteholder, the First Lien Trustee, any Existing Second Lien Noteholder, the Existing Second Lien Collateral Agent or any other Person.

(o) The DIP Agreement shall be and shall be deemed to be amended such that the Plan Entities are released from their indebtedness, liabilities and obligations thereunder and the DIP Agreement ceases to be binding upon or of any force or effect on the Plan Entities and Holdings shall execute and shall be deemed to have executed such documents as may be necessary or advisable to give effect to the foregoing.

(p) The <@> Articles of Reorganization shall become effective.

(q) The New First Lien Credit Agreement shall become effective and the indebtedness, liabilities and obligations of Wireless and SpecCo shall be secured by the guarantees and first ranking security agreements contemplated in the New First Lien Credit Agreement (the "**New Credit Agreement Security Documents**"). The New First Lien Credit Agreement shall be and shall be deemed to be binding on all Plan Entities party thereto at the same time as the New First Lien Credit Agreement becomes effective. The Electing Eligible Investor Credit Facility Commitment Amount of each Electing Eligible Investor and the Remaining New Credit Facility Commitment Backstop Amount of the Plan Sponsor shall be and shall be deemed to be binding on them at the same time as the New First Lien Credit Agreement becomes effective. The New Credit Agreement Security Documents shall become effective.

(r) The Plan Sponsor shall pay the applicable amount of the Plan Sponsor Purchase Offer Consideration to each First Lien Noteholder whose First Lien Notes are validly tendered pursuant to the Plan Sponsor Purchase Offer and accepted by the Plan Sponsor and in accordance the payment details set out in each such First Lien Noteholder's completed Election Form.

(s) [The Plan Sponsor shall undertake not to pursue any relief under the Plan Sponsor Oppression Claim against the Plan Entities and any individual acting in his or her capacity as a Director or Officer.]

(t) Wireless shall pay the Plan Sponsor Fee to the Plan Sponsor.

(u) The New Shareholders' Agreement shall become effective and Holdings shall execute and shall be deemed to have executed such documents as may be necessary or advisable to give effect to the foregoing.

(v) The Intercreditor Agreement shall be cancelled and terminated.

(w) The New Intercreditor Agreement shall become effective.

(x) All of the releases set out in the Plan (except as otherwise expressly provided) will be effected and all Affected Claims and other matters and claims to be released shall be satisfied extinguished, released and forever barred with prejudice.

(y) The directors of Wireless and any Subsidiaries of Wireless shall and shall be deemed to have resigned and the New Boards shall and shall be deemed to have been appointed.

7.3 Post-Implementation Matters

(a) The Monitor shall complete the resolution of the Unresolved Claims in accordance with the Plan Filing and Meeting Order, the Sanction Order and the Plan and complete any remaining distributions to Affected Creditors of the Plan Entities holding Proven Distribution Claims.

(b) The Monitor shall be empowered and authorized to retain such advisors and legal counsel in Canada and in other jurisdictions as it deems necessary and advisable and to pay for such advisors and counsel from <@>.

ARTICLE 8
SANCTION ORDER AND PLAN IMPLEMENTATION

8.1 Application for Sanction Order

If the Plan is approved by the Required Majority in each Class, the Plan Sponsor shall apply to the Court for the Sanction Order. The Plan Sponsor shall use its commercially reasonable efforts to obtain the Sanction Order on or before <@>. Subject to the Sanction Order being granted and the satisfaction or waiver by the applicable Parties of the Conditions Precedent set out in Section 8.3, the Plan will be implemented by the Applicants as provided in Section 7.2.

8.2 Effect of Sanction Order

In addition to sanctioning the Plan, the Plan Sponsor will seek a Sanction Order that will, without limitation to any other terms that it may contain:

(a) confirm that the Meetings have been duly called and held in accordance with the Plan Filing and Meeting Order;

(b) declare that (i) the Plan has been approved by the Required Majority in each Class in conformity with the CCAA; (ii) the Plan Entities have complied with the provisions of the CCAA and the Orders in all respects; (iii) the Court is satisfied that the Plan Entities have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the Transactions are fair and reasonable;

(c) declare that as of the Plan Implementation Date, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases, cancellations, terminations, repudiations, resiliations and the restructuring effected thereby, including the Transactions, are sanctioned and approved and will be binding and effective as herein set out upon the Applicants, all Affected Creditors and all other Persons affected by the Plan;

(d) declare that the compromises, arrangements, discharges and the releases referred to in the Plan (except as otherwise expressly provided) are approved and shall become binding and effective in accordance with the Plan;

(e) declare that the steps to be taken and the compromises and releases to be effected on the Plan Implementation Date are deemed to occur and be effected in the sequential order contemplated by Section 7.2 on the Plan Implementation Date, beginning at the Effective Time;

(f) release, discharge and terminate the Court Charges in respect of the Plan Entities and their respective assets, properties and undertakings on the Plan Implementation Date;

(g) release, discharge and terminate the Existing Security on the Plan Implementation Date;

(h) compromise, discharge and release the Plan Entities from any and all Affected Claims and declare that the ability of any Person to proceed against the Plan Entities in respect of or relating to any such Affected Claims shall be forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims shall be permanently stayed against the Plan Entities, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;

(i) authorize and direct Holdings to (i) incorporate Subco under the OBCA; (ii) transfer the Holdings Intercompany Claims to Subco at fair market value in consideration for the Subco Note, (iii) convert the Subco Note into additional Subco Common Shares, and (iv) transfer 100% of its shares of Subco to Wireless for [one] additional New Common Share, and declare that all rights, remedies and proceedings with respect to, in connection with or relating to the Holdings Intercompany Claims shall be permanently stayed against the Plan Entities;

(j) declare that any Claims for which a Proof of Claim or Noteholder Notice of Dispute has not been filed by the Claims Bar Date shall be forever barred, extinguished and released with prejudice;

(k) declare that, subject to the performance by the Plan Entities of the obligations under the Plan, except as otherwise contemplated in the Plan, all obligations, contracts, agreements, leases or other arrangements to which any one of the Plan Entities is a party shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

(i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;

(ii) that the Applicants have sought or obtained relief or have taken steps as part of the Plan or under the CCAA;

(iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;

(iv) of the effect upon the Applicants of the completion of any of the Transactions; or

(v) of any compromises, settlements, restructurings and releases effected pursuant to the Plan;

(l) declare that all First Lien Notes purchased from any First Lien Noteholder by the Plan Sponsor pursuant to the Purchase Auction shall be:

(i) acquired with good and marketable rights in such First Lien Notes free and clear of any Liens;

(ii) freely voteable in the Meetings without any limitations or restrictions of any nature; and

(iii) free from and no longer subject to any Support Agreement, and without limiting the foregoing, no agreements or restrictions shall in any way limit or restrict the sale and purchase of such First Lien Notes hereunder or the participation of the Plan Sponsor in the CCAA Proceedings in respect of such First Lien Notes and associated First Lien Noteholder Claims.

(m) authorize the Monitor to perform its functions and fulfil its obligations under the Plan to facilitate the implementation of the Plan and expand the powers of the Monitor to perform its obligations under the Plan, including to (i) resolve any Unresolved Claims, (ii) pay the Unaffected Claims (including, to resolve any unresolved Unaffected Claims) in accordance with the Plan, (iii) take all appropriate steps to collect all refunds, dividends, distributions or other amounts payable to the Plan Entities, (iv) implement a claims process to determine and resolve any Post-Filing Claim which is to be paid by the Plan Entities, and (v) such other powers as may be granted by the Court from time to time;

(n) declare that the Stay of Proceedings under the Initial Order continues until the discharge of the Monitor;

(o) pursuant to section 186 of the OBCA, declare that the articles of <@> be amended pursuant to the <@> Articles of Reorganization;

(p) declare that (i) the New Common Shares and the Subco Common Shares shall be validly created, issued and outstanding as fully-paid and non-assessable as of the Effective Time and (ii) the New Second Lien Notes, New Third Lien Notes and New Credit Agreement Lender Rights shall be validly created, issued and outstanding;

(q) declare that (i) the Holdings Existing Security shall (A) cease, and shall be deemed to have ceased, to apply to the indebtedness, liabilities and obligations of Wireless under the First Lien Note Indenture, First Lien Notes, Existing Second Lien Note Purchase Agreement and Existing Second Lien Notes, (B) apply, and shall be deemed to apply, to the indebtedness, liabilities and obligations of Wireless under the New Second Lien Indenture and the New Second Lien Notes, mutatis mutandis, with such changes to the Holdings Existing Security as may be necessary or desirable to reflect the terms and conditions set out in the Recapitalization Transaction Term Sheet and the Plan and such other changes as may be acceptable to the Plan Sponsor, and for greater certainty shall include a pledge of the New Common Shares held by Holdings, and (ii) the Holdings Second Lien Security shall be and shall be deemed to be effective and binding upon Holdings;

(r) provide that section 36.1 of the CCAA, sections 95 to 101 of the BIA and any other federal or provincial Law relating to preferences, fraudulent conveyances, transfers at undervalue, or oppression shall not apply to the Plan or to any payments or distributions made in connection with the restructuring and recapitalization of the Plan Entities, whether before or after the Filing Date, including to any and all of the payments, distributions or transactions, contemplated by and to be implemented pursuant to the Plan;

(s) provide that the Chief Restructuring Officer shall be discharged and released from its obligations on the Plan Implementation Date;

(t) discharge and release any liability of Directors and Officers in accordance with the release set out in Section 9.3(a) and declare that the ability of any Person to proceed against them in respect of or relating to any Affected Claims shall be forever discharged, extinguished, released and restrained;

(u) declare the releases referred to in Section 9.3 are approved and shall become binding and effective in accordance with the Plan;

(v) confirm the releases contemplated in the Plan;

(w) stay the commencing, taking, applying for, issuing or continuing any and all steps or proceedings, including administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any of the Released Parties in respect of any matter released pursuant to the Plan;

(x) declare that the Shareholders' Agreements and the Support Agreements shall be and shall be deemed cancelled and terminated;

(y) declare that the DIP Agreement shall be and shall be deemed to be amended such that the Plan Entities are irrevocably released and discharged from their indebtedness, liabilities and obligations thereunder and the DIP Agreement ceases to be binding upon or of any force or effect on the Plan Entities;

(z) authorize and direct Holdings to execute and deliver all such documents and instruments and do all such acts and things as may be requested by the Plan Sponsor with the approval of the Monitor to carry out the full intent and meaning of the Plan and to give effect to the Transactions;

(aa) without limiting any provision of the Plan or any Order that deems any transaction or event to occur without further formality, authorize and direct the Chief Restructuring Officer for and on behalf of Holdings to execute and deliver all such documents and instruments and do all such acts and things as may be requested by the Plan Sponsor with the approval of the Monitor to carry out the full intent and meaning of the Plan and to give effect to the Transactions;

(bb) authorize the Plan Entities, the Monitor and the Plan Sponsor to apply to the Court for advice and direction in respect of any matter arising from or under the Plan; and

(cc) authorize and direct the Monitor to apply to the Court for its discharge.

8.3 Conditions to Plan Implementation

The implementation of the Plan is subject to the satisfaction or waiver of the following Conditions Precedent prior to or at the Effective Time:

(a) the Plan, the Sanction Order, and all definitive legal documentation in connection with all of the foregoing, including the Transactions, shall be in a form agreed by the Plan Sponsor;

(b) the Plan shall have been approved and sanctioned by the Court, and the Sanction Order shall be in full force and effect and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate court;

(c) the amount of non-capital losses (for purposes of the Canadian Tax Act and any relevant provincial taxing statute) of the Plan Entities available after the implementation of the Plan is satisfactory to the Plan Sponsor;

(d) all filings under applicable Laws shall have been made and any material regulatory consents or approvals that are required in connection with the Transactions shall have been obtained on terms satisfactory to the Plan Sponsor;

(e) all conditions of closing under the Backstop Agreement shall have been satisfied or waived by the applicable parties in accordance with the terms of the Backstop Agreement and the Backstop Agreement shall not have been terminated. For greater certainty, the conditions precedent in this Section 8.3(e) may be waived only upon the consent of all parties who benefit from the particular condition precedent in the Backstop Agreement that remains unsatisfied as at the Effective Time;

(f) no amounts shall have been advanced under the DIP Facility prior to the Effective Time and the DIP Agreement and Plan Entities shall have been released from their indebtedness, liabilities and obligations thereunder and the DIP Agreement ceases to be binding upon or of any force or effect on the Plan Entities;

(g) there shall not exist or have occurred any default or event of default (other than those defaults or events of default that are remedied or waived) under the DIP Agreement;

(h) the Applicants shall have taken all necessary or desirable corporate actions and proceedings in connection with the Plan;

(i) no Law shall have been passed and become effective, the effect of which makes the consummation of the Plan or any Transaction illegal or otherwise prohibited;

(j) all necessary judicial consents and any other necessary or desirable third party consents, if any, to deliver and implement all matters related to the Plan shall have been obtained;

(k) (i) the Plan, the Sanction Order, all other orders, including Orders, and all materials filed by, in respect of or on behalf of the Plan Entities from and after the date of the Backstop Agreement with respect to the Plan and the Transactions shall be in a form agreed to in advance by the Plan Sponsor, each acting reasonably, when filed, and with respect to any and all Orders, shall have been entered in form and substance acceptable to the Plan Sponsor, (ii) the Plan shall have been approved by the Required Majority in each Class, in form and substance satisfactory to the Plan Sponsor, as and to the extent required by the Court in the Plan Filing and Meeting Order, the Sanction Order or otherwise, and (iii) the Plan shall have been approved by the Court, in form and substance satisfactory to the Plan Sponsor and the Sanction Order and all other Orders granted by the Court from and after the date of the Backstop Agreement, which shall also be in form and substance satisfactory to the Plan Sponsor shall be in full force and effect and all applicable appeal periods in respect thereof shall have expired and any appeals therefrom shall have been finally disposed of by the applicable appellate court;

(l) all documents necessary to give effect to all material provisions of the Plan and to facilitate the closing of the Transactions (including the Sanction Order, the Plan, the New First Lien Credit Agreement, the New Credit Agreement Security Documents, the New Second Lien Indenture, the New Second Lien Notes, the New Second Lien Security Documents, the New Third Lien Notes Indenture, the New Third Lien Notes, the New Third Lien Notes Security Documents and all documents related thereto) shall have been entered by the Court or executed and/or delivered by all relevant Persons, as applicable, in form and substance satisfactory to the Plan Sponsor;

(m) the Electing Eligible Investor Aggregate Funding Amounts shall have been deposited by the Participating Eligible Investors with the Trust Company;

(n) the lenders and agent under the New First Lien Credit Agreement, the New Second Lien Trustee, the New Third Lien Trustee, Wireless, SpecCo and NetworkCo shall have entered into an inter-creditor agreement in a form incorporating the relevant terms and conditions of the Recapitalization Transaction Term Sheet and satisfactory to the Plan Sponsor to be presented to the Noteholders not less than seven Business Days prior to the Meetings (the "**New Intercreditor Agreement**");

(o) Articles of arrangement shall have been filed pursuant to section 192 of the CBCA in form and substance satisfactory to the Plan Sponsor which articles shall, among other things, cancel all issued and outstanding Existing Shares, and provide that after giving effect to the foregoing, the authorized capital of Wireless shall consist of the Common Shares only;

(p) the Certificate of Arrangement shall have been received;

(q) the New Common Shares, New Second Lien Notes, New Third Lien Notes and New Preferred Shares to be issued pursuant to or in connection with the Plan shall be exempt from the prospectus requirements of Canadian provincial securities laws;

(r) the Plan Sponsor shall have been granted the right, on terms satisfactory to the Plan Sponsor, to appoint and hold a majority of the board seats of Wireless and any Subsidiaries of Wireless;

(s) other than as provided for in the Plan, none of Wireless, SpecCo, NetworkCo or any Subsidiary of any of them shall have offered, placed or arranged the issuance of any debt, securities or commercial bank facilities or given any guarantees or granted any security in respect thereof or in connection therewith without the prior written consent of the Plan Sponsor;

(t) as of the Plan Implementation Date, no event or events shall have occurred or exist, as determined by the Plan Sponsor, in its sole discretion, of whatever nature, foreseeable or unforeseeable, that could reasonably be expected to have a material adverse effect, individually or in the aggregate, on (i) the business, financial condition or prospects, short or long-term, of the Plan Entities or any Subsidiary thereof, (ii) the industry in which the Plan Entities or any Subsidiary thereof operates, (iii) domestic or international debt or capital markets, or (iv) the Transactions;

(u) all senior officer and employee employment agreements shall have been modified to reflect the revised capital structure of the Plan Entities following implementation of the Plan, including to provide that the implementation of the Plan does not constitute a change of control under such employment agreements, and no change of control payments shall be owing or payable to the Plan Entities' officers or employees in connection with the implementation of the Plan; and

(v) no insurer under an insurance policy pursuant to which a Director or Officer is insured in his or her capacity as a Director or Officer shall have an unresolved objection, filed in the CCAA proceedings, to the implementation of the Plan.

8.4 Monitor's Certificate

Upon the satisfaction or waiver of the Conditions Precedent, the Plan Entities and the Plan Sponsor shall so advise the Monitor in writing and the Monitor shall deliver to the Plan Entities and the Plan Sponsor the certificate of the Monitor in form acceptable to the Plan Sponsor and the Monitor or as the Court may otherwise approve (the "**Monitor's Certificate**"). On or forthwith following the Plan Implementation Date, the Monitor shall file such Monitor's Certificate with the Court and shall post a copy of same, once filed, on the Website.

8.5 Outside Date

If the Conditions Precedent are not satisfied on or before the Outside Date, unless such date is extended in accordance with the Backstop Agreement, the Plan and the Sanction Order shall cease to have any further force or effect and will not be binding on any Person.

ARTICLE 9
EFFECT OF THE PLAN

9.1 Effect of the Plan Generally

Following completion of the steps in the sequence set forth in Section 7.2, the Plan will constitute: (a) full, final and absolute settlement, and a release, extinguishment and discharge of all indebtedness, liabilities and obligations of or in respect of all Affected Claims (other than the Holdings Intercompany Claims); and (b) a reorganization of the Business.

9.2 Prosecution of Judgments

From and after the completion of the steps to be taken at the Effective Time as set out in Section 7.2, no step or proceeding may be taken in respect of any action, suit, judgment, execution, cause of action or similar proceeding in connection with any Affected Claim against the Plan Entities and any such proceedings will be deemed to have no further effect against any Plan Entity or any of its assets and will be released, discharged, dismissed or vacated without cost to the Plan Entities. Any Plan Entity may apply to the Court or any court of competent jurisdiction to obtain a discharge or dismissal, if necessary, of any such proceedings without notice to the Affected Creditor.

9.3 Release of Plan Entities Released Parties and Noteholders Released Parties

(a) At the Effective Time, each of the Plan Entities Released Parties shall be released and discharged from any and all demands, claims, liabilities, indebtedness, obligations, causes of action, debts, accounts, covenants, damages, executions and other recoveries of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including without limiting the generality of the foregoing, any security interest (excluding the Holdings Existing Security and the Holdings Second Lien Security), charge, mortgage or other encumbrance in connection with any of the foregoing, of any Person based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time, and relating to, arising out of, or in connection with the First Lien Note Indenture, the First Lien Notes, the Existing Second Lien Note Purchase Agreement, the Existing Second Lien Notes, the Backstop Agreement, the DIP Agreement, the DIP Notes, the Existing Shares and the Existing Share Options, any Support Agreement, the Plan, the Transactions and any proceedings commenced with respect to or in connection with this Plan (collectively, "**Released Claims**"); provided that nothing in this paragraph shall release or discharge any of the Plan Entities Released Parties from or in respect of its obligations under the Plan or under any Order or any of its debt obligations or other obligations and related guarantees and security which under the Plan shall remain outstanding and in effect after the Effective Time.

(b) At the Effective Time, each of the Noteholders Released Parties shall be released and discharged from any and all Released Claims of any Person; provided that nothing in this paragraph shall release or discharge any of the Noteholders Released Parties from or in respect of its obligations under this Plan or under any Order, as the case may be.

9.4 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (e) taking any actions to interfere with the implementation or consummation of the Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under the Plan.

9.5 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant (except for the Holdings Existing Security and the Holdings Second Lien Security) in respect of any Claim that is compromised or released under the Plan or who has any right to claim over in respect of, or to be subrogated to the rights of, any Person in respect of a Claim that is compromised or released under the Plan will be entitled to any additional rights beyond the rights of the Affected Creditor whose Claim is compromised or released under the Plan.

9.6 Consents, Waivers and Agreements

At the Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

(a) to have executed and delivered to the Plan Entities all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;

(b) to have waived any default by or rescinded any demand for payment against any Plan Entity that has occurred on or prior to the Plan Implementation Date pursuant to, based upon or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Affected Creditor and such Plan Entity with respect to an Affected Claim;

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and any Plan Entity with respect to an Affected Claim as at the Plan Implementation Date and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and

(d) from and after the Effective Time, such Affected Creditor shall and shall be deemed to have waived any and all defaults of the Plan Entities (except defaults under the securities, contracts, instruments, releases and other documents delivered under the Plan or entered into in connection therewith or pursuant thereto) then existing or previously committed by the Plan Entities or caused by the Plan Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Affected Creditor and the Plan Entities arising from the filing by the Plan Entities under the CCAA or the Transactions and the failure by any Plan Entity to receive any consent from such Affected Creditor to any Transaction, and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall and shall be deemed to have been rescinded.

9.7 Multiple Affected Claims

At the Effective Time, for distribution purposes under the Plan, in respect of all Affected Creditors and their rights in respect of Affected Claims: (a) all guarantees and indemnities of a Plan Entity of the payment or performance by another Plan Entity with respect to any Affected Claim will be deemed eliminated and cancelled; and (b) any Affected Claim against a Plan Entity and all guarantees and indemnities by a Plan Entity of any such Affected Claim will be treated as a single Affected Claim against the Plan Entities.

For greater certainty, the treatment of Affected Claims as provided in this Section 9.7 will not affect the legal and corporate structures of the Plan Entities or cause any Plan Entity to be liable for any Claim for which it is not otherwise liable.

ARTICLE 10
GENERAL

10.1 Amendments

Before and during each Meeting, the Plan Entities may at any time and from time to time, amend the Plan by written instrument and the Monitor shall post such amendment on the Website, subject to the receipt of the prior written consent to such amendment of the Plan Sponsor. The Plan Entities will give reasonable written notice to all Affected Creditors present at each Meeting of the details of any such amendment prior to the vote being taken to approve the Plan. After the Meetings, the Plan Entities may at any time and from time to time amend the Plan by written instrument if (a) the Court, the Plan Entities and the Plan Sponsor, or (b) the Monitor, the Plan Entities and the Plan Sponsor without the need for obtaining an Order, consent to such amendment and determine that such amendment would not be materially prejudicial to the interests of the Affected Creditors under the Plan or is necessary to give effect to the full intent of the Plan or the Sanction Order, provided that the Plan Entities shall give reasonable written notice of the details of any such amendment to Affected Creditors that have filed a notice of appearance in the CCAA Proceedings and shall post such notice on the Website. The Plan Entities will file a copy of any amendment to the Plan with the Court, but no notice will be provided to Affected Creditors, other than as provided in this Section 10.1, and no additional vote of the Affected Creditors will be necessary to give effect to such amendment to the Plan.

10.2 Non-Consummation of the Plan

If the Sanction Order is not issued, the Plan will be null and void in all respects and any claim, settlement, compromise or assignment embodied in the Plan, any restructuring, termination, disclaimer or resiliation of executory contracts, any releases effected by the Plan and any document or agreement executed pursuant to the Plan will be deemed null and void. If the Sanction Order is not issued or subsequently the Plan is not implemented, nothing contained in the Plan, and no act taken in preparation for implementation of the Plan will: (a) constitute or be deemed to constitute a waiver or release of any Claims by or against any Plan Entity or any Person; (b) prejudice in any manner, the rights of any Plan Entity or any Person in any further proceedings involving a Plan Entity; or (c) constitute an admission of any sort by any Plan Entity or any other Person, including in respect of the classification of creditors.

10.3 Contracts and Leases

Except as otherwise provided in the Plan, as of the Effective Time, each Plan Entity shall and shall be deemed to have ratified each executory contract and unexpired lease to which it is a party, unless such contract or lease: (a) previously expired or terminated pursuant to its own terms; or (b) was amended as evidenced by a written agreement with the Plan Entity and in such case, the amended contract or lease shall be and shall be deemed ratified.

10.4 Preferential Transactions

Section 36.1 of the CCAA, sections 95 to 101 of the BIA and any federal or provincial Law relating to preferences, fraudulent conveyances, transfers at undervalue or oppression shall not apply to the Plan or to any payments or distributions made in connection with the restructuring and recapitalization of the Plan Entities, whether made before or after the Filing Date, including to any and all transactions contemplated by and to be implemented pursuant to the Plan.

10.5 Severability of Plan Provisions

If, prior to the Effective Time, any provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Plan Entities and subject to the consent of the Monitor and the Plan Sponsor, may alter and interpret such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of such provision, and such provision will then be applicable as altered or interpreted and the remainder of the provisions of the Plan will remain in full force and effect and will in no way be invalidated by such alteration or interpretation.

10.6 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.7 Paramountcy

Except with respect to the Unaffected Claims, from and after the Effective Time, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, support agreement, standstill agreement, agreement for sale, shareholders' agreement, bylaws of the Plan Entities, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Plan Entities as at the Plan Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

10.8 Set-Off

The law of set-off applies to all Affected Claims.

10.9 Responsibilities of the Monitor

E&Y is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Plan Entities and not in its personal or corporate capacity and will not be responsible or liable for any obligations of any Plan Entities under the Plan or otherwise, including with respect to the making of distributions or the receipt of any distribution by an Affected Creditor pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA, the Initial Order, the Plan Filing and Meeting Order, the Sanction Order and any other Order.

10.10 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity in accordance with the Plan Filing and Meeting Order. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless otherwise provided in the Plan Filing and Meeting Order, or unless expressly agreed by the Person in writing.

10.11 Further Assurances

At the request of the Plan Entities, each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the Transactions, notwithstanding any provision of the Plan that deems any transaction or event to occur without further formality.

10.12 Governing Law

The Plan will be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein.

10.13 Notices

Any notice or communication in respect of a notice of dispute of claim filed with the Monitor must be delivered to the Monitor in accordance with the Plan Filing and Meeting Order. Any other notice or other communication to be delivered or filed hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, facsimile or by e-mail (scanned copy) addressed to the respective parties as follows:

(a) if to the Plan Entities:

101 Exchange Avenue
Vaughan, Ontario L4K 5R6

Attention: <@>
Fax No.: <@>
E-mail: <@>

with a copy to:

<@>

Attention: <@>
Fax No.: <@>
E-mail: <@>

(b) if to any other Affected Creditor:

to the known address (including facsimile number or e-mail) for such Affected Creditor or the address for such Affected Creditor specified in the notice of dispute of claim filed by such Affected Creditor in the CCAA Proceedings.

(c) if to the Monitor:

Ernst & Young Inc.
<@>

Attention: Mike Dean
Fax No.: <@>
E-mail: <@>

with a copy to:

<@>

Attention: <@>
Fax No.: <@>
E-mail: <@>

(d) if to the Plan Sponsor:

The Catalyst Capital Group Inc.
77 King Street West
Royal Trust Tower, TD Bank Centre
Suite 4320, P.O. Box 212
Toronto, Ontario M5K 1J3

Attention: Gabriel de Alba
Fax No.: 416-945-3060
E-mail: gdealba@catcapital.com

with a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, Ontario M5H 2T6

Attention: J.A. Levin
Fax No.: 416-364-7813
E-mail: jlevin@fasken.com

or to such other address as any party may from time to time notify the others in accordance with this Section 10.13. All such communications that are delivered will be deemed to have been received on the day of delivery. All such communications that are sent by facsimile or e-mail (scanned copy) will be deemed to be received on the day sent if sent before 5:00 p.m. on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such facsimile or e-mail (scanned copy) was sent. Any notice or other communication sent by mail will be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by any Plan Entity to give a notice contemplated hereunder will not invalidate any action taken by any Person pursuant to the Plan.

Dated as of the <@> day of <@>, 2014.

This is **Exhibit "I"** to the
Affidavit of James Riley
sworn before me this 26th
day of November, 2014

David Moore

A Commissioner, etc.

Bellmore & Moore
Barristers & Solicitors

Brian P. Bellmore, B.Sc., LL.B., LL.M.
David C. Moore, B.Sc., LL.B.
Karen M. Mitchell, B.A., LL.B.
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BY EMAIL to: walied.soliman@nortonrosefulbright.com
and to: orestes.pasparakis@nortonrosefulbright.com

October 27, 2014

Norton Rose Canada LLP
Royal Bank Plaza, South Tower
200 Bay St., Suite 3800
Toronto, ON M5J 2Z4

Attn: Walied Soliman and Orestes Pasparakis

Dear Messrs. Soliman and Pasparakis:

Re: In the Matter of Data & Audio-Visual Enterprises Holdings Inc., et al.
Court File No. CV-13-10274-00CL

1. This is further to my telephone messages late last week.

2. Two quick things:

Follow-up re Court Availability

3. The recently posted AWS-3 Auction rulings and schedule mean that by 12:00 noon on January 30, 2015, a restructured Mobilicity needs to be in a position to:

(1) file a formal application with Industry Canada showing that it is a qualified bidder for the set-aside ASW-3 Spectrum, and,

(2) at the same time, deliver a deposit in the amount of at least $ 62,000,000 (based upon Industry Canada's suggested "Opening Bids" for the 4 regions in which Mobilicity currently operates).

4. It is going to be very difficult to achieve everything that needs to be done to make this possible.

5. There are 4 distinct things that need to be accomplished:

Bellmore & Moore

(1) Catalyst and the key stakeholders need to continue their discussions about the term sheet and Draft Plan that have been circulated and agree upon a CCAA Plan for filing.

(2) Based upon the current Draft Plan, several Court hearings need to be conducted and orders must be issued, including:

(a) an Order to satisfy the "Dutch Auction" preconditions;

(b) Plan Filing and Meeting Orders, and

(c) a Sanction Order.

It is possible there may be a need for other additional/ancillary orders/directions in the CCAA process.

(3) Once the final CCAA Orders are issued and a definitive CCAA Plan is in place, regulatory approvals must be sought and obtained. I am advised that this includes Competition Act and Industry Canada approvals. I am further advised that Industry Canada officials will not, in keeping with their usual practice, consider/grant approvals unless a definitive transaction is placed before them.

(4) Assuming the above conditions can be satisfied, the documentation necessary for the implementation of the transactions under the CCAA Plan will need to be finalized and the restructuring transactions will need to be closed.

6. Once all of these steps have been completed, the restructured Mobilicity will be in a position to register for the AWS-3 Auction and file the pre-auction deposit in accordance with the requirements summarized above.

7. In light of the foregoing, and the potential scheduling difficulties which may arise, I have been instructed to deliver a Notice of Motion to seek scheduling directions from the Court. Said Notice of Motion is enclosed pursuant to the *Rules of Civil Procedure*.

8. This Notice of Motion does not specify any return date. Rather, my suggestion is that it be reviewed and the scheduling issues be canvassed informally at a 9:30 am appointment with Justice Newbould in the near future.

9. I would appreciate your thoughts as to the timing of such an attendance. Catalyst would also appreciate your input as to steps that might be taken to streamline/expedite the above processes and steps: perhaps this can be discussed in the meeting(s) regarding the Draft Plan.

Bellmore & Moore

Catalyst Press Release

10. Catalyst will be issuing a press release indicating that it has delivered a Draft Plan to Mobilicity and key stakeholders for the purposes, *inter alia*, of enabling a restructured Mobilicity to bid in the upcoming AWS-3 Auction and to continue its operations as a fully-financed participant in the wireless sector with the benefit of AWS-3 Spectrum.

Yours very truly,
BELLMORE & MOORE

David Moore

Per: David C. Moore
DCM/bh

Enclosure

cc:	Robert Chadwick	rchadwick@goodmans.ca
	Leanne Williams	lwilliams@tgf.ca

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Applicants

NOTICE OF MOTION
(SCHEDULING DIRECTIONS)

Catalyst Capital ("**Catalyst**") will make a motion to a Judge presiding over the Commercial List on a date and time to be fixed by the Court, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. Directions with respect to the scheduling of Court attendances and motions herein to ensure that the steps required to implement restructuring of the operations of Mobilicity can be completed in time to enable a restructured Mobilicity ("**New Mobilicity**") (a) to register and participate in the upcoming auction for set-side AWS-3 Spectrum, in accordance with rules, deadlines and procedures recently announced by Industry Canada, and (b) to continue and expand its operations as a well-financed participant and, robust competitor in the wireless sector, and,

2. Such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

3. In furtherance of the objectives identified in paragraph 1 herein, Catalyst has proposed a term sheet and a detailed restructuring plan ("**Draft Plan**") to Mobilicity and certain of its key stakeholders.

4. Specifically, the proposed Draft Plan contemplates a substantial (up to $400,000,000 CDN) injection of cash into Mobilicity, to enable New Mobilicity to participate in the recently announced auction for AWS-3 Spectrum and to compete thereafter with the benefit, *inter alia*, of AWS-3 Spectrum.

5. The Draft Plan contemplates that First Lien Noteholders would be provided with an option to either (a) participate in the Draft Plan, including as lenders, if desired, or (b) to dispose of their holdings pursuant to a form of "Dutch Auction", if so advised.

6. Participation by non-incumbents in the AWS-3 Spectrum Auction is a valuable business opportunity and it will be extremely prejudicial to Mobilicity and its stakeholders if this opportunity is lost.

7. The notice , rules and procedures currently issued by Industry Canada with respect to the AWS-3 Spectrum Auction include the following:

   (a) Non-incumbents who wish to participate in the auction for "set-aside" AWS-3 Spectrum must file a formal application with Industry Canada by 12:00 noon on January 30, 2015;

   (b) The aforementioned application must demonstrate that the proposed bidder for "set-aside" AWS 3 Spectrum is qualified AND must be accompanied by a pre-auction deposit in the amount of the applicant's "Opening Bid";

   (c) The minimum "Opening Bids" proposed by Industry Canada for set-aside AWS-3 Spectrum have been set out in Table 4 of Industry Canada's July 28, 2014 Notice;

   (d) Said Notice identifies the following minimum Opening Bids in respect of the four geographic areas where Mobilicity provides services to its subscribers:

(i)	Southern Ontario:	$ 33,300,000
(ii)	Eastern Ontario and Outaouais:	$ 5,600,000
(iii)	Alberta:	$ 9,900,000
(iv)	British Columbia:	$ 13,300,000
		$ 62,000,000

8. By reason of the above, in order to participate in the AWS-3 Spectrum Auction in the areas which are key to its current operations, by 12:00 noon on January 31, 2015, New Mobilicity needs to be able to deliver a $62,000,000 pre-auction deposit to Industry Canada;

9. Barring the closing of a successful restructuring in advance of January 30, 2015, the opportunity to participate in the AWS-3 Auction will be lost.

10. Under the Draft Plan, there are four distinct things that need to be completed prior to January 30, 2015:

    (a) the relevant parties must agree to and finalize the terms of the Draft Plan and convert same into a formal plan for filing ("**CCAA Plan**") and consideration by this Court;

    (b) several hearings must be conducted and Court Orders must be obtained in connection with the CCAA Plan, as detailed in paragraph 11 below;

    (c) once the requisite Court Orders have been obtained, regulatory approvals (including pursuant to the Competition Act and from Industry Canada) must be obtained; and,

    (d) once the conditions relating to the issuance of Court Orders and the regulatory approvals have been satisfied, all of the remaining corporate and legal steps to implement the CCAA Plan and close the restructuring transactions provided for therein must be completed.

11. The Court Orders contemplated by the Draft Plan include the following:

    (a) to enable the "Dutch Auction" option to be exercised, Court Orders with respect to the Support Agreements are needed;

    (b) Plan Filing and Meeting Orders are needed;

    (c) the steps resulting from the anticipated Plan Filing and Meeting Orders need to be conducted, and,

    (d) a Sanction Hearing needs to be conducted and a Sanction Order issued.

12. It will only be possible to approach the governmental authorities for the required regulatory approvals once all of the above steps are completed and orders are issued: Industry Canada's practice appears to require that a definitive transaction exist before regulatory approval will be considered;

13. In light of the above, it is appropriate to seek directions and guidance from the Court regarding the Court's availability and to obtain a schedule or tentative schedule for the above Court filings and attendances, to ensure that these steps can be conducted in a timely manner. Failing this, practical constraints may make it impossible to complete all

of the steps required to enable New Mobilicity to register for the AWS-3 Auction in accordance with the existing rules.

14. Rules 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure,* R.R.O. 1990, Reg. 194, as amended; and

15. Such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

16. The Draft Plan, attached as **Schedule A** hereto;

17. The Affidavit of James Riley, to be filed;

18. Such further and other material as counsel may advise and this Court may permit.

October 27, 2014

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Lawyers for the Monitor

Court File No. CV-13-10274-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF
A PLAN OF COMPROMISE OR ARRANGEMENT OF 8440522 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., AND DATA & AUDIO VISUAL ENTERPRISES HOLDINGS INC.

APPLICANTS

CONSOLIDATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

PURSUANT TO THE
COMPANIES' CREDITORS ARRANGEMENT ACT (CANADA) AND
CANADA BUSINESS CORPORATIONS ACT

concerning, affecting and involving

8440522 CANADA INC. AND
DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.,

<@>, 2014

TABLE OF CONTENTS

CONSOLIDATED PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

This is the consolidated plan of compromise, arrangement and reorganization of 8440522 Canada Inc. and Data & Audio-Visual Enterprises Wireless Inc. pursuant to the *Companies' Creditors Arrangement Act* (Canada) and the *Canada Business Corporations Act*.

BACKGROUND

A. Each of the Applicants is a debtor company (as defined in the CCAA).

B. On April 25, 2013, the Applicants commenced two separate arrangement proceedings under the CBCA as part of their restructuring efforts. Pursuant to these arrangement proceedings, the Applicants sought to either reach agreement with a willing buyer who could finance the operations going forward or to restructure their capital and secure additional funding in order to advance their businesses. The Applicants proposed two separate Plans of Arrangement which were mutually exclusive but were advanced concurrently.

C. The two CBCA Plans of Arrangement were an acquisition plan (the "**Acquisition Plan**") and a recapitalization plan (the "**Re-Cap Plan**"). The Acquisition Plan provided the framework for a potential purchaser to implement an acquisition of the Applicants on a going concern basis and provided for the repayment of the First Lien Notes and the Existing Second Lien Notes, with any remaining proceeds being distributed to holders of unsecured debt securities in accordance with their priorities. The Re-Cap Plan would have provided for the subscription by certain existing debt holders for $75 million in principal value of new second lien notes. The proceeds of the new second lien notes would be used to: (i) repay the Existing Second Lien Notes; and (ii) the remainder would be used for general corporate purposes.

D. Interim orders (the "**Interim Orders**") were granted under the CBCA in respect of the Acquisition Plan and the Re-Cap Plan by the Honourable Mr. Justice Wilton-Siegel of the Court on April 26, 2013.

E. The Applicants announced on February 12, 2013 a financing by way of the issue by Wireless of the Existing Second Lien Notes. Shortly after the announcement the Plan Sponsor commenced the Plan Sponsor Oppression Claim.

F. After the Interim Orders were granted, the Applicants reached an agreement with TELUS Corporation for the sale of the Applicants for $380 million (the "**TELUS Sale**") subject to certain adjustments, pursuant to a CBCA Plan of Arrangement based upon the form of framework Acquisition Plan, with certain modifications to implement the TELUS Sale (the "**TELUS Acquisition Plan**").

G. The Applicants held meetings of its creditors to consider and vote on the TELUS Acquisition Plan. A majority of the Applicants' respective creditors voted to approve the TELUS Acquisition Plan and, on May 28, 2013, the Honourable Mr. Justice Campbell of the Court granted a final order under the CBCA approving the TELUS Acquisition Plan subject to a number of terms and conditions.

H. The federal Minister of Industry announced on June 4, 2013 that Industry Canada would not approve TELUS Corporation's application to transfer certain spectrum licenses from the Applicants to TELUS Corporation as part of the TELUS Sale. As a result of Industry Canada's refusal, the TELUS Sale could not be completed.

I. Following Industry Canada's rejection of the TELUS Sale, the Applicants reported continued discussions with certain undisclosed parties in connection with alternative acquisition transactions. In particular, the Applicants solicited and received an expression of interest from a significant U.S.-based wireless service provider. The Applicants granted due diligence access to the potential acquirer and engaged in detailed discussions about a potential sale transaction. However, in early September 2013, the potential acquirer announced that it would not be continuing with negotiations.

J. During September 2013 the Applicants developed another proposed transaction with prospective purchasers but this proposed transaction also did not proceed.

K. Due to the insolvency of the Applicants and the liquidity crisis the Applicants faced in September 2013, the Applicants sought and on September 30, 2013 obtained the Initial Order providing, among other things, protection under the CCAA, and approval of a DIP loan agreement with certain holders of the Notes.

L. On April 23, 2014 the Court ordered that the parties involved in the TELUS Sale attend a mediation to mediate any outstanding issues relating to the completion of the TELUS Sale before the Honourable Former Chief Justice of Ontario Warren Winkler (the "**Mediator**"). On September 14, 2014 the Mediator gave notice to the relevant parties that the mediation had been terminated.

M. Stay extension orders have been obtained since the Initial Order to extend the stay under the CCAA Proceeding until December 1, 2014. The Applicants have not satisfied the conditions under the DIP loan agreement to drawdown under the DIP facility and have not put forward a cohesive restructuring plan to date.

N. None of the initiatives proposed by the Applicants to restructure the Applicants prior to or under the CCAA Proceeding has been viable. The substantial delay in obtaining a successful restructuring is rapidly and significantly eroding value for the Applicants' stakeholders.

O. The liquidity crisis for the Applicants has not improved and the 2015 AWS-3 wireless spectrum auction is rapidly approaching. The Plan Sponsor has proposed the Plan which has been endorsed and recommended by the Chief Restructuring Officer and the Monitor and which the Plan Sponsor understands is generally supported by a number of stakeholders.

P. The purpose of the Plan is (i) to effect a compromise and settlement of all Affected Claims against the Plan Entities as finally determined in accordance with the Plan Filing and Meeting Order, the CCAA and the Plan; (ii) to facilitate the closing of the transactions contemplated in the Recapitalization Transaction Term Sheet; (iii) to provide the Plan Entities with additional liquidity to enable the Business to continue on a going concern basis as a viable and competitive participant in the Canadian wireless telecommunications industry; (iv) to facilitate the continuation of substantial employment; and (v) to maintain choice for the general public in respect of wireless telecommunications providers. The Plan is put forward in the expectation that stakeholders generally will derive a greater benefit from the implementation of the Plan than would result from a bankruptcy or liquidation of the Plan Entities.

Q. Unless otherwise defined in the Background, each defined term in the Background is used with the defined meaning given to it in the Plan.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or the context otherwise requires:

"**8440522**" means 8440522 Canada Inc., a corporation governed by the CBCA, and it successors.

"**Ad Hoc Committee**" means the informal *ad hoc* committee of certain Noteholders represented by its legal counsel, Goodmans LLP, as such committee may be constituted from time to time.

"**Administration Charge**" means the charge created under paragraph 32 of the Initial Order as security for the professional fees and disbursements of the Monitor, counsel to the Monitor, the Applicants' counsel, counsel for the DIP Lenders and the Ad Hoc Committee, National Bank of Canada and Canaccord Genuity, the Chief Restructuring Officer and counsel to any board of directors of the Applicants.

"**Adjusted Pro Rata Share**" means:

(a) in respect of the New Credit Facility Privilege Commitment Amount, the percentage that a Participating Eligible Investor's Secured Portion of its First Lien Noteholder Claim immediately after the Electing Eligible Investors Funding Deadline bears to the aggregate of all Participating Eligible Investors' Secured Portion of their First Lien Noteholder Claims calculated immediately after the Electing Eligible Investors Funding Deadline; and

(b) in respect of the New Third Lien Privilege Notes, the percentage that a Participating Eligible Investor's Secured Portion of its First Lien Noteholder Claim immediately after the Electing Eligible Investors Funding Deadline bears to the aggregate of all Participating Eligible Investors' Secured Portion of their First Lien Noteholder Claims calculated immediately after the Electing Eligible Investors Funding Deadline.

"**Affected Claims**" means the First Lien Noteholder Claims, Existing Second Lien Noteholder Claims, Holdings Intercompany Claims and Equity Claims.

"**Affected Creditor**" means any Person having an Affected Claim in respect of and to the extent of such Affected Claim, and includes the transferee or assignee of a transferred or assigned Affected Claim who is recognized as an Affected Creditor by the relevant Plan Entity and the Monitor in accordance with the Plan Filing and Meeting Order, or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

"**Applicants**" means, collectively, 8440522, Wireless and Holdings.

"**Arrangement**" means an arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and Section 10.1 of the Plan or made at the direction of the Court in the Sanction Order or otherwise with the consent of the Plan Entities and the Plan Sponsor, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement, dated <@>, amongst the Plan Entities and any amendment thereto made in accordance with such agreement and with the consent of the Plan Sponsor, acting reasonably.

"**Articles of Arrangement**" means the articles of arrangement of <@> in respect of the Arrangement, that are required to be filed with the CBCA Director after the Sanction Order is made in order for the Arrangement to become effective on the Plan Implementation Date.

"**Backstop Agreement**" means the backstop agreement dated <@>, 2014 between, among others, Wireless and the Plan Sponsor, attaching and incorporating therein the Recapitalization Transaction Term Sheet.

"**Backstop Funding Deadline**" has the meaning given to such term in Section 5.2(i).

"**Backstopped New Third Lien Notes**" has the meaning given to such term in Section 5.2(h)(ii).

"**Beneficial First Lien Noteholder**" means a beneficial owner of any First Lien Notes as at the Voting Record Date (or, if applicable, an investment advisor, manager or representative with voting discretion over the First Lien Notes owned by such beneficial owner), regardless of whether such beneficial owner is a Registered Noteholder.

"**Beneficial Second Lien Noteholder**" means a beneficial owner of any Second Lien Notes as at the Voting Record Date (or, if applicable, an investment advisor, manager or representative with voting discretion over the Second Lien Notes owned by such beneficial owner), regardless of whether such beneficial owner is a Registered Noteholder.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada).

"**Bid Price**" means, with respect to any holder of First Lien Notes that elects on its Election Form to participate in the Plan Sponsor Purchase Offer, the price specified by such holder on its Election Form for which it would be willing, subject to the terms and conditions of the Plan Sponsor Purchase Offer, to exchange each $1,000 principal amount of First Lien Notes provided however, that (a) the Bid Price must be in increments of \$10.00 and within a range between \$<@> and \$<@>, (b) if the Bid Price is not submitted in a whole increment of \$10.00, such Bid Price will be rounded down to the nearest \$10.00 increment, (c) if a holder of First Lien Notes elects to participate in the Plan Sponsor Purchase Offer but does not specify its Bid Price or it specifies a Bid Price that is less than \$<@>, then the Bid Price for such holder shall be \$<@>, and (d) if the holder specifies a Bid Price that is greater than \$<@>, then such holder's First Lien Notes will not be accepted for exchange in the Plan Sponsor Purchase Offer and will not be used for purposes of calculating the Clearing Price or the Plan Sponsor Purchase Offer Consideration.

"**Break Fee**" means the break fee in the amount equal to [3%] of the total enterprise value of the Plan Entities, which amount shall be payable by Wireless to the Plan Sponsor subject to and in accordance with the terms and conditions of the Backstop Agreement.

"**Business**" means the business of the Plan Entities to provide wireless telecommunication services to Canadian consumers.

"**Business Day**" means a day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario.

"**Canadian Tax Act**" means the *Income Tax Act* (Canada).

"**CBCA**" means the *Canada Business Corporations Act*.

"**CBCA Director**" means the Director appointed under section 260 of the CBCA.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CCAA Proceedings**" means the proceedings under the CCAA commenced by the Applicants pursuant to a notice of application dated September 29, 2013 in which the Initial Order was made.

"**CDS**" means CDS Clearing and Depository Services Inc., or any successor thereof.

"**Certificate of Arrangement**" means the certificate giving effect to the Arrangement, to be issued by the CBCA Director pursuant to section 192(7) of the CBCA upon receipt of the Articles of Arrangement in accordance with section 262 of the CBCA.

"**Chief Restructuring Officer**" means BlueTree Advisors II Inc.

"**Claim**" means any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against any of the Plan Entities, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any claim arising from or caused by the termination, disclaimer, resiliation, assignment or repudiation by any of the Applicants of any contract, lease or other agreement, whether written or oral, any claim made or asserted against any of the Plan Entities through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, including without limiting the generality of the foregoing, any security interest, charge, mortgage or other encumbrance in connection with any of the foregoing.

"**Claims Bar Date**" means 5:00 p.m. on <@>, or such other date as may be ordered by the Court.

"**Classes**" means, collectively, the First Lien Noteholders Secured Class and the Undersecured Noteholders Class.

"**Clearing Price**" means the lowest Bid Price, as determined based upon each Bid Price's percentage of the respective First Lien Note's principal amount, such that the aggregate purchase price to purchase all First Lien Notes electing to participate in the Plan Sponsor Purchase Offer would equal or exceed $<@> million.

"**Common Shares**" means the common shares in the capital of Wireless.

"**Conditions Precedent**" means the conditions precedent to implementation of the Plan, and the Transactions as set out in Section 8.3.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Court Charges**" means, collectively, the Administration Charge, the Directors Charge, the DIP Charge and the KERP Charge.

"**Creditor**" means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a personal representative, trustee, interim receiver, receiver, receiver and manager, liquidator or other Person acting on behalf of such Person.

"**DIP Agreement**" means the DIP note purchase and guarantee agreement made as of September 30, 2013 among Wireless, as issuer, Holdings, as guarantor, the DIP Lenders and Equity Financial Trust Company, as collateral agent.

"**DIP Charge**" means the charge in favour of the DIP Lenders as created under paragraph 45 of the Initial Order.

"**DIP Facility**" means the credit facility established pursuant to the DIP Agreement.