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., DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. AND 2451608 ONTARIO INC.

Applicants

AFFIDAVIT OF WILLIAM E. AZIZ
(June 29, 2015)

I, WILLIAM E. AZIZ, of the Town of Oakville, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of BlueTree Advisors II Inc. ("**BlueTree**"), which has been retained by Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**") to provide my services to Holdings and its affiliates (collectively, with Holdings, the "**Mobilicity Group**") as Chief Restructuring Officer of the Mobilicity Group. I am a director of each of the Mobilicity Group entities. BlueTree was retained pursuant to an Engagement Letter dated April 24, 2013.

2. My engagement was ratified and confirmed by Order of this Court on September 30, 2013 (as amended, the "**Initial Order**").

3. I have been overseeing the restructuring efforts of the Mobilicity Group since April 24, 2013 and, as such, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have spoken with certain of the directors, officers, advisors and/or employees of the Mobilicity Group, as necessary, and, where I have relied upon information from such discussions, I believe such information to be true.

4. On June 24, 2015 this Court granted an Order (the "**Sale Approval Order**"), among other things, approving a transaction (the "**Rogers Sale**") contemplated by a share purchase agreement (the "**Sale Agreement**") between Holdings, Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**")[1] and Rogers Communications Inc. ("**Rogers**") in respect of the shares of Wireless and approving the execution of the Sale Agreement by Holdings and Wireless.

5. The Sale Approval Order also approved a letter agreement between Holdings, Wireless and The Catalyst Capital Group Inc. on its own behalf and on behalf of the funds that it manages (collectively, "**Catalyst**").

6. I swear this Affidavit in support of a motion under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") seeking an order, among other things:

(a) directing the payment of all of Wireless' cash on hand to Holdings immediately prior to closing of the Rogers Sale;

(b) vesting in Rogers' designated affiliate all of Holdings' right, title and interest in and to the shares of Wireless (the "**Purchased Shares**") and all claims, if any, against Wireless by Holdings (the "**Holdings Claims**") free and clear of all encumbrances;

(c) directing that a portion of the Cash Amount (as defined in the Sale Agreement), payable by Rogers under the Sale Agreement, in an amount (the "**Wireless Distribution Amount**") sufficient to satisfy in full amounts owing as at closing of the Rogers Sale under:

(i) the DIP Notes;

(ii) the First Lien Notes (other than the Catalyst First Lien Notes); and

[1] Data & Audio-Visual Enterprises Wireless Inc. and Data & Audio-Visual Enterprises Leasing Inc. were amalgamated in 2013 to form Wireless.

(iii) the Second Lien Notes,

(collectively, the "**Wireless Satisfied Claims**"), be held in trust with the Monitor for the holders of DIP Notes, First Lien Notes (other than the Catalyst First Lien Notes), and Second Lien Notes, pending further Order of the Court with respect to the distribution of such Wireless Distribution Amount;

(d) releasing and discharging all claims and encumbrances of secured creditors against Wireless other than Permitted Liens;

(e) releasing certain claims as specified in the draft form of Vesting Order;

(f) providing certain protections to Wireless in respect of defaults under its existing contractual arrangements that will remain in effect following closing of the transaction contemplated by the Sale Agreement;

(g) terminating the CCAA proceeding in respect of Wireless and its subsidiaries, 8440522 Canada Inc. ("**844 Canada**") and 2451608 Ontario Inc. ("**245 Ontario**") upon completion of the transaction contemplated by the Sale Agreement; and

(h) discharging BlueTree, and myself, on BlueTree's behalf, as Chief Restructuring Officer in respect of Wireless 844 Canada and 245 Ontario

(the "**Vesting Order**").

7. I swore an Affidavit on June 23, 2015 (my "**June 23 Affidavit**") in support of an order approving the Rogers Sale. I reaffirm the evidence given in that Affidavit in support of the Vesting Order now sought. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in my June 23 Affidavit.

Introduction

8. The Mobilicity Group carries on business as a Canadian wireless telecommunications carrier. It provides cellular service to Canadians in five urban markets across Canada: Ottawa, Toronto, Calgary, Edmonton and Vancouver.

9. The Mobilicity Group commenced proceedings under the CCAA and obtained an Initial Order in these proceedings on September 30, 2013.

10. Ernst & Young Inc. was appointed as Monitor of the Mobilicity Group (the "**Monitor**") pursuant to the Initial Order and the Order of the Court granted on January 28, 2015.

11. After a process spanning nearly three years, on June 24, 2015, this Court approved the Rogers Sale pursuant to which Rogers would purchase all the shares of Wireless from Holdings for aggregate consideration of $465 million, subject to certain adjustments.

12. The Rogers Sale represents a tremendous outcome for the Mobilicity Group and its stakeholders. In particular, the Rogers Sale results in greater proceeds to stakeholders than any other prior attempt to sell the business of the Mobilicity Group.

Corporate and Debt Structure of the Mobilicity Group

13. The only members of the Mobilicity Group that have any material assets or any material operational or financial role in the Mobilicity Group are Holdings and Wireless.

14. 844 Canada and 245 Ontario have no material assets or operations.

Holdings

15. Holdings is the sole shareholder of Wireless. Aside from its rights in the shares of Wireless, Holdings has no material assets. Holdings is the issuer of certain 15% Unsecured Senior Notes ("**Unsecured Senior Notes**") and certain 12% Convertible Notes ("**Convertible Notes**"). The Unsecured Senior Notes and the Convertible Notes are not guaranteed by any other member of the Mobilicity Group.

Wireless

16. Wireless is the operating subsidiary of Holdings and is the entity in which the operating assets and trade obligations of the Mobilicity Group reside. All employees of the Mobilicity Group, with the exception of the officers of Holdings, are employees of Wireless. The DIP Notes, the First Lien Notes and the Second Lien Notes (which represent all of the funded debt of the Mobilicity Group other than the Unsecured Senior Notes and the Convertible Notes) have been issued by Wireless and guaranteed by Holdings. The obligations under the DIP Notes, the First Lien Notes and the Second Lien Notes are secured against the assets of both Holdings and Wireless.

Impact of Rogers Sale and Vesting Order on Stakeholders

17. The Rogers Sale requires that an Order be granted, among other things:

(a) vesting in Rogers, all of Holdings' right, title and interest in and to the Purchased Shares and the Holdings Claims free and clear of all encumbrances;

(b) confirming that the claims (other than claims under the Catalyst First Lien Notes) and the security of all secured creditors (other than certain permitted liens) against Wireless will be released and discharged and that such secured creditors (other than Catalyst) shall look to satisfy such claims against a portion of the cash amounts delivered by Rogers to Holdings and Wireless in connection with the Rogers Sale; and

(c) releasing all claims and security of all creditors, including secured creditors, against Holdings with respect to the DIP Notes, the First Lien Notes and the Second Lien Notes upon payment of amounts owing under the DIP Notes, the First Lien Notes (other than the Catalyst First Lien Notes) and the Second Lien Notes from a portion of the proceeds of the Rogers Sale and releasing Holdings from any other claims being assumed by Wireless and the security therefor.

18. The Rogers Sale also contemplates that contemporaneously with closing of the Rogers Sale, Rogers will loan to Wireless a portion of the cash amount payable by Rogers under the Rogers Sale equal to the amount owing under the DIP Notes, the First Lien Notes other than the Catalyst First Lien Notes, and the Second Lien Notes, and Wireless will use such funds to repay all indebtedness owing under the DIP Notes, the First Lien Notes (other than the Catalyst First Lien Notes) and the Second Lien Notes.

19. The Rogers Sale also provides that Catalyst waives any entitlement to receive any share of the cash amount payable by Rogers to Holdings or Wireless under the Rogers Sale in respect of the amount owing on the Catalyst First Lien Notes at closing of the Rogers Sale.

20. As part of the Rogers Sale, Rogers accepts that the Permitted Liens (as defined in the Rogers Sale) and all trade obligations owing by Wireless, will remain unaffected.

21. To the knowledge of the Mobilicity Group, the only creditors of Wireless impacted by the Rogers Sale fit into one of three categories.

(a) Wireless Satisfied Claims: This is comprised of the claims under the First Lien Notes (other than the Catalyst First Lien Notes), the Second Lien Notes, and the DIP Notes. All of these obligations will be paid in full. Until such time, and unless distribution related matters can be finalized prior to the hearing of the motion for the Vesting Order, all amounts necessary to repay the Wireless Satisfied Claims will be held in trust by the Monitor as contemplated by the draft form of Vesting Order.

(b) Ordinary Course Operating Liabilities: These liabilities will continue unaffected to be dealt with in the ordinary course; and

(c) The Catalyst First Lien Notes: Catalyst will release any claim that it has under the Catalyst First Lien Notes against Holdings and any security therefore, as well as any claim to the Cash Amount and any security held against the assets of Wireless.

22. No known creditor of Wireless is having its claim as against Wireless compromised in the Rogers Sale on a non-consensual basis.

23. Therefore, all creditors of Wireless, that are known to the Mobilicity Group at this time, will have their interests fully protected.

24. Under the Rogers Sale, the residual proceeds of the transaction (after accounting for the repayment of all known secured debt of Wireless) shall be available to the creditors other than the holders of DIP Notes, First Lien Notes and Second Lien Notes.

25. As a result, I believe there to be no prejudice to any party if the Vesting Order sought is granted.

Wireless Post-Closing Contractual Arrangements

26. The proposed Vesting Order contains a provision that would prevent any contract counterparty from exercising rights under its contracts that may be detrimental to Wireless post-closing of the Rogers Sale to the extent that those rights are exercised solely as a result of the CCAA filing of the Applicants, the insolvency of the Applicants at this time or the change of control of the Applicants contemplated by the Rogers Sale.

27. The proposed Vesting Order also confirms that all shareholders agreements in place in respect of Wireless at the current time are terminated on closing of the Rogers Sale. These

agreements relate to certain governance and shareholder matters of the Mobilicity Group that will no longer be appropriate for Wireless following the completion of the Rogers Sale.

Releases

28. A very important part of the proposed Rogers Sale is the opportunity for the Mobilicity Group, its officers and directors, its various shareholders and its security holders (including Catalyst) and indenture trustees and collateral agents to fully and finally resolve any disputes that may exist as between them in connection with all matters relating to the Mobilicity Group.

29. I believe that the releases contemplated by the Vesting Order are important to all interested parties.

30. During the Mobilicity Group's restructuring process both leading up to and during these CCAA proceedings, the Mobilicity Group, including its officers and directors, and certain of the Mobilicity Group's security holders and indenture trustees have been the subject of various disputes and litigation.[2]

31. These parties seek finality as part of the Rogers Sale. In my view, the parties to be released are necessary and essential to the Rogers Sale.

32. There is a small group of security holders (by value) whose identity is unknown to the Mobilicity Group at this time. These holders have not participated in the Mobilicity Group's efforts to restructure or sell its business and have not played any role in these CCAA proceedings. More importantly, to my knowledge none of these holders have ever expressed

[2] For example, and without limitation, the Application commenced by Catalyst under Section 248 of the Business Corporations Act (Ontario), R.S.O. 1990, c. B-16, as amended between Catalyst and Wireless et al., bearing Court File No. CV 13-10016-00CL (the "**Catalyst Oppression Application**"). The Catalyst Oppression Application, involved among other things, certain allegations of oppression against the Mobilicity Group and certain other of its creditors and affiliates.

any interest in pursuing any claim or complaint against the Mobilicity Group or any other proposed party to the releases.

Termination of CCAA Proceeding and CRO

33. Upon completion of the transaction contemplated by the Rogers Sale, Wireless, 844 Canada and 245 Ontario must emerge from CCAA protection as wholly-owned subsidiaries of Rogers. The proposed form of Vesting Order provides for this step, and to that end, also terminates BlueTree, and myself, on behalf of BlueTree, as Chief Restructuring Officer and sole director of Wireless, 844 Canada, and 245 Ontario.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on June 29th, 2015. Commissioner for Taking Affidavits	WILLIAM E. AZIZ

DOCSTOR: 5224202

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SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn JUNE 26, 2015)

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