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

MOTION RECORD
(CCAA Section 11.3)

January 6, 2014

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TAB 1

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NOTICE OF MOTION
(CCAA Section 11.3)

The Applicants, Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**"), Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**") and 8440522 Canada Inc. (together with Holdings and Wireless, the "**Mobilicity Group**") will bring a motion before a Judge of the Commercial List on a date to be determined at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An Order in the form of a draft order included in the Motion Record:

   (a) establishing the procedure and process for the application of section 11.3 of the CCAA in the context of the ongoing Court-approved Sale Process (as defined below) and the sale and transfer of the assets and property of the Mobilicity Group, including its spectrum licences (the "**Mobilicity Spectrum Licences**"); and

   (b) such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

Court-approved Sale Procedures and Process

2. On November 13, 2013, the CCAA Court approved sale procedures (the "**Court-approved Sale Procedures**") for a sale process for all or substantially all of the business and assets of the Mobilicity Group (the "**Court-approved Sale Process**") to be conducted by the Court-appointed Monitor, Ernst & Young (the "**Monitor**") as part of these CCAA proceedings.

3. In connection with the Court-approved Sale Process, the Monitor and the Mobilicity Group's financial advisor, Canaccord Genuity, contacted a broad range of potential purchasers with respect to the sale of all or part of the Mobilicity Group's assets.

4. Under the Court-approved Sale Procedures, interested parties were required to submit certain participation materials by December 2, 2013.

5. Qualified bidders, as determined by the Monitor pursuant to the Court-approved Sale Procedures, were required to submit their bids for all or a portion of the assets of the Mobilicity Group by December 16, 2013 (the "**Bid Deadline**").

6. On the Bid Deadline, the Mobilicity Group received bids, certain of which were for specific assets, and others of which were for substantially all of the Mobilicity Group's assets.

7. As contemplated by the Court-approved Sale Process, the Monitor must now evaluate the bids, taking into account, *inter alia*, "the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction)".

8. It is now clear that the speed, certainty and value of any acceptable transaction will depend almost entirely upon the ability of the Mobilicity Group to transfer the Mobilicity Spectrum Licences.

The Mobilicity Group's Spectrum Licences

9. The Mobilicity Group's most valuable assets are its wireless spectrum licences.

10. The Mobilicity Group acquired its ten Mobilicity Spectrum Licences for $243 million in February 2009, having an initial term of ten years and expiring in February 2019.

11. By their terms, the Mobilicity Spectrum Licences cannot be transferred for a period of five years to any person that does not meet the definition of a new entrant in the Canadian wireless telecom industry. This prohibition terminates on February 12, 2014 (the "**Moratorium Termination Date**").

The May Transaction

12. In May 2013, the Mobilicity Group reached an agreement with TELUS Corporation ("**TELUS**") for a going-concern sale of the Mobilicity Group's business for $380 million. The transaction contemplated the immediate transfer of the Mobilicity Spectrum Licences to TELUS, was approved by the requisite majorities of the Mobilicity Group's creditors, and was subsequently approved by the Ontario Superior Court of Justice as fair and reasonable (the "**May Transaction**").

13. Because the May Transaction proposed a transfer of the Mobilicity Spectrum Licenses to TELUS, which is not a new entrant, before the Moratorium Termination Date, the Mobilicity Group sought Industry Canada approval for the transfer.

The Government Announcements in June 2013

14. On June 4, 2013, Industry Canada indicated that it would not approve the May Transaction at that time.

15. While Industry Canada was not prepared to accommodate a transfer of the Mobilicity Spectrum Licences prior to the Moratorium Termination Date, the Mobilicity Group and its lenders knew and understood that such a transfer could take place following the Moratorium Termination Date. The Mobilicity Group received third party financing from Canadian lenders on this basis.

16. Also on June 4, 2013, Industry Canada announced that it would be holding a major spectrum auction on January 14, 2014 (the "**2014 Spectrum Auction**") which would see new wireless spectrum being introduced into the marketplace.

17. The Mobilicity Group did not have the resources to participate in the 2014 Spectrum Auction.

18. On June 28, 2013, Industry Canada announced new guidelines for the transfer of spectrum licences entitled *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum* (the "**Revised Transfer Framework**").

19. The Revised Transfer Framework imposed new limitations and conditions on the ability to transfer spectrum licences. In particular, new conditions were introduced with respect to Industry Canada's approval for any transfer of a spectrum licence.

20. In the Mobilicity Group's case, the terms of the Mobilicity Spectrum Licenses were clear that there were no transfer restrictions after the Moratorium Termination Date. Now, as a consequence of the Revised Transfer Framework, there is uncertainty around the ability to transfer the Mobilicity Spectrum Licences in an efficient and effective manner.

21. The legality of the transfer restrictions under the Revised Transfer Framework are currently the subject of judicial review proceedings initiated by TELUS in the Federal Court of Canada (the "**Judicial Review**"). The Mobilicity Group is not a party to the Judicial Review but will be affected by its outcome.

The Application of the Revised Transfer Framework

22. The Revised Transfer Framework sets out its purpose and objectives as follows:

> **Policy Objectives**
>
> 7. Industry Canada has developed this Framework to support the Government's policy objective to maximize the economic and social benefits that Canadians derive from the use of the radio frequency spectrum resource, including the efficiency and competitiveness of the Canadian telecommunications industry, and the availability and quality of services to consumers.
>
> 8. The intent of the Framework is to provide guidance to licensees as to how transfers of spectrum licences will be reviewed, as well as to

introduce additional conditions of licence regarding the transfer of control of spectrum licences, all with an eye to managing the spectrum resource for the benefit of Canadians as per the policy objectives outlined above.

23. While the Revised Transfer Framework intends to provide licence holders with certainty regarding the transfer of licences, it fails to define any spectrum concentration thresholds. Rather, the Revised Transfer Framework states at section 23 that "Industry Canada has determined that there is no single measure that can address the complexity of the commercial mobile spectrum environment in the assessment of a Licence Transfer."

24. After the denial of the May Transaction, in the fall of 2013, the Mobilicity Group engaged in confidential discussions with Industry Canada regarding whether it would grant preliminary assessments of alternative proposed transaction structures under the Revised Transfer Framework. Industry Canada's preliminary non-binding assessment was that the alternative transactions proposed by the Mobilicity Group could not be assessed at that time as any determination needed to be computed on a case-by-case basis.

25. Given its financial difficulties, Industry Canada's denial of the May Transaction and the timing relating to any case-by-case analysis of the alternative transaction structures, and in the absence of any go-forward clarity from Industry Canada, the Mobilicity Group was required to seek protection from its creditors under the CCAA.

26. During this CCAA proceeding, the Mobilicity Group has continued to discuss potential transaction alternatives with Industry Canada and has continued to provide Industry Canada with frequent informational updates.

27. To date, the Mobilicity Group has been unable to reach a clear understanding with Industry Canada on the principled application of the Revised Transfer Framework to the sale of the Mobilicity Spectrum Licenses.

28. In the circumstances, it is impractical to properly evaluate the bids without a clear understanding of the timing and the ability to transfer the Mobilicity Spectrum Licences to any third party.

The Jurisdiction of the CCAA Court under Section 11.3 of the CCAA

29. The CCAA Court has been given the statutory discretion under section 11.3 of the CCAA to assign contracts and licences over the objections of third parties notwithstanding any consent rights.

30. It is well established in the jurisprudence and practice that statutory discretion under the CCAA can and will have precedence over other federal legislation (unless such federal legislation explicitly provides otherwise – for example, section 224(1.2) of the *Income Tax Act*).

31. It is also clear that the federal Crown is bound by the terms of the CCAA.

32. In sum, the CCAA Court routinely exercises its statutory discretion to:

(a) assign the debtor's rights over the objections of third parties having consent rights;

(b) give effect to the objectives of the CCAA even where doing so may conflict with other federal legislation; and

(c) render orders that bind the Crown.

33. There can be no issue that the CCAA Court has the statutory jurisdiction to approve the transfer of the Mobilicity Spectrum Licences, even absent Industry Canada's consent under the Revised Transfer Framework.

Exercise of Jurisdiction by the CCAA Court

34. It is well established that the role of the CCAA Court is to balance the interests of competing stakeholders, including creditors, customers, employees and suppliers, among many others.

35. Specifically, the CCAA Court is often required to weigh relevant socio-economic and public interests that are engaged by a CCAA proceeding.

36. The Supreme Court of Canada has held that the CCAA Court is to act as the "single control" and as the "one command centre".

37. In this case, the CCAA Court must consider the interests of a variety of stakeholders that include the Mobilicity Group's creditors, employees, retail distributors, business partners, suppliers, and nearly 180,000 customers.

38. The terms of the Revised Transfer Framework make it clear that there is also a public interest to be considered relating to spectrum concentration in Canada.

39. It is the role of the CCAA Court as the "one command centre" to balance this public interest with the myriad of other interests at play in this proceeding.

40. The CCAA Court provides the appropriate forum to make an independent determination of the proposed assignment of the Mobilicity Spectrum Licences based on the balancing of interests of all parties and the current facts and circumstances in respect of the Mobilicity Group and the Court-approved Sale Process.

41. The Court-approved Sale Process will be prejudiced unless the uncertainty with respect to the Revised Transfer Framework is addressed in a transparent manner.

42. The CCAA is remedial legislation and is to be given broad and liberal construction and interpretation as best ensures the attainment of its goals.

43. The CCAA proceedings require "real time" application and without the establishment of the section 11.3 process and procedures of the CCAA, there is risk to all parties that the interests of the Mobilicity Group and all of its key stakeholders would be jeopardized and negatively affected.

44. The provisions of the CCAA, including section 11.3, and this Honourable Court's equitable and statutory jurisdiction thereunder, apply to this immediate and urgent situation.

45. Rules 2.03, 3.02, 16 and 37 of the Ontario *Rules of Civil Procedure*, R.R.0 1990, Reg. 194, as amended.

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

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

47. the Affidavit of William E. Aziz sworn January 6, 2014, and the exhibits attached thereto;

48. the Monitor's Reports and any exhibits attached thereto; and

49. such further and other material as counsel may advise and this Honourable Court may permit.

January 6, 2014

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TO: Attached Service List

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ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

NOTICE OF MOTION

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TAB 2

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Applicants

AFFIDAVIT OF WILLIAM E. AZIZ
(sworn January 6, 2014)

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[1] (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 (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

[1] The affiliates of Holdings are 8440522 Canada Inc. and Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**").

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. This Affidavit is sworn in support of the application of section 11.3 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") in the context of the ongoing sale process (the "**Court-approved Sale Process**") approved by Order of this Court on November 13, 2013 (the "**Sale Process Order**") and the sale and transfer of the assets and property of the Mobilicity Group and specifically the Mobilicity Spectrum Licences (as defined below). A copy of the Sale Process Order attaching the Court-approved Sale Process is attached as **Exhibit "A"**.

The Mobilicity Group's Business Operations

5. 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.

Corporate Structure

6. The Mobilicity Group's corporate structure consists of the following entities:

(a) **Holdings**: a private company incorporated under the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B. 16 ("**OBCA**") in March 2008. Holdings holds 100% of the shares of Wireless (as defined below) and carries on no active operations.

(b) **Wireless**: the operating entity of the Mobilicity Group is a private company which was incorporated under the OBCA in March 2008 and wholly-owned by

Holdings. Data & Audio-Visual Enterprises Leasing Inc. ("**Leasing**") was amalgamated with Data & Audio-Visual Enterprises Wireless Inc. to form Wireless on May 15, 2013.

(c) **8440522 Canada Inc. ("844")**: a private company incorporated under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 ("**CBCA**") that is wholly-owned by Wireless. 844 has no material assets or any liabilities.

Stakeholders

7. As a wireless carrier, the Mobilicity Group's business affects a broad constituency of stakeholders, including:

(a) approximately 177,000 active subscribers who depend on its services;

(b) 92 employees (as of November 30, 2013) at its three corporately owned stores and its head office;

(c) over 100 landlords and licensors at retail facilities in which the retail stores operate, as well as at its head office in Woodbridge, Ontario and at its sales office in Vancouver. There are also two co-location data centres, one in Toronto and another in Vancouver, which house the network switching equipment;

(d) additional landlords and licensors who licence space for approximately 500 locations, which are primarily building rooftops, for placement of its cellular broadcasting equipment;

(e) 243 dealers and their employees who sell products of the Mobilicity Group; and

(f) numerous business partners, including Amdocs, Ericsson and others, that provide for outsourcing of certain business functions, such as: network building and maintenance, real-time billing and rating, provisioning systems, handset logistics and distribution and call centre operations.

8. The Mobilicity Group has debt investors who have loaned approximately $420 million. With accrued interest and financing costs, the total amount owed at November 30, 2013 was $546.8 million as follows:

(a) Wireless is the borrower under certain first lien notes issued in a principal amount of $195 million due April 29, 2018 (the "**First Lien Notes**"). As of November 30, 2013, the total amount of principal and interest owing was approximately $207.9 million.

(b) Wireless is also the borrower under $43.25 million of second lien notes that became due September 30, 2013 (the "**Bridge Notes**"). The Bridge Notes rank behind the First Lien Notes in right of payment and security on the Bridge Notes is subordinate to the First Lien Notes security. As of November 30, 2013, the total amount of principal and interest owing was approximately $44.9 million.

(c) Holdings has issued 15% senior unsecured debentures (the "**Unsecured Senior Notes**") in the total principal amount of $95 million due September 25, 2018. As of November 30, 2013, the amount outstanding on the Unsecured Senior Notes (including payment in kind interest) was approximately $162.1 million.

(d) Holdings has also issued 12% convertible unsecured notes due September 25, 2018. Initially, convertible notes in the principal amount of $59,741,000 were issued (the "**Unsecured Pari Passu Notes**"). Subsequently, additional convertible notes in the principal amount of $35,000,000 were issued (the "**Unsecured Subordinated Notes**"). The Unsecured Subordinated Notes rank subordinate in right of payment to the Unsecured Pari Passu Notes and the Unsecured Senior Notes and the Unsecured Pari Passu Notes rank pari passu in right of payment with the Unsecured Senior Notes. As of November 30, 2013, the amount outstanding under the Unsecured Pari Passu Notes and the Unsecured Subordinated Notes (including payment in kind interest) was approximately $91.8 million and approximately $40.1 million, respectively.

9. The Mobilicity Group has equity investors who have invested approximately $250 million. In particular, Data & Audio-Visual Enterprises Investments Inc. holds an approximately 13.2% equity interest and a 66.7% voting interest in Holdings. QCP CW S.A.R.L. holds an approximately 86.8% equity interest and a 33.3% voting interest in Holdings (each on a non-diluted basis).

10. In sum, as at November 30, 2013, in excess of $670 million of capital has been deployed to fund the Mobilicity Group's operations and build-out.

The Mobilicity Group's Spectrum Licences

11. All wireless communications signals travel over the air via radio frequency signals called "spectrum".

12. In 2008, Industry Canada released a new cache of spectrum licences by holding an auction for qualified bidders (the "**2008 Spectrum Auction**"). In the 2008 Spectrum Auction, the Mobilicity Group acquired 10 licences (the "**Mobilicity Spectrum Licences**") for $243 million, effective February 2009. The Mobilicity Spectrum Licences have an initial term of 10

years and will expire in February 2019. A copy of the Mobilicity Spectrum Licences is attached as **Exhibit "B"**.

13. The Mobilicity Spectrum Licences are the most valuable asset of the Mobilicity Group.

14. Under the conditions of the Mobilicity Spectrum Licences that were in existence when they were acquired by the Mobilicity Group, the Mobilicity Spectrum Licences may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant[2] for a period of five years from the date of issuance.

15. The five year period for the Mobilicity Spectrum Licences expires on February 12, 2014 (the "**Moratorium Termination Date**"). The Mobilicity Group only anticipates completing a transaction involving the transfer of the Mobilicity Spectrum Licences after the Moratorium Termination Date.

16. In June 2013, Industry Canada announced that it would be holding another spectrum auction commencing on January 14, 2014 (the "**2014 Spectrum Auction**"). A copy of Industry Canada's announcement is attached as **Exhibit "C"**.

17. The Mobilicity Group has no funding or cash resources that would allow it to participate in the auction, and accordingly the Mobilicity Group will not be participating in the 2014 Spectrum Auction.

18. The Mobilicity Group, and to my knowledge, many of its investors, knew and understood that the Mobilicity Group would be able to transfer the Mobilicity Spectrum

[2] A "new entrant" is an entity, including affiliated and associated entities, which holds less than 10 percent of the national wireless market based on revenue. Bell Canada Inc., TELUS Corporation and Rogers Communication Inc. are incumbents and not "new entrants".

Licences, including to an incumbent, after the Moratorium Termination Date. I am advised by Robert Chadwick, counsel to the ad hoc committee of noteholders of the Mobilicity Group, that the Mobilicity Group received financing from Canadian lenders on this basis, and on the basis that in any future insolvency proceedings Industry Canada would not intervene but would allow a transaction completed after the Moratorium Termination Date and pursuant to any sale process conducted by a Court Officer to take place, subject to any proposed assignee being eligible to hold a licence.

19. On June 28, 2013, Industry Canada introduced the *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum* (the "**Revised Transfer Framework**"). A copy of the Revised Transfer Framework is attached as **Exhibit "D"**.

20. Pursuant to the Revised Transfer Framework, Industry Canada introduced *additional* conditions regarding the transfer of control of spectrum licences, including, among others, a new requirement for Industry Canada approval with respect to deemed transfers (being a change of control of a licence or of a licencee or affiliate) after the Moratorium Termination Date. These new conditions are intended to apply to existing commercial spectrum licences, including the Mobilicity Spectrum Licences.

21. The Revised Transfer Framework provides that the timeline for a review and approval or denial of a licence transfer is 12 weeks or more from the date that a request together with all required information has been received by Industry Canada.

22. The legality of the transfer restrictions under the Revised Transfer Framework is currently the subject of judicial review proceedings in the Federal Court of Canada (the "**Judicial Review**"). The Mobilicity Group is not a party to the Judicial Review but will be

affected by its outcome. The Notice of Application in the Judicial Review is attached as **Exhibit "E"**.

The Mobilicity Group's Attempts to Sell its Business

The TELUS Transaction

23. The Mobilicity Group has been dealing with financial challenges since 2012. In an effort to resolve those for the benefit of its many stakeholders, in July 2012, the Mobilicity Group engaged National Bank and Canaccord Genuity as financial advisors (the "**Financial Advisors**"). With the Financial Advisors' assistance, the Mobilicity Group pursued an extensive variety of financing, sale and restructuring alternatives involving multiple parties, including conducting a comprehensive financing and sale solicitation process.

24. In May 2013, the Mobilicity Group's efforts culminated in an agreement with TELUS Corporation ("**TELUS**") for the sale of the Mobilicity Group for $380 million, subject to certain adjustments, pursuant to a Plan of Arrangement under the CBCA (the "**May Transaction**"). Based on the financial circumstances of the Mobilicity Group, the May Transaction was to be completed prior to Moratorium Termination Date and required Industry Canada's approval as a result.

25. The May Transaction was approved by an overwhelming majority of the Mobilicity Group's affected creditors.

26. On May 28, 2013, Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) granted a final Order under the CBCA approving the May Transaction as "fair and reasonable". The Mobilicity Group believed the May Transaction was in the best interests of all stakeholders and no stakeholder objected at the sale approval hearing.

27. The Mobilicity Group believed that the May Transaction would have resulted in an optimal outcome in the circumstances for the Mobilicity Group and its stakeholders, including creditors, customers, employees, suppliers, landlords, licensors and dealers, among others, and would have provided a comprehensive resolution of the Mobilicity Group's financial challenges. In particular, the May Transaction would have assured the Mobilicity Group's ability to continue as a going concern and it would have avoided the insolvency of the Mobilicity Group.

28. However, on June 4, 2013, I received a letter respecting the May Transaction from Mr. Peter Hill, Director General of the Spectrum Management Operations Branch of Industry Canada ("**Mr. Hill**") in which Mr. Hill advised me that he could not approve the request to transfer the licences because Industry Canada will not waive the five year advanced wireless spectrum set-aside licence condition. A copy of the letter of June 4, 2013 from Mr. Hill is attached as **Exhibit "F"**.

29. On the same day, the Federal Minister of Industry issued a news release confirming that Industry Canada would not approve the TELUS sale. A copy of the News Release dated June 4, 2013 is attached hereto as **Exhibit "C"**.

Other Proposed Transactions and Transaction Structures

30. Following Industry Canada's rejection of the May Transaction, the Mobilicity Group continued to face a significant liquidity crisis but continued to explore other potential sale initiatives. In particular, the Mobilicity Group solicited and received an expression of interest from a significant U.S.-based wireless service provider (whose non-binding letter of intent had very similar financial terms to the May Transaction and ascribed a similar value to the Mobilicity Group's assets) and a Canadian private equity fund. The Mobilicity Group granted

due diligence access and engaged in detailed discussions about a potential sale transaction with each of these parties. However, in early September 2013, the U.S.-based wireless provider advised that it would not be continuing with negotiations due to the "political uncertainty" that Canadian telecom businesses face. The Canadian private equity fund also discontinued its efforts in September 2013.

31. Commencing on September 18, 2013, representatives of the Mobilicity Group met with Industry Canada in order to advance certain transaction structures with respect to the potential future transfer of the Mobilicity Spectrum Licences. The Mobilicity Group needed to seek Industry Canada's guidance and non-binding assessment as it was in financial distress. The Mobilicity Group was continuing to incur significant financial losses and had limited liquidity. Time was of the essence and the "normal corporate transaction paths" were not available to the Mobilicity Group.

32. Throughout September 2013, I had numerous communications with Industry Canada in an attempt to find solutions and obtain guidance with respect to a proposed transaction structure which would allow the Mobilicity Group to continue operations without the need of any insolvency proceedings.

33. By the end of September 2013, the Mobilicity Group was facing an imminent liquidity crisis. Interest payments of approximately $10 million were due on September 30, 2013 on the First Lien Notes and the Bridge Notes and the Mobilicity Group did not have sufficient cash to meet those obligations and continue operations.

34. I spoke with Industry Canada on Friday, September 27, 2013 urging Industry Canada to provide a response by Monday, September 30, 2013. The next day, Industry Canada

advised that a response would not be forthcoming over the weekend and that it would be in touch with the Mobilicity Group.

35. In the face of its financial situation and Industry Canada's answer, the Mobilicity Group served its materials for an insolvency proceeding under the CCAA on Sunday, September 29, 2013 and obtained the Initial Order on September 30, 2013.

36. I believe that a positive response from Industry Canada in respect of the transaction proposed in September 2013 would have avoided the need for an insolvency proceeding under the CCAA.

Post-CCAA Timeline

37. Following the commencement of the CCAA proceeding, the Mobilicity Group continued its efforts to obtain Industry Canada's approval in respect of the various proposed transaction structures. Following its appointment, representatives of Ernst & Young Inc., the court-appointed Monitor (the "**Monitor**") joined me in attending several of my meetings with Industry Canada.

38. In order to promote stability in its operations during discussions with Industry Canada, the Mobilicity Group at all times submitted its materials to and met with Industry Canada on a strictly confidential basis. The Mobilicity Group preserved this confidentiality in the CCAA proceedings.

39. The Mobilicity Group's requests for guidance from Industry Canada regarding the potential future transfer of the Mobilicity Spectrum Licences have been on a preliminary basis and the Mobilicity Group has not formally requested approval of a proposed transaction

(except for the May Transaction). Any guidance from Industry Canada has thus represented a non-binding preliminary assessment rather than a final or binding assessment or approval.

40. To date, the Mobilicity Group has submitted a variety of different transaction or transaction structures to Industry Canada, but, despite repeated requests from the Mobilicity Group and the Monitor, Industry Canada has not provided the Mobilicity Group with any constructive guidance that would advance or assist the Mobilicity Group and the Monitor with the ongoing Court-approved Sale Process or clarify what transaction or transaction structure would, in Industry Canada's view, comply with the Revised Transfer Framework.

41. Industry Canada has indicated to the Mobilicity Group that it is unable to provide an assessment or approval of a sale to an unnamed third party purchaser or a blanket approval of any proposed transaction structure due to limits imposed by the Revised Transfer Framework. Industry Canada has further indicated to the Mobilicity Group that it is required to review any proposed transaction on a "case-by-case basis" and cannot evaluate hypothetical purchases or proposed transaction structures without receiving full and complete details in respect of the proposed transaction.

42. Industry Canada's approach is incompatible with the real-time restructuring situation within which the Mobilicity Group must operate.

43. Further, Industry Canada seems to be limited by one set of rules and does not seem to have the ability to take into account other key and relevant factors (including the financial circumstances of the Mobilicity Group) without the assistance of the CCAA Court.

44. While the Revised Transaction Framework does not directly contemplate financial hardship or bankruptcy, CCAA proceedings or related insolvency proceedings with respect to Industry Canada's assessment of licence transfers, the Mobilicity Group believes that the

CCAA proceeding and the provisions of the CCAA need to be taken into account in the current circumstances and in connection with the ongoing Court-approved Sale Process.

45. In total, Industry Canada has taken more than six months to evaluate the transactions or transaction structures submitted by the Mobilicity Group, during which time the liquidity of the Mobilicity Group has been significantly reduced, and for all practical purposes the Mobilicity Group is still no closer to knowing with certainty what transaction, if any, Industry Canada would approve.

46. The Mobilicity Group intends to bring forward any transaction, including any transaction involving the transfer of the Mobilicity Spectrum Licences, for review and approval by Industry Canada. However, the Mobilicity Group requires the procedure and process of the sale transaction motion (the "**Sale Transaction 11.3 Motion**") to be available to the Mobilicity Group if it requires it as part of the CCAA proceedings.

The Court-approved Sale Process

47. On November 13, 2013, this Court issued an order approving the Court-approved Sale Process.

48. The Court-approved Sale Process is being conducted by the Monitor.

49. Pursuant to the Court-approved Sale Process, potential bidders were invited to submit offers for the sale of some, all or substantially all of the assets and business of the Mobilicity Group. The Court-approved Sale Process also preserved the ability of the Mobilicity Group to complete a transaction outside of the Court-approved Sale Process, if such an opportunity were to arise.

50. The Mobilicity Group made arrangements for a notice of the Court-approved Sale Process to be published in The Globe and Mail, National Edition (the "**Newspaper Notice**") and issued a press release in Canada and the United States (the "**Press Release**") advising potential interested parties of the opportunities offered by the Court-approved Sale Process. Copies of the Newspaper Notice and Press Release are attached as **Exhibits "G"** and **"H"**.

51. Since the issuance of the Sale Process Order, the Mobilicity Group has worked with the Monitor and Canaccord Genuity to implement the Court-approved Sale Process.

52. On Friday December 6, 2013, the Monitor announced that after receiving requests from "Qualified Bidders", the "Bid Deadline" under the Court-approved Sale Process would be extended until 12 noon (EST) on Monday, December 16, 2013. A copy of the notice provided by the Monitor to the service list is attached as **Exhibit "I"**.

53. By the Bid Deadline, the Mobilicity Group received a number of bids, certain of which were for specific assets, and others of which were for substantially all of the Mobilicity Group's assets.

54. Pursuant to the terms of the Court-approved Sale Process, the Monitor, in consultation with the Mobilicity Group and the DIP Lenders (as such term is defined in the Court-approved Sale Process), must evaluate the bids received based upon various factors that include items such as the purchase price, the net value provided by the bid, and all other factors affecting the speed, certainty and value of the transaction contemplated by the bid (including any regulatory approvals required to close those transactions).

55. The speed, certainty and value of any acceptable transaction may depend on the ability of the Mobilicity Group to transfer the Mobilicity Spectrum Licences.

56. Given the position of Industry Canada *vis-à-vis* the Mobilicity Group's efforts to complete a going concern transaction for its business, it is impractical to properly evaluate the bids without a clear understanding of the rules that will apply in these CCAA proceedings to the transfers of the Mobilicity Spectrum Licences.

57. Industry Canada has not provided certainty or clarity with respect to the potential assignment of the Mobilicity Spectrum Licences.

58. Moreover, Industry Canada's position appears to be dependent, at least in part, on the outcome of the 2014 Spectrum Auction, while giving no consideration to the Mobilicity Group's financial situation.

59. The Mobilicity Group cannot practically negotiate with bidders in circumstances in which there is uncertainty over (a) its ability to transfer the Mobilicity Spectrum Licences; and (b) the timing of any such transfer.

60. This creates significant uncertainty and serious timing concerns in the Court-approved Sale Process and may frustrate the Court-approved Sale Process entirely.

61. This uncertainty takes on greater significance given the financial circumstances of the company. Based on the most recent projections of the Mobilicity Group, it has sufficient cash to operate until the second week of February 2014, unless it draws down on its debtor-in-possession financing, which is subject to certain conditions, which may or may not be met.

62. A going concern transaction that would result in the continuation of the Mobilicity Group's business would provide the optimal outcome in the circumstances for the Mobilicity Group's stakeholders, including its many creditors, customers, employees, suppliers, landlords, licensors and dealers among many others. Such a going concern sale of the

Mobilicity Group's business will require either the transfer of, or access to the use of, the Mobilicity Spectrum Licences.

63. The Mobilicity Group requires certainty and clarity with respect to the transfer or assignment of the Mobilicity Spectrum Licences as part of the Court-approved Sale Process. It is the priority of the Mobilicity Group to complete the Court-approved Sale Process.

64. I believe the exercise of the CCAA Court's discretion with respect to any Sale Transaction 11.3 Motion is important to the restructuring and sale process of the Mobilicity Group's assets.

65. The Mobilicity Group believes that a "single control" process that takes into consideration the interests of all stakeholders can and should be implemented by this Court.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on January 6, 2014. A Campbell Commissioner for Taking Affidavits Andrea Campbell	William E. Aziz WILLIAM E. AZIZ

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 8445022 CANADA INC., DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. AND DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

AFFIDAVIT OF WILLIAM E. AZIZ
(Sworn January 6, 2014)

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Lawyers for the Applicants

TAB A

Court File CV-13-10274-00CL

This is Exhibit A referred to in the affidavit of William E. Aziz sworn before me, this 6 day of January 2014

A COMMISSIONER FOR TAKING AFFIDAVITS

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	WEDNESDAY, THE 13TH
	)	
JUSTICE NEWBOULD	)	DAY OF NOVEMBER, 2013

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

ORDER
(Approval of Sale Procedures)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an Order:

(a) that the time for service of the Notice of Motion, the Motion Record and the second report of the Monitor, Ernst & Young Inc. (the "**Monitor**") dated November 11, 2013 (the "**Second Report**") is abridged and validated so that this Motion is property returnable today and dispensing with further service thereof; and

(b) approving the sale procedures (the "**Sale Procedures**"), substantially in the form attached as Schedule "A" to this Order,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the material filed, including the Notice of Motion, the Second Report and the Affidavit of William E. Aziz sworn November 7, 2013 and the exhibits thereto (the "**Aziz Affidavit**"), and on hearing the submissions of counsel for the Applicants, the Monitor, and such other counsel present, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn November 8, 2013:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Motion Record and the Second Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

SALE PROCEDURES

2. THIS COURT ORDERS that the Sale Procedures, substantially in the form attached as Schedule "A" to this Order, be and are hereby approved.

3. THIS COURT ORDERS that the Monitor and the Applicants, be and are hereby authorized and directed to perform their obligations under and take such steps as they consider necessary or desirable in carrying out the Sale Procedures, and any steps taken by the Monitor and the Applicants in connection with the Sale Procedures prior to the date hereof be and are hereby approved and ratified.

4. THIS COURT ORDERS that the Monitor and its affiliates, partners, directors, employees and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Procedures, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor in performing its obligations under the Sale Procedures (as determined by this Court).

5. THIS COURT ORDERS that, in connection with the Sale Procedures and pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicants and the Monitor are authorized and permitted to disclose personal information of identifiable individuals to prospective investors, financiers, purchasers or bidders and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more investment, finance or sale transaction (each, a "**Transaction**"). Each prospective investor, financier, purchaser, or bidder to whom such information is disclosed shall maintain and protect the privacy of such information and shall limit the use of such information to its evaluation of the Transaction, and if it does not complete a Transaction, shall; (i) return all such information to the Applicants or the Monitor; or (ii) destroy all such information that is not electronically stored and, in the case of such information that is electronically stored, destroy all such information to the extent it is reasonably practical to do so. The purchaser in any Transaction shall be entitled to continue to use the personal information provided to it, and

related to the property purchased, in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other personal information to the Applicants or the Monitor, or ensure that all other personal information is destroyed.

SCHEDULE "A"
SALE PROCEDURES
(see attached)

Sale Procedures

Set forth below are the Sale Procedures (the "**Sale Procedures**") to be employed with respect to the proposed sale of all or substantially all of the business and assets or shares of Data & Audio Visual Enterprises Wireless Inc. ("**Wireless**") and Data & Audio Visual Enterprise Holdings Inc. ("**Holdings**", together with Wireless, the "**Sellers**").

On September 29, 2013, the Sellers and 8440522 Canada Inc. (collectively, the "**Debtors**") commenced proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") before the Ontario Superior Court of Justice (the "**Court**").

On November 13, 2013, the Debtors obtained a sale procedures order (the "**Sale Procedures Order**") under the CCAA from the Court approving these Sale Procedures.

Pursuant to the Sale Procedures, the Debtors, with their financial advisor, Canaccord Genuity Corp. (the "**Financial Advisor**"), will pursue a sale of the Assets (as defined below) under a fair and competitive sale process under the supervision of Ernst & Young Inc., in its capacity as the Court-appointed monitor in the CCAA Proceedings (the "**Monitor**"), and the Court, pursuant to which all interested parties will be provided with a fair and equal opportunity to participate in the Sale Process (as defined below).

Notwithstanding anything contained herein, the Sellers shall have the right to enter into an exclusive transaction for the sale of the Assets, or any portion thereof, outside of the Sale Process prior to the Participation Deadline (as defined below) on terms acceptable to the Sellers, the Monitor and the purchasers under the DIP Note Purchase and Guarantee Agreement dated September 30, 2013 (collectively the "**DIP Lenders**").

Sale Process

The Sale Procedures set forth herein describe, among other things, (a) the Assets available for sale, (b) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Assets, (c) the manner in which bidders and bids can become Qualified Bidders (as defined below) and Qualified Bids (as defined below), (d) the receipt and negotiation of bids received, (e) the ultimate selection of any Successful Bidder (as defined below), and (f) the approval thereof by the Court (collectively, the "**Sale Process**"). The Monitor intends to consult with the Sellers and the DIP Lenders and their respective advisors throughout the Sale Process.

Assets To Be Sold

The Sellers are offering for sale, in one or more transactions, substantially all of the Sellers' business and assets (the "**Assets**"). The Sellers reserve the right to eliminate certain assets available for sale pursuant to the Sale Process prior to the Bid Deadline (as defined below). For the purposes of these Sale Procedures, a sale of the Assets also includes a transaction pursuant to which the shares of the Sellers are arranged by or sold to the Successful Bidder.

"As Is, Where Is"

The sale of the Assets will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature or description by the Sellers, its agents or estates, except to the extent set forth in a definitive transaction agreement signed by the Sellers and the Successful Bidder. By submitting a bid, each Potential Bidder (as defined below) shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, or guarantees, express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in these Sale Procedures or as set forth in a definitive transaction agreement signed by the Sellers and the Successful Bidder.

Free Of Any And All Claims And Interests

Except as may otherwise be provided in the Successful Bidder's transaction agreement, all of the rights, title and interests of the Sellers in and to the Assets, or any portion thereof, will be sold free and clear of all Liens and Claims (which may be defined in the Transaction Order (as defined below)), subject to any Permitted Encumbrances (which may be defined in the Transaction Order), pursuant to an order by the Court approving the sale of the Assets, or a portion thereof, and vesting in the Successful Bidder all of the Sellers' rights, title and interests in and to such Assets, or a portion thereof, whether by way of an approval and vesting order or a sanction order, the "**Transaction Order**"), when granted, such Liens and Claims to attach to the net proceeds of the sale of such Assets.

Publication Notice

Within three (3) days of entry of the Sale Procedures Order by the Court, or as soon as practicable thereafter, (i) the Sellers shall publish notice of these Sale Procedures in *The Globe and Mail (National Edition)* and (ii) the Sellers shall issue a press release regarding the Sale Process through Canada Newswire, designating dissemination in Canada and major financial centers in the United States.

Solicitation of Interest

As soon as reasonably practicable after the granting of the Sale Procedures Order, the Financial Advisor, in consultation with the Sellers, the Monitor and the DIP Lenders, will prepare an initial offering summary (the "**Teaser Letter**") notifying prospective purchasers of the Assets (both strategic and financial parties (including existing shareholders and noteholders of the Sellers and parties proposed by the DIP Lenders)) of the existence of the Sale Process and inviting prospective purchasers to express their interest in making an offer for the Assets.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Monitor, in consultation with the Sellers and the DIP Lenders, in order to participate in the Sale Process, prior to December 2, 2013 at 10:00 p.m. (ET) (as may be extended as set out below, the "**Participation Deadline**"), each person who wishes to participate in the Sale Process, and in the event that such person is an entity formed for the purpose of acquiring the Assets, or any portion thereof, each actual or proposed holder of the equity (whether in the form of stock, partnership interests, LLC interests, debt issued in connection with such person's bid for the Assets or otherwise) or proposed beneficiary of such person through license or similar arrangement granted in connection with such person's bid (each, an "**Equity Holder**") (each such person who wishes to participate in the Sale Process and each Equity Holder thereof, a "**Potential Bidder**") must deliver to the Notice Parties (as defined below) at the addresses provided below all of the following documents (the "**Participation Materials**"):

a) an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by the Sellers to such Potential Bidder) in a form and substance acceptable to the Sellers, and which shall inure to the benefit of any purchaser of the Assets, or any portion thereof. In the event the Potential Bidder has already entered into a confidentiality agreement with either of or both of the Sellers, prior to the distribution of any additional confidential information by the Sellers to such Potential Bidder, such Potential Bidder must provide a statement waiving any of its rights under such confidentiality agreement that are in conflict with the Sale Procedures or that would otherwise prohibit disclosures regarding the Potential Bidder, or any transactions it may enter into with the Sellers, to the Notice Parties and other Qualified Bidders who submit a Qualified Bid;

b) current audited financial statements and latest unaudited financial statements of the Potential Bidder, or such other form of financial disclosure and credit quality support or enhancement that allows the Monitor, in consultation with the Sellers, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a sale;

c) confirmation that the Potential Bidder has not engaged and will not engage in any collusion with respect to the bidding or the transactions, and if such Potential Bidder is an entity formed for the purpose of acquiring the Assets, or any portion thereof, confirmation from each of the Equity Holders of such Potential Bidder that such Equity Holder has not engaged and will not engage in any collusion with respect to the bidding or the transactions, such confirmation, in each case, in form and substance satisfactory to the Monitor; and

d) a statement outlining the Potential Bidder's interest in purchasing the Assets, or a portion thereof, from the Sellers, including: (i) any Assets expected to be excluded; (ii) the structure and financing of the sale (including, but not limited to, the sources of financing for the purchase price and all requisite financial assurance); (iii) any anticipated corporate or other approvals required to close the sale, the anticipated time frame and any anticipated impediments for obtaining such approvals; and (iv) any conditions to closing that the Potential Bidder may wish to impose.

The Monitor, after consultation with the Sellers and the DIP Lenders, may extend the Participation Deadline once or successively, but is not obligated to so.

If it is determined by the Monitor, after consultation with the Sellers and the DIP Lenders, that a Potential Bidder: (i) has a *bona fide* interest in an acquisition of the Assets; (ii) has delivered all of the Participation Materials prior to the Participation Deadline; and (iii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on such Potential Bidder's financial information; such Potential Bidder will be deemed a "**Qualified Bidder**". The determination as to whether a Potential Bidder is a Qualified Bidder will be made as promptly as practicable after a Potential Bidder delivers all of the Participation Materials, and each such determination shall be reported to each of the Notice Parties and to the applicable Qualified Bidder. The Monitor may determine, after consultation with the Sellers and the DIP Lenders, whether to entertain bidders for the Assets that have not met one or more of the requirements specified above and deem such bidders to be Qualified Bidders.

Due Diligence

The Sellers may in their reasonable business judgment, and subject to competitive and other business considerations, afford each Qualified Bidder and any other person seeking to become a Qualified Bidder that has executed a confidentiality agreement as described in clause (a) under the heading "Participation Requirements" above with the Sellers such access to due diligence materials and information relating to the Assets as the Sellers deem appropriate after consultation with the Monitor and the DIP Lenders. Due diligence access may include management presentations as may be scheduled by the Sellers, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Sellers, in its reasonable business judgment, may agree. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. No additional due diligence for any party other than a Qualified Bidder who has submitted a Qualified Bid will continue after the Bid Deadline (as defined below). Neither the Sellers nor any of their affiliates (or any of their respective representatives) will be obligated to furnish any information relating to the Assets to any person other than to Qualified Bidders. The Sellers make no representation or warranty as to the information to be provided through this due diligence process or otherwise, except as set forth in any definitive transaction agreement(s) with the Successful Bidder.

Bid Deadline

A Qualified Bidder that desires to make a bid shall deliver written copies of its bid to each of the following parties (collectively, the "**Notice Parties**"): (i) the Monitor, Ernst & Young Inc., Ernst & Young Tower, 222 Bay Street, Toronto, ON M5K 1J7, Attention: Mike Dean, email: mike.p.dean@ca.ey.com; (ii) counsel to the Sellers, Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 3300, P.O. Box, Toronto, ON M5J 2Z4, Attention: Virginie Gauthier, fax: 416-216-3930, e-mail: virginie.gauthier@nortonrosefulbright.com; (iii) Canaccord Genuity Corp., Brookfield Place, 161 Bay Street, Suite 3000, Toronto, ON M5J 2S1, Attention: Barry Goldberg and Michael Levin, e-mail: bgoldberg@canaccordgenuity.com and mlevin@canaccordgenuity.com; and (iv) counsel to the DIP lenders, Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON M5H 2S7, Attention: Robert Chadwick, fax: 416-979-1234, e-mail: rchadwick@goodmans.ca, so as to be received by the Monitor no later than December 9, 2013 at 5:00 p.m. (ET) (as may be extended as set out below, the "**Bid Deadline**"). The Monitor, after consultation with the Sellers and the DIP Lenders, may extend the Bid Deadline once or successively, but is not obligated to do so. If the Monitor extends the Bid Deadline, the Monitor will promptly notify all Qualified Bidders and the Notice Parties.

Qualified Bid

A bid submitted will be considered a Qualified Bid only if the bid is submitted by a Qualified Bidder and complies (either individually or in combination with other bids that make up one Qualified Bid) with all of the following (a "**Qualified Bid**"):

a) the bid (either individually or in combination with other bids that make up one Qualified Bid) is an offer to purchase some or all of the Assets on terms and conditions reasonably acceptable to the Monitor, as determined after consultation with the Sellers and the DIP Lenders;

b) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder, provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the Sale to the Successful Bidder, and (ii) 21 days from the Sale Approval Motion, subject to further extensions as may be agreed to under the applicable transaction agreement(s);

c) it includes a duly authorized and executed transaction agreement(s), including the purchase price for the Assets expressed in Canadian dollars (the "**Purchase Price**") together with all exhibits and schedules thereto, all applicable ancillary agreements with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements), and proposed orders to approve the sale by the Court;

d) it includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Monitor, in consultation with the Sellers and the DIP Lenders, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale;

e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining financing;

f) it fully discloses the identity of each entity that will be bidding for the Assets or otherwise sponsoring, financing (including through the issuance of debt in connection with such bid), participating or benefiting from (including through license or similar arrangement with respect to the assets to be acquired in connection with such bid), such bid, and the complete terms of any such sponsorship, participation, financing or benefit, such disclosure to include, without limitation: (i) in the case of a Qualified Bidder formed for the purposes of acquiring Assets (or any portion thereof), the identity of each of the actual or proposed Equity Holders of such Qualified Bidder and the terms and participation percentage of such Equity Holder's interest in such bid; and (ii) the identity of each entity that has or will receive a benefit from such bid from or through the Qualified Bidder or any of its Equity Holders and the terms of such benefit;

g) it includes a commitment by the Qualified Bidder to provide a non-refundable deposit upon being selected as the Successful Bidder and in any event, prior to service of the materials for the Sale Approval Motion (as defined below);

h) it includes an acknowledgement and representation of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Assets or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Sellers;

i) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction agreement(s) submitted by the Qualified Bidder;

j) it contains other information reasonably requested by the Monitor, in consultation with the Sellers and the DIP Lenders; and

k) it is received by the Bid Deadline.

The Monitor may determine, in consultation with the Sellers and the DIP Lenders, whether to entertain bids for the Assets that do not conform to one or more of the requirements specified herein and deem such bids to be Qualified Bids; provided that the Monitor, in evaluating such bids, may not waive substantial compliance with any of the above requirements without prior written consent of the Sellers and the DIP Lenders.

The Monitor shall notify each Qualified Bidder in writing as to whether such Qualified Bidder's bid constituted a Qualified Bid within three (3) business days of the expiration of the Bid Deadline, or at such later time as the Monitor deems appropriate after consultation with the Sellers and the DIP Lenders.

If the Monitor, after consultation with the Sellers and the DIP Lenders, is not satisfied with the number or terms of the Qualified Bids submitted by the Bid Deadline, the Monitor may extend the Bid Deadline, or cancel the Sale Process.

Aggregate Bids

The Monitor may, following consultation with the Sellers and the DIP Lenders, aggregate separate bids from unaffiliated Potential Bidders to create one "Qualified Bid" from one or more "Qualified Bidders"; provided that all such bidders shall remain subject to the requirements preventing collusion in these Sale Procedures.

Evaluation of Competing Bids

A Qualified Bid will be valued based upon several factors, including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transactions), the assets included or excluded from the bid, the transition services required from the Sellers post-closing, if any, and any related restructuring costs, and the likelihood and timing of consummating such transactions, each as determined by the Monitor, in consultation the Sellers and the DIP Lenders.

Selection of Successful Bid

The Monitor, in consultation with the Sellers and the DIP Lenders, (a) will review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated among the Sellers, in consultation with the Monitor and the DIP Lenders, and the applicable Qualified Bidder, and may be amended, modified or varied to improve such Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best offer for the Assets (the "**Successful Bid**", and the Qualified Bidder making such Successful Bid, the "**Successful Bidder**"). The determination of any Successful Bid by the Monitor, after consultation with the Sellers and the DIP Lenders, shall be subject to approval by the Court.

Neither the Monitor nor the Sellers shall have any obligation to select a Successful Bid, and they reserve the right, after consultation with the DIP Lenders, to reject any or all Qualified Bids.

Sale Approval Motion Hearing

The motion for an order of the Court approving any Successful Bid or any plan to give effect to any Successful Bid (the "**Sale Approval Motion**") shall be set by the Monitor.

At the hearing of the Sale Approval Motion, the Sellers shall seek, among other things, approval from the Court to consummate any Successful Bid.

All the Qualified Bids other than the Successful Bid, if any, shall be deemed rejected by the Sellers on and as of the date of approval of the Successful Bid by the Court.

Reservation of Rights

The Monitor, after consultation with the Sellers and the DIP Lenders, may (a) determine which Qualified Bid, if any, is the highest or otherwise best offer; (b) reject at any time before the issuance and entry of an order approving a Qualified Bid, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Sale Procedures or any order of the Court, or (iii) contrary to the best interests of the Sellers or its creditors; and (c) may modify the Sale Procedures or impose additional terms and conditions on the sale of the Assets.

Neither the Monitor nor the Sellers shall have any obligation to select a Successful Bid, and they reserve the right, after consultation with the DIP Lenders, to reject any or all Qualified Bids.

Nothing herein shall limit the right of any holders of notes of the Sellers, including holders of the senior secured notes, the unsecured notes, the bridge notes and the DIP notes, to advance a recapitalization or CCAA plan.

Miscellaneous

These Sale Procedures are solely for the benefit of the Sellers and nothing contained in the Sale Procedures Order or these Sale Procedures shall create any rights in any other person or bidder (including without limitation rights as third party beneficiaries or otherwise) other than the rights expressly granted to a Successful Bidder under the Sale Procedures Order.

Except as provided in the Sale Procedures Order and Sale Procedures, the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the implementation of the Sale Procedures Order and the Sale Procedures.

Limitation of Liability

The Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, the Sellers, the DIP Lenders or any creditor or other stakeholder, for any act or omission related to the process contemplated by these Sale Procedures. By submitting a bid, each Potential Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever.

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

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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER
(Approval of Sale Procedures)

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200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

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Lawyers for the Applicants

DOCSTOR: 2805783\3

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TAB B

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Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

This is Exhibit B referred to in the affidavit of William E. Aziz sworn before me, this 6 day of January 2014

A Campbell
A COMMISSIONER FOR TAKING AFFIDAVITS

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078375 FIXED	Victoria	3-53

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

2009-02-12

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078375

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility criteria for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078375

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

6. Provision of Technical Information

When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's Enforcement Standards for Lawful Interception of

Industry Canada Industrie Canada

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SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078375

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development (GL-03).

12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
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Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to Information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078374 FIXED	Vancouver	3-52

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078374

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility criteria for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

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ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078374

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

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When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's Enforcement Standards for Lawful Interception of

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078374

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development (GL-03).

12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

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Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078374

APPENDICES

Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to Information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

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Industry Canada / Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078373 FIXED	Red Deer	3-48

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

T LAND/MOBILE

APPENDICES

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078373

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility critera for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078373

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

6. Provision of Technical Information

When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's Enforcement Standards for Lawful Interception of

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078373

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development (GL-03).

12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078373

APPENDICES

Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078372 FIXED	Calgary	3-47

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

T LAND/MOBILE

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GS

Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078372

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility critera for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078372

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

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When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

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The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

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Industry Canada | Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078372

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

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12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

Industry Canada | Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078372

APPENDICES

Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

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Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078371 FIXED	Edmonton	3-44

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

T LAND/MOBILE

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078371

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility critera for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078371

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

6. Provision of Technical Information

When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's Enforcement Standards for Lawful Interception of

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078371

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development (GL-03).

12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

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(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078371

APPENDICES

Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078370 FIXED	Windsor/Leamington	3-32

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078370

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility critera for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part 1, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078370

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

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When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's Enforcement Standards for Lawful Interception of

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078370

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development (GL-03).

12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078370

APPENDICES

Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

Industry Canada / Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078369 FIXED	Niagara-St. Catharines	3-29

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada | Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078369

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility criteria for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada / Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078369

APPENDICES

5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

6. Provision of Technical Information

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7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

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Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078369

APPENDICES

Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

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12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

14. Mandatory Roaming

PCS and AWS licensees must comply with the mandatory roaming requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

15. Annual Reporting

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078369

APPENDICES

Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to Information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

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Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078368 FIXED	Guelph/Kitchener	3-27

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1735.00000 MHz TO 1740.00000 MHz		BLOCK D / BLOC D
2135.00000 MHz TO 2140.00000 MHz		BLOCK D / BLOC D

SERVICES

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078368

APPENDICES

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance. Industry Canada will consider requests from licensees, whether new entrants or incumbents, to exchange spectrum blocks in the same geographic territory, provided that the amount of non-set-aside spectrum is equal to or greater than the set-aside spectrum and the Department may grant such requests based on the merits of the proposal and conformity with the policy objectives.

The licensee may also apply to use a subordinate licensing process.

For more information, refer to Industry Canada's Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility Criteria

The licensee must comply on an ongoing basis with the eligibility critera for a radiocommunication carrier including compliance with section 10(2) of the Radiocommunication Regulations. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy set out in the Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I, Section 3, Treatment of Incumbent Licensees (DGTP-002-07) or any such policies related to the displacement of fixed systems as may be issued.

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

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ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078368

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5. Radio Sation Installations

While site-specific radio licences will not be required for each station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

6. Provision of Technical Information

When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must compy with, the Radiocommunication Act, the Radiocommunication Regulations and the International Telecommunication Union's Radio Regulations pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy. Licensees must abide by applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current (Treaty Series 1962 No. 15 - Coordination and Use of Radio Frequencies - Arrangements H, I and J) and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical date for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's Enforcement Standards for Lawful Interception of

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APPENDICES

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11. Research and Development (R&D)

All licensees must invest, as a minimum, 2 percent of their adjusted gross revenues resulting from their operations in this spectrum, averaged over the 10-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the Income Tax Act. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than $5 million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues affiliated licensees are greater than $5 million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development (GL-03).

12. Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C of the AWS Licensing Framework (DGRB-011-07), both in considering eventual renewal of AWS licences and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS policy Framework.

13. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Industry Canada's Client Procedures Circular CPC-2-0-17 Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements, as amended from time to time.

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15. Annual Reporting

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Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078368

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Licensees must submit an annual report for each year of the licence term including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than $5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the report should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the Access to Information Act.

Manager, Emerging Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA, RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

Industry Canada Industrie Canada

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SPECTRUM LICENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder

EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078367 FIXED	South Ont/Ont-Sud	2-08

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1730.00000 MHz TO 1735.00000 MHz		BLOCK C / BLOC C
2130.00000 MHz TO 2135.00000 MHz		BLOCK C / BLOC C

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

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Industry Canada / Industrie Canada

(DISPONIBLE EN FRANÇAIS)

SPECTRUM LICENCE

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Industry Canada Industrie Canada

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ACCOUNT NUMBER	LICENCE NUMBER
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ACCOUNT NUMBER	LICENCE NUMBER
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15. Annual Reporting

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

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ACCOUNT NUMBER	LICENCE NUMBER
7-090900512	5078367

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- an update on the implementation and spectrum usage of Advanced Wireless Services, Personal Communications Services and/or sevices in the band 1670-1675 MHz, within the area covered by the licence;
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EFFECTIVE DATE	EXPIRY DATE	ACCOUNT NUMBER
February 11, 2009	February 10, 2019	07-090900512

RADIOCOMMUNICATION CARRIER

Data & Audio-Visual
Enterprises Wireless Inc.
161 Bay St, Suite 2300, C.T. Tower
Toronto ON M5J 2S1

THIS LICENCE AUTHORIZES THE UTILIZATION OF THE SPECIFIED RADIO FREQUENCIES IN THE SERVICE AREA LISTED BELOW

NUMBER TYPE	SERVICE AREA	SERVICE AREA ID
5078366 FIXED	East Ont/Ont-Est, Outaouais	2-06

LICENCE CONDITIONS

REFER TO ATTACHED APPENDIX.

LOWER FREQUENCIES	UPPER FREQUENCIES	AUTHORIZED COMMUNICATIONS AND CONDITIONS
1730.00000 MHz TO 1735.00000 MHz		BLOCK C / BLOC C
2130.00000 MHz TO 2135.00000 MHz		BLOCK C / BLOC C

SERVICES

T LAND/MOBILE

APPENDICES

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Licence Conditions

The following conditions apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

1. Licence Term

Industry Canada Industrie Canada

(DISPONIBLE EN FRANÇAIS)

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7-090900512	5078366

APPENDICES

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Industry Canada / Industrie Canada

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15. Annual Reporting

Industry Canada / Industrie Canada

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16. Amendments

The Minister of Industry retains the discretion to amend these terms and conditions of licence at any time.

Last revision date: January 19, 2009

ENQUIRIES CONCERNING THIS SPECTRUM LICENCE SHOULD BE DIRECTED TO INDUSTRY CANADA,
RADIOCOMMUNICATIONS AND BROADCASTING REGULATIONS BRANCH, 300 SLATER STREET, OTTAWA, ON, K1A 0C8.

TAB C

This is Exhibit C referred to in the affidavit of William E. Aziz sworn before me, this 6 day of January 20 14

A COMMISSIONER FOR TAKING AFFIDAVITS

Industry Canada

Industry Canada Industrie Canada

June 04, 2013 08:12 ET

Harper Government Protecting Consumers and Increasing Competition in Canadian Wireless Sector

OTTAWA, ONTARIO--(Marketwired - June 4, 2013) - The Honourable Christian Paradis, Minister of Industry, today announced decisions to further promote competition in the Canadian wireless telecommunications market to give Canadians access to the latest technology at better prices.

"Our government is clearly committed to encouraging competition in the wireless market so that Canadian families will benefit from cutting-edge technologies and services at affordable prices," said Minister Paradis. "I believe the basis of a strong economy is a competitive marketplace and consumer choice. We will continually review the regulations and policies that apply to the wireless telecommunications sector to promote at least four wireless providers in every region of the country so that Canadian consumers benefit from competition."

The Minister also announced that TELUS' application to transfer Mobilicity's spectrum licences will not be approved. Mobilicity's licences were among those set aside for new entrants in the 2008 Advanced Wireless Services (AWS) auction, which included restrictions on transferring licences to incumbents.

"Our government has been clear that spectrum set aside for new entrants was not intended to be transferred to incumbents. We will not waive this condition of licence and will not approve this, or any other, transfer of set-aside spectrum to an incumbent ahead of the five-year limit," said Minister Paradis. "Our government will continue to allow wireless providers access to the spectrum they need to compete and improve services to Canadians. We are seeing Canadian consumers benefit from our policies and we will not allow the sector to move backwards. I will not hesitate to use any and every tool at my disposal to support greater competition in the market."

In addition, the Government also outlined improvements to the policy on spectrum licence transfers that will be released in the coming weeks, which followed consultations launched in March 2013. Going forward, proposed spectrum transfers that result in undue spectrum concentration-and therefore diminish competition-will not be permitted. This policy will apply to all commercial mobile spectrum licences, including the 2008 AWS licences.

All applications for licence transfers will be reviewed on a case-by-case basis and decisions will be issued publicly to increase transparency.

In light of these decisions, the timing of the 700 MHz auction has been updated. The application deadline will now be September 17, 2013, and the auction will commence on January 14, 2014. These new dates will provide companies with additional time to consider today's decisions and finalize their approaches to the auction process.

In 2008, the Government set aside AWS spectrum for new entrants and introduced roaming and tower-sharing policies. In 2012, foreign investment restrictions were lifted for telecom companies that hold less than a 10-percent share of the total Canadian market. Earlier this year, the Government announced several measures, including expanding and extending the requirement for companies to provide roaming to competitors, strengthening cell tower sharing rules, and ensuring at least four providers in every region can acquire spectrum in the upcoming 700 MHz and 2500 MHz auctions.

CONTACT INFORMATION

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TAB D

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Industry Canada Industrie Canada

DGSO-003-13
June 2013

Spectrum Management and Telecommunications

Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum

This is Exhibit D referred to in the affidavit of William E. Aziz sworn before me, this 6 day of January 2014

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A COMMISSIONER FOR TAKING AFFIDAVITS

Aussi disponible en français

Canada

Contents

1. Introduction

1.1 Intent

1. Through the release of this Framework, Industry Canada hereby announces the decisions resulting from the consultation process undertaken in *Canada Gazette* notice DGSO-002-13, *Consultation on Considerations Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences.*

2. All comments and reply comments received in response to the consultation document are available on Industry Canada's website at: http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/h_sf10568.html.

3. This paper sets out changes to existing conditions of spectrum licences in bands for commercial mobile spectrum and to Industry Canada's publication, *Licensing Procedure for Spectrum Licences for Terrestrial Services* (CPC-2-1-23), hereinafter referred to as the Spectrum Licence Procedures. This document sets out the procedures related to requests involving the transfer, division or subordinate licensing of these spectrum licences.

4. This Framework applies in addition to the existing provisions of the Spectrum Licence Procedures and will be integrated into them. All other provisions of the Spectrum Licence Procedures are unchanged and will continue to apply to spectrum licences issued both for commercial mobile spectrum and for all other services.

1.2 Mandate

5. The Minister of Industry, through the *Department of Industry Act*, the *Radiocommunication Act*, and the *Radiocommunication Regulations*, with due regard to the objectives of the Canadian telecommunications policy set out in Section 7 of the *Telecommunications Act*, is responsible for spectrum management in Canada. As such, the Minister is responsible for developing policies for spectrum utilization and ensuring effective management of the radio frequency spectrum resource. Pursuant to the *Radiocommunication Act*, the Minister has the authority to plan the allocation and use of spectrum, to issue licences, and to fix and amend the terms and conditions of licences.

6. In developing licensing frameworks and policies, Industry Canada is guided by the objectives stated in Section 7 of the *Telecommunications Act* and the policy objective stated in the *Spectrum Policy Framework for Canada* in order to maximize the economic and social benefits that Canadians derive from the use of the radio frequency spectrum.

1.3 Policy Objectives

7. Industry Canada has developed this Framework to support the Government's policy objective to maximize the economic and social benefits that Canadians derive from the use of the radio frequency spectrum resource, including the efficiency and competitiveness of the Canadian telecommunications industry, and the availability and quality of services to consumers.

8. The intent of the Framework is to provide guidance to licensees as to how transfers of spectrum licences will be reviewed, as well as to introduce additional conditions of licence regarding the transfer

of control of spectrum licences, all with an eye to managing the spectrum resource for the benefit of Canadians as per the policy objectives outlined above.

1.4 Background and Considerations

9. This Framework complements other measures taken by the Government of Canada to increase competition in the provision of wireless telecommunications services. It enhances Industry Canada's existing processes and guidance in its review of the transfer of spectrum licences. Reviewing spectrum licence transfers supports the Government of Canada's policy objectives in the wireless telecommunications sector. Access to sufficient spectrum is a precondition to the provision of wireless services. Undue concentration of spectrum among a small number of wireless service providers can be detrimental to competition.

10. Reviews conducted by Industry Canada, pursuant to the *Radiocommunication Act*, are separate from those conducted by the Competition Bureau pursuant to the *Competition Act*. Under the *Radiocommunication Act*, the Minister of Industry reviews spectrum licence transfers as part of the mandate to plan the allocation and use of spectrum. Under the *Competition Act*, mergers (which can include acquisitions of assets, including spectrum licences) may be reviewed by the Competition Bureau to determine whether they prevent or lessen, or are likely to prevent or lessen, competition substantially. As part of its assessment of mergers, the Bureau examines all relevant businesses of the parties, and considers a number of factors to determine the impact of the merger on competition in relevant markets. In addition, the Bureau may review agreements or arrangements involving radio spectrum between competitors or potential competitors under a civil provision of the *Competition Act* that prohibits agreements that prevent or lessen, or are likely to prevent or lessen, competition substantially. The approach for analyzing competitive effects under this civil provision is similar to the analytical approach applied for mergers. Under the criminal conspiracy provision in the *Competition Act*, subject to limited defences, conspiracies, agreements or arrangements between competitors or potential competitors to fix prices, to allocate markets or to restrict output are illegal. For the purposes of this Framework, the same types of agreements or arrangements may trigger transfer requests or requirements to notify, along with other obligations as outlined in this Framework, insofar as they lead to changes in Control of a Licence or the Control of a Licensee or Affiliate. In addition, such agreements or arrangements may be relevant to the review criteria and considerations, which are discussed in more detail below.

11. Under the *Radiocommunication Act*, any use of spectrum must be authorized by the Minister. Where any person acts in a manner that is contrary to the provisions outlined in this document such that they enter into agreements, arrangements or understandings to use spectrum without being authorized to do so by the Minister as outlined in the Spectrum Licence Procedures, they will be considered to be acting contrary to the *Radiocommunication Act* and will be subject to the enforcement provisions set out in that Act. Additionally, this Framework sets out amended conditions of licence that impose requirements on licensees related to transfers of spectrum licences. Licensees who do not act in accordance with these requirements will be considered to be acting in breach of their authorization, and therefore also acting contrary to the *Radiocommunication Act*.

1.5 Interpretation

12. A number of terms are used in this Framework, which are explained below:

Affiliate: An entity is an Affiliate of any other entity where it controls or is controlled by the other entity, or is controlled by any entity that also controls the first entity.

Agreement: Where the word "Agreement" is used in this document, it includes all forms of agreements, arrangements and understandings made in any manner or format.

Applicants: Applicants to a Transfer Request include the current licensee and the proposed transferee. In the case of a Deemed Transfer, the term Applicants will include, in addition to the licensee, the entity taking Control of the Licence or Control of the Licensee or Affiliate, and in the case of a Prospective Transfer, the term includes the entity to which the future Licence Transfer would be made.

Control of a Licence: A Licence is controlled by any party that has the power or ability, whether exercised or not, to determine or influence the use of all or part of the licensed spectrum or the disposition of all or part of the Licence. More than one entity at a time may exercise Control of a Licence.

Control of a Licensee or Affiliate: An entity has control of a licensee or Affiliate when it has the power or ability, whether exercised or not, to determine or decide the strategic decision-making activities of the licensee or Affiliate or to manage and run its day-to-day operations, including, but not limited to, Control of a Licence. Control may be demonstrated by legal ownership rights or through other means. Where an entity holds more than 20% of the voting shares — or if there are no voting shares but an entity holds a greater than 20% stake in the beneficial ownership of a licensee or Affiliate — that entity will be presumed (subject to rebuttal) to have control of that licensee. Control may be demonstrated by an examination of a number of factors, including ownership interests, relationships and Agreements between the relevant parties, and/or the ability to exercise influence. Industry Canada may also consider the degree of control exercised by entities acting in concert with each other.

Deemed Transfer: Any immediate change to the Control of a Licence or Control of a Licensee or Affiliate that can be effected without making a Transfer Request, including a change made through the granting of any full or partial right or interest in a Licence through an Agreement.

Framework: In this decision paper, "Framework" means the entire set of decisions, including decisions to update the Spectrum Licence Procedures and to amend certain conditions of licence, as well as the explanation of the decisions set out in this document.

Industry Canada: For the purposes of this Framework, functions of the Minister of Industry under the *Radiocommunication Act* may be exercised by Industry Canada.

Licence: The term "Licence" in this document includes spectrum licences and subordinate licences.

Licence Transfer: A transfer of any Licence, including a division of a Licence, the granting of a subordinate Licence, or a Deemed Transfer.

Prospective Transfer: A Licence Transfer (contemplated by an Agreement) that is to be or may be completed or that will take effect at a future date, whether or not the date is specified.

Spectrum Licence Procedures: The procedures relating to Transfer Requests, as outlined in Industry Canada's publication, *Licensing Procedure for Spectrum Licences for Terrestrial Services* (CPC-2-1-23).

Transfer Request: In this document, a Transfer Request includes any request to transfer a Licence, to grant a subordinate Licence, or to divide a Licence that will result in the issuance of a new Licence, if approved.

2. Industry Canada Review of Spectrum Licence Transfer Requests

2.1 Scope of Application

13. In the consultation, Industry Canada proposed to apply the criteria and considerations set out therein to all Licences to which the Spectrum Licence Procedures apply. However, different spectrum bands are conducive to providing different services and Industry Canada recognizes that there are significant differences in the supply and demand conditions and in the competitive markets for these services. For example, the competitive environment for commercial mobile spectrum differs from that of the various fixed services. The licensing regime for commercial mobile spectrum reflects this difference, as the initial release of Licences is always through a competitive process — generally an auction — whereas fixed spectrum is licensed through a mixture of annual and long-term licences, which are issued through various competitive and non-competitive processes. Similarly, in today's market, the supply and demand conditions for spectrum for the provision of satellite services differ greatly from those of the terrestrial services.

14. Accordingly, this Framework will be applied to Licences for commercial mobile spectrum, which currently are those issued in the Cellular, Personal Communications Services (PCS), Advanced Wireless Services (AWS), Broadband Radio Service (BRS) and Wireless Communication Services (WCS) bands. As new spectrum is allocated for the purposes of providing commercial mobile services, these provisions will apply to those bands. As well, this Framework will apply to Licences issued pursuant to the upcoming auctions in the 700 MHz and 2500 MHz bands.

15. This Framework will apply to existing commercial mobile spectrum Licences. The provisions outlined in this Framework will be applied to Licence Transfers and Prospective Transfers, on or after the date of publication of this Framework.

16. The Minister of Industry may, in the future, impose the terms of this Framework or specific conditions of licence regarding Licence Transfers and Prospective Transfers to Licences in frequency bands or services not discussed within this Framework.

17. Additionally, Industry Canada notes that parties using spectrum that is licensed to another party (by virtue of spectrum sharing or other similar agreements) are required to seek a subordinate Licence from Industry Canada, under the terms set out in Industry Canada's Spectrum Licence Procedures. Accordingly, applications for subordinate Licences in commercial mobile spectrum bands will be reviewed by Industry Canada pursuant to this Framework. Similarly, arrangements for strategic alliances, joint ventures, and similar understandings may result in a change of Control of a Licence, which is subject to review under this Framework as a Deemed Transfer.

18. This Framework and any resulting changes to Industry Canada's Spectrum Licence Procedures and the relevant conditions of licence will apply to all Licence Transfers and Prospective Transfers in commercial mobile spectrum bands.

2.2 Threshold

19. In the consultation, Industry Canada asked whether a threshold (i.e. a measure of MHz-pop) or another type of screen or cap should apply when deciding whether to conduct a detailed review.

Summary of Comments

20. Many respondents provided a variety of suggestions as to potential thresholds for use by Industry Canada in determining whether or not to conduct a detailed review. Such proposals included the following suggestions: MHz-pop measurements, subscriber per MHz-pop, percentages of mobile spectrum held by the transferee or between the three licensees with the highest level of holdings, or some combination of these thresholds.

21. Some respondents expressed concerns that a threshold or another measure would capture transfers that would have an insignificant impact on spectrum concentration, or that such thresholds may be subject to "gaming" in cases where a series of small transactions could be completed to avoid review.

22. Other respondents submitted that it would be too difficult and too complex to determine an appropriate measure or formula applicable to most situations. They noted that many transfers are unique, and should therefore be reviewed on their own individual merits.

Discussion

23. Industry Canada explored a number of quantitative and other types of thresholds that could be employed to screen or to limit the number of spectrum licence transfer requests that would be subjected to a detailed review. As noted above, the focus of this Framework has been narrowed to concentrate on commercial mobile spectrum. However, Industry Canada has determined that there is no single measure that can address the complexity of the commercial mobile spectrum environment in the assessment of a Licence Transfer.

24. Commercial mobile spectrum is an important resource to be managed for the economic and social benefit of Canadians. As such, it is appropriate to subject all Licence Transfers and Prospective Transfers in these bands to a similar type of review. This will ensure that all transfers of licence for commercial mobile spectrum are reviewed against the criteria outlined in Section 2.3 of this decision paper.

Decision

25. Based on the above, Industry Canada will review Licence Transfers and Prospective Transfers of commercial mobile spectrum based on the considerations and criteria described below, which will be added to the current provisions in the Spectrum Licence Procedures.

2.3 Considerations and Criteria

26. In the consultation, Industry Canada sought comments from stakeholders on the considerations and criteria concerning the review of requests for the transfer or division of licences, as well as the subordinate licensing of spectrum licences.

Summary of Comments

27. The proposed criteria and considerations were generally supported by TELUS, MTS Allstream, Public Mobile, Eastlink and Xplornet. They were not supported by Bell Mobility, Rogers, Quebecor or Mobilicity.

28. Those who did not support the proposed criteria and considerations generally indicated that it was not necessary to introduce these, stating that the current review process, together with the Competition Bureau's review, is sufficient. Bell Mobility submitted that the existing Ministerial approval required for spectrum licence transfers and for the Competition Bureau oversight of mergers and acquisitions provides sufficient power to address any concerns about the impact of spectrum concentration on competition. Rogers questioned why Industry Canada would duplicate the review of factors considered by the Competition Bureau.

29. Other respondents suggested refinements to the proposal. These suggestions focused on two main areas of concern: (1) the way Industry Canada will account for spectrum licence holdings and spectrum concentration, and (2) the need for Industry Canada to consider regional variation. Eastlink, for example, suggested that a transferee's entire licence holdings should be taken into account, whereas SaskTel indicated that Industry Canada should take into account the number of facilities-based providers in a given region and that spectrum should be differentiated above and below 1 GHz. WIND also stated that Industry Canada should base its review on the number of operators in a region, but that this number should include Mobile Virtual Network Operators (MVNOs). A number of respondents indicated that Industry Canada should account for spectrum sharing agreements in its assessment. SaskTel noted that Industry Canada should take into account regional characteristics and consider rural areas differently than urban ones.

30. Additional comments were received related to the timing of Industry Canada's review of the spectrum licence transfer request, vis-à-vis the parties' finalization of their agreement. Xplornet indicated that a requirement to approach Industry Canada prior to the finalization of an agreement would be problematic, and suggested that Industry Canada allow parties to enter into binding agreements prior to seeking Industry Canada's approval of the transfer.

31. Most parties, whether they supported the proposal or not, submitted that if criteria were adopted, these should be objective and transparent.

Discussion

32. As noted in the introduction to this paper, reviews that may be conducted by Industry Canada under this Framework are separate from those conducted by the Competition Bureau, pursuant to the *Competition Act,* and therefore would not affect the Commissioner of Competition's review of mergers, agreements, or arrangements involving radio spectrum. Industry Canada's direct concerns are with respect to the impact of the proposed Licence Transfer or Prospective Transfer on the concentration of spectrum in a region, whereas the Bureau's concerns relate to its statutory mandate, as discussed above.

33. Spectrum concentration should be considered on a number of different levels. Overall spectrum concentration across commercial mobile spectrum bands is key to assessing the availability of spectrum for competitors. In-band concentration should also be considered, as each band can possess unique characteristics that are not or cannot be replicated in other bands. Thus, spectrum concentration within the band may influence competitors' ability to offer comparable services.

34. Assessment of spectrum concentration should take into account the access to spectrum through subordinate licensing and spectrum sharing agreements, as the secondary licensee is benefiting from additional spectrum to deploy.

35. The impact of a given level of spectrum concentration may differ from region to region, due to factors that impact spectrum scarcity (e.g. population density). Additionally, spectrum holdings among operators vary widely between regions. As such, an assessment of the impact of a Licence Transfer and the resulting spectrum concentration may vary across different regions.

36. All Licence Transfers require the approval of Industry Canada in order to be effected. As such, Industry Canada encourages potential Applicants to seek informal, non-binding advice prior to requesting a transfer of a spectrum licence. Information submitted in the course of obtaining this advice would be treated as confidential, subject to the provisions of the *Access to Information Act*.

37. Industry Canada recognizes that the cost savings and efficiency gains that can be realized through the use of spectrum sharing can enable more rapid deployment of next generation services to Canadians, including those in rural areas, and can also support investment and service innovation since next generation technologies require large amounts of spectrum. When sharing spectrum, Industry Canada expects that both parties to the Agreement would continue to have access to and make use of the spectrum. Accordingly, the nature of a sharing Agreement, including the planned use of the spectrum, is pertinent to a review of a request for a subordinate licence that is made pursuant to such an Agreement.

Decision

38. Industry Canada will examine the Licence holdings of the Applicants, both within the licensed spectrum band and across commercial mobile spectrum bands, in the relevant Licence area(s). All Licences held by the Applicants and their Affiliates will be considered in the analysis. Additionally, Industry Canada will consider other access to spectrum through any Agreements, including Licences held pursuant to a Deemed Transfer, as well as any pending transfers (which includes Licence Transfers that are currently under consideration or that may result from a Prospective Transfer).

39. In making its determination as to the impact of a Licence Transfer on the policy objectives of this Framework, Industry Canada will analyze, among other factors, the change in spectrum concentration levels (i.e. the amount of spectrum controlled by the Applicants in comparison to that held by all licensees) that would result from the Licence Transfer. In each case, Industry Canada will examine the ability of the Applicants and other existing and future competitors to provide services, given the post-transfer concentration of commercial mobile spectrum in the affected Licence area(s).

40. As part of the determination described above, Industry Canada will normally take into account the following factors:

(a) the current licence holdings of the Applicants and their Affiliates in the licensed area;
(b) the overall distribution of licence holdings in the licensed spectrum band and commercial mobile spectrum bands in the licensed area;
(c) the current and/or prospective services to be provided and the technologies available using the licensed spectrum band;
(d) the availability of alternative spectrum that has similar properties to the licensed spectrum band;
(e) the relative utility (e.g. above and below 1GHz) and substitutability of the licensed spectrum and other commercial mobile spectrum bands in the licensed area;
(f) the degree to which the Applicants and their Affiliates have deployed networks and the capacity of those networks;
(g) the characteristics of the region, including urban/rural status, population levels and density, or other factors that impact spectrum capacity or congestion; and
(h) any other factors relevant to the policy objectives outlined in this Framework that may arise from the Licence Transfer.

41. In cases of requests for subordinate Licences, pursuant to Agreements such as spectrum sharing Agreements, Industry Canada will also consider the nature of the Agreement and the planned use of the spectrum by each of the Applicants.

42. While Industry Canada will examine all Licence Transfers, those generally considered as having negligible or no impact — such as Licence Transfers made solely to effect an internal reorganization — will normally be approved.

43. Where a Licence Transfer or Prospective Transfer involves more than one Licence, Industry Canada may approve the transfer of only some of the licences requested and deny others.

44. Industry Canada's Spectrum Licence Procedures will be updated to include procedures related to the above review with respect to Licences for commercial mobile spectrum, in addition to the consideration of all of the other factors outlined in the Spectrum Licence Procedures, such as any applicable eligibility requirements and conditions of licence specific to the band in question.

45. Applicants will be required to provide any relevant documentation based on the above considerations and will be invited to make submissions along with the transfer application in order to permit Industry Canada to review Licence Transfers and Prospective Transfers in a timely fashion. Industry Canada may request further documents or information at any time prior to completing its review. The application and supporting materials will be treated confidentially, subject to the provisions of the *Access to Information Act.*

2.4 Deemed Transfers

46. Deemed Transfers have the effect of changing the control of a spectrum licence, either through a change in the ownership or the control of a licensee or through other means that would cause a person other than the licensee to control the spectrum licence.

47. In the consultation paper, Industry Canada proposed to treat any deemed spectrum licence transfer in the same fashion as other licence transfers. Given that the current conditions of licence require that Industry Canada approve all spectrum licence transfers, it was proposed that licensees would be required to notify Industry Canada prior to finalizing a deemed spectrum licence transfer. Such notifications would be treated as a spectrum licence transfer request to be reviewed by Industry Canada, as set out elsewhere in the consultation.

Summary of Comments

48. Of the 16 respondents to the consultation, nine supported Industry Canada's proposal relating to deemed spectrum licence transfers; Public Mobile suggested changes to the proposed definition; five had no comment; and Bell Mobility maintained its opposition to the overall proposal, including this element.

49. Some respondents supporting the proposal noted that it represents an important aspect of Industry Canada's overall approach to reviewing spectrum licence transfer requests.

50. Some respondents suggested clarifications to Industry Canada's proposal, relating to the following aspects: the definition of deemed spectrum licence transfers; the treatment of financial agreements as deemed spectrum licence transfers (in particular, certain respondents expressed their concerns about encountering delays when entering into standard financial agreements that might be reviewed); the form of Industry Canada's response to these transfers; and the relationship between prospective transfers and deemed spectrum licence transfers.

51. Rogers suggested changes to the wording of the definition of the deemed spectrum licence transfer, namely to remove the words "intent" and "effect" from the proposed wording, as these are difficult to establish in terms of the control of a licence.

52. Rogers also suggested that Industry Canada should clearly state whether it would approve or deny a deemed transfer, rather than using the hypothetical wording as set out in the consultation paper, and noted that the term "finalizing a deemed licence transfer" was imprecise.

53. Consistent with its overall opposition to the proposal, Bell Mobility submitted that Industry Canada should not do anything beyond the reviews performed by the Competition Bureau with respect to deemed transfers.

Discussion

54. The treatment of Deemed Transfers as Licence Transfers is important in order to ensure that all changes to the control of spectrum licences are reviewed in a consistent manner.

55. In response to comments provided by consultation respondents, the following clarifications are provided with respect to the treatment of Deemed Transfers:

(a) It is not Industry Canada's intention to hinder licensees from entering into financial arrangements made on normal commercial terms in the ordinary course of business. As such, Industry Canada will not generally require reviews relating to Deemed Transfers arising from entering into financial arrangements with parties whose business is primarily financing or lending. Industry Canada will instead focus its review on Deemed Transfers to any other licensees covered under this Framework, or to their Affiliates or to any of their respective agents or representatives.

(b) The form of approval of a Deemed Transfer will differ from that of a Transfer Request, where the prior Licence is revoked with consent and then reissued to the transferee by Industry Canada. In cases where the name of the licensee does not change, Industry Canada can provide the licensee either with written confirmation that the Licence remains valid (where the Deemed Transfer is approved) or with written notice that the Deemed Transfer is not approved and that the licensee will be in breach of their conditions of licence if the Deemed Transfer is implemented.

56. The inclusion of Deemed Transfers in the definition of a Licence Transfer is meant to capture a variety of situations where there is a change in the Control of a Licence or Control of a Licensee or Affiliate, such as:

(a) a transfer of shares of the Licensee or its Affiliates, including the purchase of shares, or effecting the conversion of shares;
(b) strategic alliances and joint ventures;
(c) an Agreement providing for exclusive use or excluding others from using licensed spectrum; or
(d) any Agreement that provides for "negative control," i.e. an Agreement preventing a licensee from entering into an Agreement with a competitor to transfer a Licence.

57. Industry Canada considers that certain types of influence can lead to a person having Control of a Licensee or Affiliate or Control of a Licence. These can include, among others, influence over the board of directors and/or operations of the Licensee and influence based on economic dependence of the Licensee.

Decision

58. Industry Canada will therefore adopt the following definition:

Deemed Transfer: Any immediate change to the Control of a Licence or Control of a Licensee or Affiliate that can be effected without making a Transfer Request, including a change made through the granting of any full or partial right or interest in a Licence through an Agreement.

59. Industry Canada's Spectrum Licence Procedures will be revised to incorporate the definition of a Deemed Transfer and to describe the form of approval or denial of such a transfer. Licensees will be required to apply for a review of a Deemed Transfer, and the application will be treated in accordance with the revised Spectrum Licence Procedures, using the criteria and considerations set out in this Framework. The application will be treated confidentially, subject to the provisions of the *Access to Information Act*.

60. In addition, the transfer and division condition of licence of existing and future spectrum licences subject to this Framework will now include a requirement to apply to Industry Canada for approval of a Deemed Transfer before any Agreement implementing the Deemed Transfer takes effect. The condition of licence will also state that it would be a breach of the licensee's conditions of licence to implement a Deemed Transfer that has not been approved by Industry Canada.

61. The condition of licence will also require the licensee to provide any documentation that Industry Canada requests related to this provision.

2.5 Prospective Transfers

62. In the consultation paper, Industry Canada proposed to introduce a notification requirement related to agreements that provide for the future transfer or division of either a spectrum licence or a subordinate licence, referred to as "prospective transfers." This requirement would be incorporated into a condition of licence, to be applied to all existing and subsequently issued spectrum licences.

63. Upon receipt of such notice, Industry Canada proposed to review the information provided by the parties with the intent of providing a non-binding preliminary assessment of the prospective transfer.

Summary of Comments

64. Of the 16 respondents to the consultation paper, six supported the addition of this condition of licence, seven opposed it, and three had no comments.

65. Among the respondents that supported the addition of this condition of licence, SaskTel stated that it should apply only to future, rather than existing, spectrum licences. Public Mobile suggested that Industry Canada explicitly indicate that where a licensee is or appears to be in breach of its condition of licence, a preliminary assessment of the transfer would be negative. Xplornet suggested that prospective transfers as set out in the consultation paper should be treated as deemed transfers.

66. Among those respondents opposing the addition of the proposed condition of licence, some indicated that it was not necessary, given that Industry Canada already has sufficient tools to regulate transfers and future transfers of spectrum licences. Additionally, some respondents reiterated their opposition to the addition of conditions of licence on existing licences before the expiry of their terms.

67. Further concerns were expressed as to the effects of Industry Canada's non-binding preliminary assessment of a prospective transfer, and some parties noted that deals may change substantially between the time the initial agreement is made and when it is completed. Rogers made the suggestion that the preliminary assessment should be at the option of the parties, rather than a mandatory requirement.

68. Some respondents also pointed out that the consultation paper does not clearly indicate at what point the parties to a prospective transfer would need to approach Industry Canada, given the proposed requirement to do so before a binding agreement has been reached. Further, Rogers pointed out that the parties contemplating a prospective transfer would, according to the proposal in the consultation paper, still be able to remain in a prospective transfer agreement, even where Industry Canada has provided a negative preliminary assessment.

Discussion

69. Although Agreements that provide for future Licence Transfers (e.g. option agreements, rights of first refusal or first offer, security agreements) do not immediately change the Control of a Licence or Control of a Licensee or Affiliate, Industry Canada is of the view that such Agreements can nevertheless impact both the competitive market for wireless services and the policy objectives set out in this Framework. Accordingly, Industry Canada is of the view that the Licence Transfers envisioned by these types of Agreements should be subject to Industry Canada review at the time that the Licensee enters into the Agreement.

70. Industry Canada also takes the position that, where it denies a Prospective Transfer, the policy objectives of this Framework do not support the licensee remaining in the Agreement that provides for such a transfer. However, Industry Canada also recognizes that parties may require a reasonable amount of time to either exit or reformulate an Agreement that is able to better meet this Framework.

71. Industry Canada considered the possibility of treating Prospective Transfers as Deemed Transfers. However, because Deemed Transfers and Prospective Transfers differ in terms of the timing of any change in the Control of a Licence or Control of a Licensee or Affiliate, Industry Canada is of the view that Prospective Transfers (which only have a future effect) should be treated separately from Deemed Transfers (which have an immediate effect). Similarly, Industry Canada's review of a Prospective Transfer should be considered as distinct from a review of a Licence Transfer, based on the factors set out in Section 2.3 above, and will be conducted at the relevant time.

72. Industry Canada will focus its review on Prospective Transfers, as provided for in Agreements between the licensee and any other licensees covered under this Framework and/or one of their Affiliates or any of their respective agents or representatives. Although various Agreements may result in a change to the Control of a Licence or Control of a Licensee or Affiliate at a future date, it is not Industry Canada's intention to capture Agreements made in the ordinary course of business with parties other than licensees that are subject to this Framework, e.g., security agreements incidental to standard financial arrangements with parties whose business is primarily financing or lending.

73. Industry Canada is of the view that information submitted as part of a review of a Prospective Transfer should be treated as confidential until such time as either the information has been made public by the Applicants or Industry Canada has reached a decision. However, this information is subject to the provisions of the *Access to Information Act*.

Decision

74. Industry Canada will adopt the following definition:

Prospective Transfer: A Licence Transfer (contemplated by an Agreement) that is to be or may be completed or that will take effect at a future date, whether or not the date is specified.

Licence Transfers include Deemed Transfers.

75. The transfer and division condition of licence for existing Licences subject to this Framework will be amended to require licensees to apply to Industry Canada for a review of a Prospective Transfer within 15 days of entering into any Agreement involving a Prospective Transfer to another licensee covered under this Framework or to one of its Affiliates or to any of their respective agents or representatives.

76. Industry Canada's Spectrum Licence Procedures will be revised to provide for reviews of Prospective Transfers, based on the criteria and considerations set out in this Framework. For the purposes of the review, the Prospective Transfer will be evaluated as though the future Licence Transfer arising from the relevant Agreement has been made. The resulting Licence Transfer will be considered in accordance with the revised Spectrum Licence Procedures, using the criteria and considerations set out in this Framework, and will be treated confidentially, subject to the provisions of the *Access to Information Act*.

77. Subject to paragraph 79 below, upon completing its review, Industry Canada will provide the licensee with a decision indicating that either the Prospective Transfer provided for in the Agreement meets the policy objectives set out in this Framework or that the Prospective Transfer does not meet these objectives. Further, the transfer and division condition of licence for existing Licences subject to this Framework will be amended to provide that in cases where Industry Canada has issued a decision indicating that the Prospective Transfer does not meet the policy objectives, it will be a breach of the condition of licence for a licensee to remain in the Agreement that provides for the Prospective Transfer for a period of more than 90 days from the date of the decision.

78. The condition of licence will also require the licensee to provide any documentation that Industry Canada requests related to this provision.

79. Any Licence Transfer resulting from an Agreement reviewed under this section will require a separate application to Industry Canada at the time that the parties wish to make the transfer. The Licence Transfer will be reviewed, as set out in this Framework, at that time.

2.6 Public or Confidential Review

80. In the consultation, Industry Canada asked whether its current process to review spectrum licence transfer requests should be modified to allow for public notification/consultation before a transfer has been approved.

Summary of Comments

81. MTS Allstream, Public Mobile, Terrestar, Xplornet, and Dr. Michael McNally, et al. indicated that Industry Canada should introduce a public announcement of spectrum licence transfer requests awaiting Industry Canada's approval in order to increase the transparency of the approval process. Some respondents indicated that publication of only basic data related to the transfer may be appropriate.

82. However, many other respondents noted that the details of spectrum licence transfers are commercially sensitive and that significant harm could result from the publication of spectrum licence transfer requests before these have been approved by Industry Canada.

Discussion

83. After assessing the submissions received, Industry Canada recognizes that parties may regard information submitted with respect to Licence Transfers or Prospective Transfers as confidential. As such, Industry Canada is of the view that requests for a review submitted by Applicants under this Framework should be treated confidentially until such time as the information has been made public by the Applicants or Industry Canada has reached a decision.

84. Industry Canada currently maintains a database of spectrum licences on its website, which is updated once a spectrum licence has been transferred or divided or once a subordinate licence has been issued. In addition to this information, stakeholders may benefit from the publication of Industry Canada's rationale for any approval or denial of a Licence Transfer or Prospective Transfer. Industry Canada's decisions do not create binding precedent as to future decisions. However, publication of this information may provide guidance as to the treatment of future applications for Licence Transfers and Prospective Transfers.

85. Additionally, Industry Canada notes that potential Applicants may benefit from receiving informal advice regarding a Licence Transfer, Prospective Transfer, or other matters under this Framework prior to finalizing any Agreement or to making a Transfer Request.

Decision

86. Material submitted by Applicants under this Framework will be treated as confidential, subject to the requirements of the *Access to Information Act*, until such time as the Applicants release the information publicly or Industry Canada publishes a decision.

87. Industry Canada will normally publish a summary of its decisions with respect to Licence Transfers and Prospective Transfers. Although they do not create binding precedents, these summaries of decisions may provide guidance as to the treatment of future Licence Transfers and Prospective Transfers.

88. Industry Canada encourages parties that are contemplating entering into Agreements related to transfers of spectrum licences to seek informal, non-binding advice prior to doing so. Information submitted in the course of obtaining this advice will be treated as confidential, subject to the provisions of the *Access to Information Act*, and no information relating to these requests will be published.

2.7 Timelines

89. In the consultation, Industry Canada proposed to provide either approval of a spectrum licence transfer request or advice that the request would be subject to a detailed review, as set out in the consultation paper, within four weeks of receipt of an application. Additionally, Industry Canada indicated that a detailed review would be completed within 16 weeks of receipt of all required information for a total time of 20 weeks. These timelines were subject to variation in certain instances — for example, if Industry Canada requested further information or if further time was required in order to respond to specific concerns.

Summary of Comments

90. While three respondents indicated that the timelines proposed were reasonable, and Terrestar suggested extending the timelines to allow for a public consultation process, the majority of respondents providing comments on this issue indicated that the proposed timelines should be shortened to between three and four weeks. In particular, a number of respondents indicated that the timeline for a review of a request for a transfer should be harmonized with the timelines established by the Competition Bureau for its reviews of mergers.

Discussion

91. Industry Canada recognizes the importance of timely regulatory decisions in the quickly changing telecommunications environment. As such, after considering the comments provided by respondents in the consultation and given that the initial review proposed in the consultation paper will not be required, Industry Canada believes that the timeline for a review and approval or denial of a Licence Transfer or a Prospective Transfer should be shortened to 12 weeks from the date that a request and all required information has been received.

92. A 12-week timeline for review is consistent with those time frames established in various international jurisdictions, which range from 30 days to six months.

93. Industry Canada notes that certain circumstances could arise that would lengthen the time required to review a Licence Transfer or a Prospective Transfer. For example, further information might be required from the Applicants, or the Applicants could require additional time to respond to specific concerns raised. Where the issues that are raised in a review of a Licence Transfer or a Prospective Transfer are complex, Industry Canada may require additional time to consider these.

Decision

94. Industry Canada's Spectrum Licence Procedures will be revised to reflect that reviews of Transfer Requests, Deemed Transfers, and Prospective Transfers will normally be completed within 12 weeks from the time of receipt of all required information. This timeline may vary due to requests for further information, where the Applicants require additional time to respond to specific concerns raised, or where the complexity of the issues raised in the course of a review demands a longer period of time in order to consider the effects of the Licence Transfer or the Prospective Transfer.

2.8 Next Steps

95. Industry Canada will publish notice of amendments to the Spectrum Licence Procedures and of amendments to conditions of licence for Licences subject to this Framework. After that date, Industry Canada may provide guidelines on the interpretation of matters under the Spectrum Licence Procedures, as questions arise.

TAB E

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Court File No. T-1[illegible]5-13

This is Exhibit E referred to in the affidavit of William E. Aziz sworn before me, this 6 day of January 20 14.

A COMMISSIONER FOR TAKING AFFIDAVITS

FEDERAL COURT

TELUS COMMUNICATIONS COMPANY

Applicant

- and -

ATTORNEY GENERAL OF CANADA, BELL MOBILITY INC., BRAGG COMMUNICATIONS INC. carrying on business as EASTLINK, DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. carrying on business as MOBILICITY, GLOBALIVE WIRELESS MANAGEMENT CORP. carrying on business as WIND, MTS INC., ALLSTREAM INC., PUBLIC MOBILE INC., ROGERS COMMUNICATIONS INC., SASKATCHEWAN TELECOMMUNICATIONS and SHAW COMMUNICATIONS INC.

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A PROCEEDING HAS BEEN COMMENCED by the Applicant. The relief claimed by the Applicant appears on the following page.

THIS APPLICATION will be heard by the Court at a time and place to be fixed by the Judicial Administrator. Unless the Court orders otherwise, the place of hearing will be as requested by the Applicant. The applicant requests that this application be heard at Toronto, Ontario.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or a solicitor acting for you must prepare a notice of appearance in Form 305 prescribed by the *Federal Court Rules*, 1998, and serve it on the applicant's solicitor, or where the applicant is self-represented, on the applicant, WITHIN 10 DAYS after being served with this Notice of Application.

Copies of the Federal Courts Rules, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO OPPOSE THIS APPLICATION, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

C. MARTIN
REGISTRY OFFICER
AGENT DU GREFFE

Date: JUL 29 2013

Issued by: ______________________

Address of local office:
Thomas D'Arcy McGee Building
90 Sparks Street
Ottawa, ON K1A 0H9

TO:

Attorney General of Canada
John H. Sims Q.C.
Deputy Attorney General of Canada
Department of Justice
234 Wellington Street, East Tower
Ottawa, ON K1A 0H8

AND TO:

Bragg Communications Inc.
carrying on business as EastLink
c/o Denise Heckbert
Manager, Wireless Regulatory, EastLink
6080 Young Street, Suite 801
PO Box 8660, Station "A"
Halifax, NS B3K 5M3

Tel: (902) 406-4066
regulatory.matters@corp.eastlink.ca

Data & Audio-Visual Enterprises Wireless Inc.
carrying on business as Mobilicity
c/o Gary Wong
101 Exchange Avenue
Vaughan, ON L4K 5R6

Tel: (416) 408 6050
gary.wong@mobilicity.ca

Globalive Wireless Management Corp.
carrying on business as WIND
c/o Lisa Goetz
207 Queen's Quay West, Suite 710
PO Box 114
Toronto, ON M5J 1A7

Tel: 1 (877) 445-8606
Fax: (416) 640-1089
lisagoetz@globalive.com

Bell Mobility Inc.
c/o Mirko Bibic
SVP, Regulatory and Government Affairs
160 Elgin Street, 19th Floor
Ottawa, ON K2P 2C4

Tel: (613) 785-0615
Fax: (613) 594-4628
bell.regulatory@bell.ca

MTS Inc.
c/o Paul Beauregard
Vice President, General Counsel and Corporate Secretary
333 Main Street
PO Box 6666, MP21A
Winnipeg, MB R3C 3V6

Tel: (204) 941-4754
paul.beauregard@mtsallstream.com

Allstream Inc.,
c/o Teresa Griffin-Muir
Vice President, Regulatory Affairs
45 O'Connor Street, Suite 1400
Ottawa, ON K1P 1A4

Tel: (613) 688-8789
iworkstation@mtsallstream.com

Public Mobile Inc.
c/o Bob Boron
Vice President, Legal and Regulatory Affairs
1920 Yonge Street, Suite 400
Toronto, ON M4S 3E2

Tel: (416) 486-3269
Bob.Boron@publicmobile.ca

Rogers Communications Inc.
c/o Dawn Hunt
Vice President, Regulatory - Telecom
333 Bloor Street East, 9th Floor
Toronto, ON M4W 1G9

Tel: (416) 935-7211
Fax: (416) 935-7719
rwi_gr@rci.rogers.com

Saskatchewan Telecommunications
c/o John Meldrum Q.C.
Vice President, Corporate Counsel and Regulatory Affairs
Executive Office
2121 Saskatchewan Drive, 12th Floor
Regina, SK S4P 3Y2

Tel: (306) 777-2223
john.meldrum@sasktel.com

Shaw Communications Inc.
c/o Jean Brazeau
Vice President, Telecommunications
630 - 3rd Ave SW, Suite 900
Calgary, AB T2P 4L4

Tel: (403) 750-4500
Fax: (403) 750-4501
Regulatory@sjrb.ca

APPLICATION

This is an application for judicial review of the decision of the Minister of Industry and Industry Canada (collectively, the "Minister") entitled *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum*, DGSO-003-13, published 28 June 2013 (the "Licence Transfer Policy Framework" or "LTP Framework"), in which the Minister purports to add a condition to existing and future spectrum licences, including Advanced Wireless Spectrum ("AWS") licences, requiring that an application be made to the Minister for approval of a newly-defined class of transactions referred to as "Deemed Transfers" before any agreement implementing a "Deemed Transfer" takes effect.

The Applicant makes application for:

1. An order declaring:

   (a) that the Minister is estopped from implementing the LTP Framework insofar as it purports to impose a condition in AWS licences requiring that an application be made to the Minister for approval of "Deemed Transfers" of AWS licences, and from amending AWS licences to include such a condition;

   (b) that the Minister did not have jurisdiction to adopt the LTP Framework insofar as it purports to require that an application be made to the Minister for approval of "Deemed Transfers" of AWS and other spectrum licences;

2. An order quashing the LTP Framework insofar as it purports to impose a condition in AWS and other spectrum licences requiring that an application be made to the Minister for approval of "Deemed Transfers" of such licences;

3. An order prohibiting the Minister from implementing the LTP Framework insofar as it purports to impose a condition in AWS licences and other spectrum licences requiring that an application be made to the Minister for approval of "Deemed Transfers" of such licences, and from amending AWS and other spectrum licences to include such a condition;

4. Such further and other relief as to this Honourable Court seems just; and

5. The costs of this application.

The grounds for the Application are:

Facts

1. In 2008, the Applicant participated as a bidder in an auction of certain radio frequency spectrum conducted by the Minister (the "AWS Auction") and was successful in winning the right to a licence authorizing use of certain radio frequency spectrum to deliver wireless telecommunications services to the public.

2. The AWS Auction was conducted pursuant to procedures established by the Minister and published in *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*, dated November 2007 (the "AWS Framework").

3. In the AWS Framework, the Minister announced that certain spectrum would be set aside for "new entrants" and would not be available to incumbent operators. The Minister said that licences obtained through the set-aside would not be transferable to companies that do not meet the criteria of a new entrant for a period of 5 years from the date of issuance of the licences. (This latter policy is referred to herein as the "Moratorium".)

4. In the AWS Framework, the Minister also said that "*The policy decisions contained in this paper are final.*"

5. The Respondents Mobilicity, WIND and Public Mobile Inc. qualified as new entrants and were successful in bidding for set-aside spectrum. The Applicant, which is an incumbent operator and as such was not eligible to bid for set-aside spectrum, was successful in bidding for other spectrum, as were the other Respondents (apart from the Attorney General of Canada).

6. Consistent with the Moratorium, the AWS licences issued to successful bidders by the Minister contained the following term:

> *2. Licence Transferability and Divisibility*
>
> *Licences acquired through the set-aside of spectrum (as defined in Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range) may not be transferred or leased to, acquired by means of a change in ownership or control of the licensee, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the original date of issuance.*

7. In the AWS Framework and the AWS licences the Minister made clear and unambiguous representations about the Moratorium, and specifically the transactions to which it would apply, its duration, and the finality of his decisions on these matters. These representations were intended to influence the approach that the Applicant, new entrants and other bidders adopted to the AWS Auction and in planning their affairs during the five years thereafter. The Applicant in fact relied on these representations in deciding which licences for which it would bid during the AWS Auction, the amount of spectrum for which it would bid, and the prices it would offer. It has also relied on the representations in planning its affairs since the AWS Auction.

8. Notwithstanding these representations, on 28 June 2013 the Minister published the LTP Framework and purported to impose a requirement that his advance approval be obtained by existing and future licensees, including AWS licensees, for a class of transactions described as "Deemed Transfers".

9. In the LTP Framework, the Minister adopted the following definition of Deemed Transfer:

> *"Any immediate change to the Control of a Licence or Control of a Licensee or Affiliate that can be effected without making a Transfer Request, including a change made through the granting of any full or partial right or interest in a Licence through an Agreement."*

10. The result of the new policy, if implemented, will be that changes in control of AWS licensees who received spectrum through the set-aside will no longer be permitted after the expiry of the Moratorium except with the Minister's approval, contrary to the clear,

unambiguous and unqualified representations the Minister made in the AWS Framework and in the AWS licences that the Moratorium would expire after five years.

11. Because of the representations the Minister made and the reliance placed upon them by the Applicant and others, the Minister is now estopped from implementing the LTP Framework insofar as it purports to require that an application be made to the Minister for approval of "Deemed Transfers" of AWS licences.

12. Furthermore, the LTP Framework interferes unlawfully with vested rights. Under the terms of the AWS Framework and the AWS licences, new entrants and incumbent operators, including the Applicant, acquired a vested right to enter into arrangements that would result in a change of control of new entrants after five years. The Minister did not have the statutory power to interfere with those vested rights. Alternatively, sthe Minister's decision to exercise his powers in a way that interfered with those vested rights was an unreasonable exercise of his discretion.

13. Furthermore, the Minister did not have statutory authority to require that an application be made to the Minister for approval of "Deemed Transfers" of AWS and other spectrum licences. Section 11 of the *Radiocommunication Regulations* made by the Governor in Council makes it a term of every spectrum licence that the licence may not be transferred or assigned without the authorization of the Minister. Section 11 does not impose a similar approval requirement in respect of changes of control of licensees. In the LTP Framework, the Minister purports to introduce the concept of "Deemed Transfers" and by that device to bring changes of control within the scope of his authority over transfers under section 11. This is tantamount to amending the regulation, which the Minister has no power to do. The provisions of the LTP Framework purporting to introduce the concept of "Deemed Transfers" and to require that an application be made to the Minister for approval of "Deemed Transfers" of AWS and other spectrum licences are therefore *ultra vires* and unlawful.

Parties

14. The Applicant and the Respondents other than the Attorney General of Canada each participated in the AWS Auction, were each issued AWS licences, and each participated in the proceeding that led to the adoption of the LTP Framework.

Statutes and Regulations

15. *Radiocommunication Act*, R.S.C. 1985, c. R-2, as amended, s. 6.

16. *Radiocommunication Regulations*, SOR/96-484, s. 11.

17. *Federal Courts Act*, R.S.C. 1985, c. F-7, as amended, ss. 18 and s. 18.1.

The Application will be supported by the following material:

1. The affidavit of an affiant to be identified, to be sworn;

2. The record before the Minister that led to the adoption of the AWS Framework and the LTP Framework; and

3. Such other material as counsel may advise and the Court permit.

The Applicant requests pursuant to Rule 317 that the Attorney General send a certified copy of the following material that is not in the possession of the Applicant but is in the possession of the Minister to the Applicant and to the Registry:

1. All materials in the possession of Industry Canada or the Minister in connection with the decision that led to the adoption of the AWS Framework and the LTP Framework.

July 29, 2013

Nelligan O'Brien Payne LLP
Barristers & Solicitors
1500-50 O'Connor Street
Ottawa, ON K1P 6L2

Christopher Rootham
Tel: (613) 231-8311
Fax: (613) 788-3667
christopher.rootham@nelligan.ca

Solicitors for the Applicant

TAB F

Industry Canada Industrie Canada

This is Exhibit F *referred to in the affidavit of* William E. Aziz *sworn before me, this* 6 *day of* January 20 14

ACampbell
A COMMISSIONER FOR TAKING AFFIDAVITS

JUN 04 2013

William E. Aziz
Director and Chief Restructuring Officer
Mobilicity
101 Exchange Avenue
Vaughan, ON L4K 5R6

Ted Woodhead
Senior Vice President, Regulatory
TELUS
215 Slater Street, Floor 8
Ottawa, ON K1P 0A6

Dear Misters William E. Aziz and Ted Woodhead:

I refer to your letter and application dated May 16, 2013, regarding the transfer of spectrum licences from Data & Audio-Visual Enterprises Wireless Inc. (Mobilicity) to TELUS communications Company (TELUS) and request to waive the five year Advanced Wireless Service (AWS) condition of licence.

The conditions of licence for the AWS licences in question include a provision that they may not be transferred to companies that do not meet the criteria of a new entrant for a period of five years. For Mobilicity's AWS licences, this period ends on February 11, 2014. TELUS does not qualify as a new entrant. Upon review of your request, Industry Canada will not waive the five year AWS set-aside licence condition. Accordingly, I cannot approve the corresponding request to transfer the licences.

Should you have any questions, please contact me at (613) 990-7176.

Sincerely,

Peter Hill
A/Director General
Spectrum Management Operations
Branch

Canada

TAB G

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THE WALL STREET JOURNAL.

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ENERGY

Chinese deep-water gas project to open

SIMON HALL HONG KONG

China is set to start the pumps at its first deep-water natural gas project, an engineering feat using a platform designed to withstand typhoons and using hundreds of kilometres of undersea pipelines.

The field is part of Beijing's effort to more than double its use of gas to 10 per cent of China's energy mix by 2020, helping to wean the country off the dirtier coal that produces two-thirds of its electricity.

The Liwan-3 gas field in the South China Sea about 300 kilometres southeast of Hong Kong is expected to go online by early next year and eventually pump about 4 per cent of the country's gas supply. It has the potential to send more gas to China than current imports from Australia, China's second-largest supplier of liquefied natural gas.

Husky Energy Inc., which is controlled by Hong Kong billionaire Li Ka-shing, operates the $6.5-billion (U.S.) project and owns 49 per cent. Chinese state-owned energy company CNOOC Ltd. holds the rest.

CNOOC has made a push to develop its offshore-drilling expertise, last year paying $15.1 billion for Calgary-based Nexen Inc. That purchase gave CNOOC access to technical skills used by Nexen in the Gulf of Mexico, which is far deeper than Liwan's location, and which can be used in future deep-water projects. Husky and CNOOC contracted with deep-water specialists, including Italy's Saipem SpA, for assistance at Liwan.

"We're within an arm's length of realizing first gas production," Husky Energy chief operating officer Robert Peabody said in an Oct. 24 presentation.

Liwan's initial output of about 300 million cubic feet a day will rise to about 350 million next year when a second, nearby field goes online. With the connection of a third field more than a year from now, production is expected to reach about 500 million cubic feet a day.

Liwan's peak output, in 2015, will amount to around 4 per cent of Chinese domestic gas output and roughly 7 per cent of the gas that China imports. "Small numbers, but quite impressive from just one development," said Craig McMahon, of consulting firm Wood Mackenzie.

The first gas will come from nine wells drilled into the seabed beneath 1,450 metres of water. The gas will then flow through two 79-km pipelines to a shallow-water platform, at which point it will be piped 260 km to the coast between Macau and Hong Kong.

Chester Dawson contributed to this article.

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LEGALS

IN THE 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 (the "CCAA")

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. (COLLECTIVELY, "MOBILICITY")

NOTIFICATION OF COURT-SUPERVISED SALE PROCESS

The Ontario Superior Court of Justice (Commercial List) (the "Court") has made an Order under the CCAA pursuant to which Mobilicity and the Court-appointed monitor, Ernst & Young Inc. (the "Monitor"), are authorized to conduct certain procedures (the "**Sale Procedures**") to market for sale of all or substantially all of the business and assets or shares of Mobilicity (collectively the "**Assets**"). Prospective purchasers will have the opportunity to submit a bid for the Assets or a portion thereof. Any sale of all or part of the Assets will be made on a "as is, where is" basis without surviving representations or warranties. In addition, any sale will be subject to Court approval.

The Sale Procedures contain certain deadlines, including (i) a requirement that potential bidders deliver certain information, demonstrating their legitimate interest and financial capability, no later than 10:00 p.m. (ET) on December 2, 2013 and (ii) a requirement that qualified bidders submit final bids no later than 5:00 p.m. (ET) on December 9, 2013.

A copy of the Court Order approving the Sale Procedures, as well as a copy of the Sale Procedures and related documents, can be found on the Monitor's website at the following link: www.ey.com/ca/mobilicity.

Any parties who wish to commence due diligence must first execute a confidentiality agreement satisfactory to Mobilicity and the Monitor. Interested parties should contact the Monitor at the coordinates below.

ERNST & YOUNG INC.,
Court-Appointed Monitor of Mobilicity
222 Bay Street, Suite 2100
P.O. Box 251
Toronto, Ontario M5K 1J7
Attention: Sajjad Mahmood
Telephone: 416-943-5395
Facsimile: 416-943-3300
E-mail: sajjad.mahmood@ca.ey.com

EY

IN THE MATTER OF THE BANKRUPTCY OF CHEESE FACTORY ROAD HOLDINGS INC.

Notice is hereby given that the bankruptcy of Cheese Factory Road Holdings Inc., with the head office located at 6 Lansdowne Road, Cambridge, ON, occurred on the 7th day of November, 2013; and that the First Meeting of Creditors will be held on the 27th day of November, 2013 at 10:00 am at 150 York Street, Suite 1600, Toronto, ON

DATED at Toronto this 15th day of November, 2013

A. FARBER & PARTNERS INC.
150 York Street, Suite 1600
Toronto, ON M5H 3S5
Telephone No. (416) 497-0150
Facsimile No. (416) 496-3839
www.farberfinancialgroup.com

Farber

NOTICE TO CREDITORS AND OTHER

TAKE NOTICE

that all persons having claims against the estate of **Rose Hallett Crosthwaite** who died in Toronto on or about October 29, 2013 must submit those claims to the undersigned on or before the 24th day of November 2013, after which the assets of the estate will be distributed.

Hugh M Kelly, Miller Thomson,
Suite 5800, 40 King St W,
Toronto M5H 3S1

DIVIDENDS

DIVIDENDS Computershare

Notice is hereby given that the following dividends have been declared.

Issuer	Issue	Record Date	Payable Date	Rate
AltaGas Ltd.	Common	November 25, 2013	December 16, 2013	$0.1275
Keyera Corp.	Common	November 22, 2013	December 16, 2013	$0.20
Pembina Pipeline Corp.	Common	November 25, 2013	December 15, 2013	$0.14

MAGNA

Dividend Notice

NOTICE is hereby given that the Board of Directors of Magna International Inc. has declared a dividend in respect of the 3-month period ended September 30, 2013 as follows.

Amount: US$0.32 per Common Share
Record Date: Nov. 29, 2013
Payment Date: Dec. 13, 2013

BY ORDER OF THE BOARD
Bassem A. Shakeel,
Vice-President and Corporate Secretary

Aurora, Ontario
November 5, 2013

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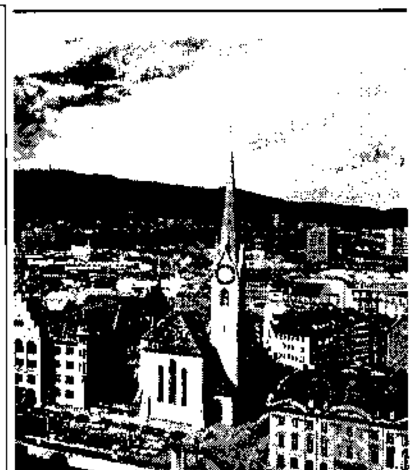

Critics say the initiative, if passed, will make the country one of the least attractive places in the world to do business. GIANLUCA COLLA/BLOOMBERG

COMPENSATION

Switzerland's 1:12 proposal on executive pay faces vote

NEIL MacLUCAS

Switzerland will vote next week on a proposal limiting executive pay to 12 times that of a company's lowest-paid worker, the second time this year the country will use the ballot box in an attempt to rein in corporate compensation.

On Nov. 24, voters will be asked to approve or reject the so-called "1:12 Initiative for Fair Pay," which organizers say would address a growing wealth gap in Switzerland. The initiative is premised on the idea that no one in a company should earn more in a month than others earn in a year.

"Switzerland's wealth is very unfairly distributed," said David Roth, president of the youth wing of the Swiss Socialist Party, which gathered the 100,000 signatures needed to launch the ballot. "While top Swiss managers earn millions, more than 300,000 people in Switzerland have to work for a mere pittance."

The 1:12 initiative has set off a storm of controversy in Switzerland, where voters approved in March a set of measures that gives shareholders broad control over corporate pay, including binding votes on compensation and bans on many types of bonuses.

Critics say the 1:12 initiative, if passed, will make Switzerland, regularly ranked among the most competitive economies in the world, a less attractive place to do business.

The latest poll released Wednesday, which was conducted between Nov. 1 and Nov. 8 by polling group gfs.bern for Swiss television, shows 36 per cent of respondents in favour of the initiative, 54 per cent against and 10 per cent still undecided.

The group's previous poll in October showed 44 per cent in favour, 44 per cent against and 12 per cent undecided.

The initiative needs a simple 50-per-cent approval rate to be adopted, and is then automatically written into the country's constitution. It doesn't require any subsequent parliamentary approval.

Executives at some companies, including commodities giant Glencore Xstrata PLC and freight forwarder Kuehne & Nagel International AG, have said they would consider leaving Switzerland if the initiative, which is part of Switzerland's long tradition of direct democracy, passed.

"We have to do everything we can to continue to attract companies to come to Switzerland and create new jobs," said Patrick De Maeseneire, the chief executive of Glattbrugg, Switzerland-based Adecco SA, the world's largest staffing company by revenue.

He added that each job at corporate headquarters creates between seven and 11 jobs in the broader economy, which helps Switzerland maintain a low unemployment.

Public anger about corporate paydays reached a peak in February, when news broke that Novartis AG was planning to pay departing chairman Daniel Vasella an exit package worth 72 million Swiss francs ($82-million Canadian). The company later scrapped the plan for a more modest package worth about five million francs, including cash and shares.

Outrage over the incident led to the March passage of the Minder Initiative (named after Thomas Minder, the politician who supervised it) that will require a binding shareholder vote on executive salaries at all publicly traded companies incorporated in Switzerland when the law is finalized. It will also ban a range of bonuses, require more transparency on loans to executives and provide for penalties, including jail time, for violators.

Switzerland's government has cautioned that passage of the 1:12 Initiative might lead to a shortfall of 600 million francs a year for pensions and unemployment insurance funds because of an expected fall in social-security contributions.

A study by the University of St. Gallen forecast tax revenues would fall by about 1.5 billion francs per fiscal year if the initiative passed because it would affect the salaries of the top 2 per cent, which pay around 47 per cent of direct federal taxes.

"Social harmony can't be achieved by government interference in setting salaries," Johann Schneider-Ammann, head of the Swiss department of the economy, education and research, said at a press briefing in September. "We have a taxation system and other social checks to achieve this."

John Revill contributed to this article

affidavit of William E. Aziz
sworn before me, this 6
day of January 20 14
A COMMISSIONER FOR TAKING AFFIDAVITS

TAB H

This is Exhibit H referred to in the affidavit of William E. Aziz sworn before me, this 6 day of January 20 14

A COMMISSIONER FOR TAKING AFFIDAVITS

mobilicity

Mobilicity Announces Court Sanctioned Sale Process

Toronto, ON – November 14, 2013 – Data & Audio-Visual Enterprises Holdings Inc. and its affiliates (collectively, **Mobilicity**) announce that the Ontario Superior Court of Justice (Commercial List) has approved the plan of Mobilicity and the Court-appointed monitor, Ernst & Young Inc. (the "**Monitor**"), to conduct certain procedures to market for sale all or substantially all of the business and assets or shares of Mobilicity (the "**Sale Procedures**").

The Sale Procedures contain certain deadlines, including a requirement that potential bidders deliver certain qualification information no later than 10:00 p.m. (ET) on December 2, 2013, and a requirement that qualified bidders submit final bids no later than 5:00 p.m. (ET) on December 9, 2013.

Details of the Sale Procedures, including the process for interested parties to request access to conduct due diligence, are available from the Monitor's website at www.ey.com/ca/mobilicity.

About Mobilicity (DAVE Wireless)

Formerly known as Data & Audio-Visual Enterprises Wireless Inc. (DAVE Wireless), further information about Mobilicity can be found at www.mobilicity.ca.

For more information:

Inquiries regarding the Sale Procedures:

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Ernst & Young Inc., Court-appointed Monitor
Mr. Sajjad Mahmood, Vice President
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Mobilicity:

media@mobilicity.ca, 647-707-7377

Joel Shaffer, Longview Communications
416-649-8006

TAB I

This is Exhibit ....I.... referred to in the affidavit of ..William E. Aziz.... sworn before me, this ....6.... day of ....January.... 20..14..

A Campbell

A COMMISSIONER FOR TAKING AFFIDAVITS

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.

NOTICE TO QUALIFIED BIDDERS

By Order dated November 13, 2013, the Ontario Superior Court of Justice (Commercial List) approved the Sale Procedures in respect of all of the business and assets of the Sellers. Capitalized terms used herein are as defined in the Sale Procedures.

The Sale procedures provide that the Monitor may extend the Bid Deadline once or successively, after consultation with the Sellers and the DIP Lenders, but is not obligated to do so.

After considering requests for an extension from Qualified Bidders, the Monitor hereby notifies all Qualified Bidders that the Bid Deadline shall be extended until **December 16, 2013 at 12:00 noon (ET)**.

All other terms of the Sale Procedures shall remain unaffected.

Dated this 6th day of December, 2013.

ERNST & YOUNG INC.

in its capacity as the court-appointed Monitor of Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc., and 8440522 Canada Inc.

Per:

Mike Dean
Senior Vice President

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	
	)	
JUSTICE NEWBOULD	)	

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

ORDER
(CCAA SECTION 11.3)

THIS MOTION, made by the Applicants for directions with respect to, *inter alia*:

(a) the application of section 11.3 of the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36, as amended ("**CCAA**") in the context of the ongoing sale process approved by Order of this Court on November 13, 2013 (the "**Court-approved Sale Process**") and the sale and transfer of the assets and property of the Mobilicity Group (as such term is defined in the Aziz Affidavit) and specifically the Mobilicity Spectrum Licences (as defined in the Aziz Affidavit); and

(b) such further and other relief as counsel may request and this Honourable Court deems just,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of William B. Aziz sworn January 6, 2014, the exhibits thereto (the "**Aziz Affidavit**") and the Reports of the Monitor, Ernst & Young Inc. (the "**Monitor**"), and on hearing submissions of counsel for the Applicants, the Monitor, and such other counsel present, no one else appearing although duly served as appears from the affidavit of service of Andrea

Campbell sworn on January 6, 2014,

1 THIS COURT ORDERS that the procedure and process by which this Court shall consider the assignment of the Mobilicity Spectrum Licences under section 11.3 of the CCAA will be as follows:

(a) The Mobilicity Group will bring a motion to this Court pursuant to section 11.3 of the CCAA (the "**Sale Transaction 11.3 Motion**") on 10 days' notice to Industry Canada, the Monitor and any other interested parties for an order assigning the rights and obligations of the Mobilicity Group under the Mobilicity Spectrum Licences to a purchaser (the "**Purchaser**").

(b) Any responding party may serve responding materials (the "**Responding Materials**") no later than 10 days following the service of the Sale Transaction 11.3 Motion.

(c) The Mobilicity Group may serve reply materials no later than 4 days following the service of the Responding Materials.

(d) Upon return of the Sale Transaction 11.3 Motion, the Court shall apply the CCAA and the factors outlined in section 11.3 of the CCAA in respect of the assignment of the Mobilicity Spectrum Licences.

(e) The Mobilicity Group and its Chief Restructuring Officer shall be authorized to take all steps and actions, if necessary, with respect to the Sale Transaction 11.3 Motion.

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

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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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

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

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.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(CCAA Section 11.3)

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