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

SUPPLEMENTAL MOTION RECORD OF THE APPLICANTS

(Returnable January 28, 2015)

January 26, 2015

NORTON ROSE FULBRIGHT CANADA LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-2419
Email: Alexander.Schmitt@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants

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

Service List
(as at January 21, 2015)

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower
Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4

Orestes Pasparakis
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Robert Frank
Tel: (416) 202-6741
Email: Robert.Frank@nortnorosefulbright.com

Virginie Gauthier
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Evan Cobb
Tel: (416) 216-1929
Email: Evan.Cobb@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants

Thornton Grout Finnigan LLP
Suite 3200
100 Wellington Street West
P.O. Box 329
Toronto Dominion Centre
Toronto, Ontario M5K 1K7

Robert I. Thornton
Tel: (416) 304-0560
Email: rthornton@tgf.ca

Leanne M. Williams
Tel: (416) 304-0060
Email: lwilliams@tgf.ca

Fax: (416) 304-1313

Lawyers for the Monitor

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

Mike P. Dean
Tel: (416) 943-2134
Email: Mike.P.Dean@ca.ey.com

Alex F. Morrison
Tel: (416) 941-7743
Email: alex.f.morrison@ca.ey.com

David Saldanha
Tel: (416) 943-4431
Email: david.saldanha@ca.ey.com

Fax: (416) 943-3300

Monitor

Goodmans LLP
Bay Adelaide Centre
Suite 3400
333 Bay Street
Toronto, Ontario M5H 2S7

Robert Chadwick
Tel: (416) 597-4285
Email: rchadwick@goodmans.ca

Brendan O'Neill
Tel: (416) 849-6017
Email: boneill@goodmans.ca

Caroline Descours
Tel: (416) 597-6275
Email: cdescours@goodmans.ca

Fax: (416) 979-1234

Lawyers for the Ad Hoc Committee, the Bridge Note Lenders and the DIP Lenders

Bellmore & Moore
Suite 1600
393 University Avenue
Toronto, Ontario M5G 1E6

David C. Moore
Tel: (416) 581-1818 Ext. 222
Email: david@bellmore.ca

Diana M. Soos
Tel: (416) 581-1818 Ext. 225
Email: dmsoos@bellmore.ca

Fax: (416) 581-1279

Lawyers for Catalyst Capital Group Inc.

FASKEN MARTINEAU DUMOULIN LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto Ontario M5H 2T6

Stuart Brotman
Tel: (416) 865-5419
Fax: (416) 364-7813
Email: sbrotman@fasken.com

Lawyers for Catalyst Capital Group Inc.

McCarthy Tetrault LLP
Box 48, Suite 5300
66 Wellington Street West
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

James D. Gage
Tel: (416) 601-7539
Email: jgage@mccarthy.ca

Kevin McElcheran
Tel: (416) 601-7730
Email: kmcelcheran@mccarthy.ca

Fax: (416) 868-0673

Lawyers for QCP CW S.A.R.L.

WRIGHT TEMELINI LLP
411 Richmond Street East
Suite 303
Toronto, Ontario M5A 3S5

Janice Wright
Tel: (416) 479-9685
Email: janice@wrighttemelini.com

Greg Temelini
Tel: (416) 479-9686
Email: greg@wrighttemelini.com

Fax: (416) 368-7474

Lawyers for Equity Financial Trust Company, as trustee and collateral agent under the First Lien Notes, trustee under the Unsecured Senior Notes, and collateral agent under the Bridge Notes

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, Ontario M5V 3J7

Jay A. Swartz
Tel: (416) 863-5520
Fax: (416) 863-0871
Email: jswartz@dwpv.com

Lawyers for Obelysk Inc.

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000
Commerce Court West
Toronto, Ontario M5L 1A9

Steven J. Weisz
Tel: (416) 863-2616
Fax: (416) 863-2653
Email: steven.weisz@blakes.com

Lawyers for Ericsson Canada Inc.

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, Ontario M5H 4G2

Timothy R. Dunn
Tel: (416) 369-4335
Fax: (416) 864-9223
Email: tdunn@mindengross.com

Lawyers for Medallion Corporation, as authorized agent for each of Bramalea Road Holdings Ltd., Dean Park Holdings Ltd., 26, 32 & 38 Carluke Crescent Ltd., 55 Lisgar Holdings Ltd., Alameda Apartments Ltd., and 1755 Jane Street Ltd.

Borden Ladner Gervais LLP
1000 rue de La Gauchetière Ouest
Suite 900
Montréal, Québec H3B 5H4

François D. Gagnon
Tel: (514) 954-2553
Fax: (514) 954-1905
Email: fgagnon@blg.com

McLean & Kerr LLP
Barristers and Solicitors
Suite 2800
130 Adelaide Street West
Toronto, Ontario M5H 3P5

Walter R. Stevenson
Tel: (416) 369-6602
Email: wstevenson@mcleankerr.com

Linda Galessiere
Tel: (416) 369-6609
Email: lgalessiere@mcleankerr.com

Fax: (416) 366-8571

Lawyers for Ivanhoe Cambridge Inc., 20 VIC Management Inc.,
Primaris Retail Real Estate Investment Trust and
Morguard Investments Limited

Minden Gross LLP
145 King Street West
Suite 2200
Toronto, Ontario M5H 4G2

Catherine Francis
Tel: (416) 369-4137
Fax: (416) 864-9223
Email: cfrancis@mindengross.com

Lawyers for Bentall Kennedy (Canada) LP

Dentons Canada LLP
1 Place Ville Marie
39th Floor
Montréal, Quebec
H3B 4M7

Roger P. Simard
Tel: (514) 878-5834
Email: roger.simard@dentons.com

Ari Y. Sorek
Tel: (514) 878-8883
Email: ari.sorek@dentons.com

Fax: (514) 866-2241

Dentons Canada LLP
77 King Street West
Suite 400
Toronto-Dominion Centre
Toronto, Ontario M5K 0A1

C. Blake Moran
Tel: (416) 863-4495
Email: blake.moran@dentons.com

Fax: (416) 863-4592

Lawyers for Amdocs Canadian Managed Services Inc. and
Amdocs Software Systems Inc.

Berkow, Cohen LLP
141 Adelaide Street West
Suite 400
Toronto, Ontario M5H 3L5

Alexandra Lev-Farrell
Tel: (416) 364-4900
Fax: (416) 364-3865
Email: alev-farrell@berkowcohen.com

Lawyers for Bentall Kennedy (Canada) LP, agents
for 10 Dundas Street Ltd.

Mason Caplan Dizgun LLP
350 Bay Street
Suite 500
Toronto, Ontario M5H 2S6

Leslie Dizgun
Tel: (416) 596-7581
Fax:
Email: ldizgun@mcdlawgroup.ca

Lawyers for Alpina Holdings Inc.

Industry Canada Legal Services
235 Queen Street
8th Floor East Tower
Ottawa, Ontario K1A 0H5

Monica Phillips
Tel: (613) 960-2518
Email: Monica.Phillips@Justice.gc.ca

Mark Taggart
Tel: (613) 957-8143
Email: Mark.Taggart@Justice.gc.ca

Fax: (613) 954-5356

Lawyers for Industry Canada

Chase Paymentech
976 E 2700 N North
Ogden, UT 84414

Lazonia M. Clark
Tel: (801) 823-3410 ext. 70288|
Email: lazonia.clark@chasepaymentech.com

Department of Justice Canada
130 King Street West
Suite 3400, Box 36
Toronto, Ontario M5X 1K6

Jacqueline Dais-Visca
Tel: (416) 952-6010
Email: jdais@justice.gc.ca

Joseph Cheng
Tel: (416) 952-9022
Email: Joseph.Cheng@justice.gc.ca

Hilda Mozaffar
Tel: (416) 952-2129
Email: Hilda.Mozaffar@justice.gc.ca

Fax: (416) 973-0809

Lawyers for the Attorney General of Canada

Osler, Hoskin & Harcourt LLP
100 King Street West
Suite 4600, PO Box 50
Toronto, Ontario M5X 1B8

Marc Wasserman
Tel: (416) 862-4908
Email: mwasserman@osler.com

Michael De Lellis
Tel: (416) 862-5997
Email: MDeLellis@osler.com

David Rosenblat
Tel: (416) 862-5673
Email: drosenblat@osler.com

Fax: (416) 862-6666

Lawyers for TELUS Corporation

INDEX

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

INDEX

Tab 1

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

FRESH AS AMENDED NOTICE OF MOTION
(DIP APPROVAL AND STAY EXTENSION ORDER)

(Returnable January 28, 2015)

The Applicants, Data & Audio-Visual Enterprises Holdings Inc. ("**Holdings**"), Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**") and 8440522 Canada Inc. (collectively with Holdings and Wireless, the "**Applicants**" or the "**Mobilicity Group**") will make a motion to a Judge presiding over the Commercial List on January 28, 2015 at 9:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto.

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) abridging and validating the time for service of the Notice of Motion, Motion Record and Supplemental Motion Record in respect of this motion and the tenth report of the Monitor, Ernst & Young Inc. (the "**Monitor**"), dated January 23, 2015 (the "**Tenth Report**") and the Supplement to the Tenth Report, to be served, and dispensing with further service thereof;

(b) amending the title of these proceedings to reflect Mobilicity SpectrumCo (as defined herein) as an Applicant in these proceedings;

(c) approving a first priority senior secured debtor-in-possession financing facility in the principal amount of up to $65,000,000 and a first ranking court-ordered charge (the "**DIP Lenders' Charge**") associated therewith pursuant to a DIP Note Purchase and Guarantee Agreement (the "**Second DIP Loan Agreement**");

(d) extending the Stay Period, as such term is defined in the Initial Order issued by this Court on September 30, 2013 (as amended, the "**Initial Order**"), up to and including May 8, 2015 (the "**Stay Extension**"); and

(e) approving the Tenth Report and the activities of the Monitor as described in the Tenth Report; and

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

THE GROUNDS FOR THE MOTION ARE:

(a) The Applicants commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained an initial order of the Court in these proceedings on September 30, 2013;

AWS-3 Auction

(b) Industry Canada's AWS-3 Auction for wireless spectrum provides for a "set aside" of certain AWS-3 spectrum for so-called "operating new entrants", such as the Mobilicity Group;

(c) Participation in the AWS-3 Auction for spectrum in all regions where the Applicants currently conduct business would require the posting of a refundable deposit (the "**Deposit**") in the amount of approximately $62,000,000 and would also require compliance with all application requirements on or before the prescribed deadline of January 30, 2015;

(d) The Applicants believe that it is in the best interests of the Mobilicity Group and its stakeholders for the Applicants to complete all application materials and provide the Deposit necessary to participate in the AWS-3 Auction;

DIP Facility

(e) The Applicants have identified an executable option on acceptable terms to obtain the financing necessary to provide the Deposit and participate in the AWS-3 Auction;

(f) That financing is to be provided pursuant to the Second DIP Loan Agreement, which has been determined by the Applicants to be the best financing option;

(g) The Second DIP Loan Agreement provides the opportunity to bid in the AWS-3 Auction and provides a high degree of flexibility at a reasonable cost;

(h) The Mobilicity Group is unaware of any secured creditors other than those who have received notice of this motion, who are likely to be affected by the DIP Lenders' Charge;

Mobilicity SpectrumCo

(a) Mobilicity SpectrumCo will be a new wholly-owned Canadian subsidiary of Wireless;

(b) Mobilicity SpectrumCo will be incorporated for the purpose of applying to participate, as an affiliated entity of Wireless, in the AWS-3 Auction and submitting the Deposit to be funded by the Second DIP Loan Agreement;

(c) The use of this structure in connection with the AWS-3 Auction and the Deposit is a term of the Second DIP Loan Agreement;

(d) Mobilicity SpectrumCo will be a party to the Second DIP Loan Agreement as a guarantor;

Stay Extension

(e) On November 27, 2014, an Order was made to extend the Stay Period (as such term is defined in the Initial Order) to January 30, 2015;

(f) Following the last extension of the Stay Period, the Applicants continued discussions with interested parties to seek to advance any value-maximizing transactions and financing arrangements that may be executable and in the best interests of the Mobilicity Group;

(g) The timing of the Applicants' negotiation and implementation of any such value maximizing transaction is, in part, linked to the progress and the outcome of the AWS-3 and 2500 MHz spectrum auctions;

(h) During the period of the spectrum auctions, the Applicants' strategic options to complete a value maximizing transaction will be limited;

(i) The Mobilicity Group will require time to complete the auction process and then evaluate its options based upon the outcome of that process;

(j) The Stay Extension is necessary to continue to provide the Applicants with a stable environment in which to negotiate a value maximizing transaction and to evaluate available options to the limited extent possible during the spectrum auctions and to re-evaluate potential options once the spectrum auctions are completed;

(k) The Stay Extension is also necessary to maintain current customer levels and stability in the operations of the business generally;

(l) The Applicants, with the assistance of the Monitor, have prepared updated cash flow projections for the period covering the Stay Extension, which show that the Applicants have sufficient resources to meet their post-filing obligations during such period;

(m) The updated cash flow projections also show that the Applicants are operating on a cash flow breakeven basis, and accordingly no creditor of the Applicants will be prejudiced by the Stay Extension; and

(n) The *Ad Hoc* Committee and the Bridge Lenders (as those terms are referred to in the Initial Order) all support the Stay Extension;

General

(o) The provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended;

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

(q) Such further and other grounds as counsel may advise and this Court may permit.

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

(a) The Affidavit of William E. Aziz sworn January 21, 2015, and the Exhibits attached thereto;

(b) The Supplemental Affidavit of William E. Aziz, sworn January 26, 2015 and the Exhibits attached thereto;

(c) The Tenth Report;

(d) The Supplement to the Tenth Report of the Monitor, to be filed; and

(e) Such further and other material as counsel may advise and this Court may permit.

January 26, 2015

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower
Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-1929
Email: Alexander.Schmitt@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants

TO: The Attached Service 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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

FRESH AS AMENDED NOTICE OF MOTION

(DIP Approval and Stay Extension Order, Returnable January 28, 2015)

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-2419/ Fax: (416) 216-3930
Email: Alexander.Schmitt@nortonrosefulbright.com]

Lawyers for the Applicants

Tab 2

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

AFFIDAVIT OF WILLIAM E. AZIZ
(sworn January 26, 2015)

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

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

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

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

4. This Affidavit supplements my Affidavit sworn January 21, 2015 in these proceedings (the "**January 21 Affidavit**").

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

5. This Affidavit is sworn in support of the motion by the Mobilicity Group for, amongst other things:

(a) an extension of the Stay Period, as such term is defined in the Initial Order, to May 8, 2015 (the "**Stay Extension**");

(b) approval of a first priority senior secured debtor-in-possession financing facility in the principal amount of up to $65,000,000 and a first ranking court-ordered charge associated therewith (the "**DIP Lenders' Charge**");

(c) the inclusion of a newly incorporated wholly-owned subsidiary of Data & Audio-Visual Enterprises Wireless Inc. ("**Mobilicity SpectrumCo**"), as an Applicant in these proceedings; and

(d) certain amendments to the title of these proceedings and to the Initial Order in connection with the foregoing.

6. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the January 21 Affidavit.

Background

7. In the January 21 Affidavit, I advised that:

(a) the Applicants, with the assistance of their financial and legal advisors, have, among other things, sought and considered a number of potential options to obtain the funding necessary to participate in the AWS-3 Auction from both existing creditors of the Applicants and from third party funding sources;

(b) the Applicants had not at that time completed an agreement to obtain funding for participation in the AWS-3 Auction, but the Applicants were continuing to consider funding options; and

(c) the Applicants would provide a further update to the Court and to the Service List as soon as possible.

8. This supplemental Affidavit provides the above described update.

AWS-3 Auction Background

9. Industry Canada's AWS-3 Auction for wireless spectrum provides for a "set aside" of certain AWS-3 spectrum for so-called "operating new entrants". The Mobilicity Group is one of two wireless carriers (the other one being Wind Mobile) that would satisfy the criteria of an "operating new entrant" in certain regions including Southern Ontario.

10. Key dates associated with the AWS-3 Auction are as follows:

(a) deadline for receipt of applications to participate in the auction and for auction deposits: January 30, 2015;

(b) deadline for sealed bids: March 3, 2015;

(c) announcement and publication of provisional license winners: March 6, 2015; and

(d) deadline for final payment: March 20, 2015.

11. Participation in the AWS-3 Auction for spectrum in all regions where the Applicants currently conduct business would require the posting of a refundable deposit either in cash or by an irrevocable standby letter of credit (the "**Deposit**") in the amount of approximately $62,000,000 and would also require compliance with all application requirements on or before the prescribed deadline of January 30, 2015.

12. The Applicants have considered, with the assistance and advice of their financial advisor Canaccord Genuity, the benefits of purchasing additional spectrum in the AWS-3 Auction.

13. The Applicants believe that it is in the best interests of the Mobilicity Group and its stakeholders for the Applicants to complete all application materials and provide the Deposit necessary to participate in the AWS-3 Auction, thus maintaining the flexibility to purchase additional spectrum in the AWS-3 Auction if such a purchase is determined to be in the best interests of the Mobilicity Group in the circumstances at the appropriate time.

Mobilicity SpectrumCo

14. Mobilicity SpectrumCo will be a new wholly-owned Canadian subsidiary of Data & Audio-Visual Enterprises Wireless Inc. ("**Wireless**"). Mobilicity SpectrumCo's registered head office will be located at 555 Hanlan Road, Woodbridge, Ontario.

15. Mobilicity SpectrumCo will be incorporated prior to the hearing of the Applicants' motion for the purpose of applying to participate, as an affiliated entity of Wireless, in the AWS-3 Auction and submitting the Deposit to be funded by the Second DIP Loan Agreement (as defined below). The use of this structure in connection with the AWS-3 Auction and the Deposit is a term of the Second DIP Loan Agreement.

16. Once formed, Mobilicity SpectrumCo will have no material assets nor any liabilities and will carry on no business activities, but will be a party to the Second DIP Loan Agreement as a guarantor, as further discussed below.

DIP Financing and DIP Lenders' Charge

17. The Applicants have identified an executable option on acceptable terms to obtain the financing necessary to provide the Deposit and participate in the AWS-3 Auction.

18. That financing is to be provided pursuant to a DIP Note Purchase and Guarantee Agreement to be entered into by Wireless, as issuer, Mobilicity SpectrumCo, Holdings and 8440522 Canada Inc., as guarantors, Equity Financial Trust Company, as collateral agent, and certain noteholders part of the Ad Hoc Committee, as purchasers (the "**Second DIP Loan Agreement**").

19. A copy of the Second DIP Loan Agreement is attached hereto as Exhibit "A".

20. The Second DIP Loan Agreement was accepted by the Mobilicity Group after considering, with the assistance of the Mobilicity Group's legal and financial advisors, other available funding options offered by existing holders of the Mobilicity Group's notes as well as any funding opportunities that may be available from other third parties who are not holders of the Mobilicity Group's notes.

21. The Mobilicity Group reviewed proposals that became available with a view to identifying a financing arrangement that:

(a) provided financing at a reasonable price;

(b) provided the flexibility for the Mobilicity Group to continue to consider all of its strategic options including (i) any appropriate level of participation in the AWS-3 Auction; (ii) any strategic options that may be available outside of the AWS-3 Auction; and (iii) any strategic options that may be available following the AWS-3 Auction; and

(c) is supported by, or not prejudicial to, the interests of key stakeholders.

22. After extensive consideration of the financing options, and after considering the advice of its legal and financial advisors, the members of the Board of Directors of the Mobilicity Group concluded, in an exercise of their business judgment, that proceeding with the facility provided under the Second DIP Loan Agreement was the best financing option.

23. The Second DIP Loan Agreement is structured off of the DIP Note Purchase and Guarantee Agreement entered into by the Applicants and certain noteholders part of the Ad Hoc Committee, and approved by the Court, at the commencement of these proceedings on September 30, 2013 (the "**First DIP Loan Agreement**"). A blackline comparing the Second DIP Loan Agreement to the First DIP Loan Agreement is attached hereto as Exhibit "B".

24. Below is a brief summary of notable terms of the Second DIP Loan Agreement that differ from the First DIP Loan Agreement[2]:

(a) <u>Facility Amount</u>: Up to $65 million.

(b) <u>Ranking of Security</u>: First ranking court-ordered charge.

(c) <u>Availability</u>: Single tranche of notes (the "**DIP Notes**") to be issued on or before January 30, 2015.

(d) <u>Purpose</u>: To fund the Deposit, the DIP Funding Fee (described below) and payment of any Third Party L/C Charges in the event that the AWS-3 Auction deposit requirement is satisfied through the provision of a qualifying letter of

[2] Capitalized terms used in this section of my affidavit have the meaning ascribed to them in the Second DIP Loan Agreement. If there are inconsistencies between any summary of the Second DIP Loan Agreement contained herein and the terms and conditions of the Second DIP Loan Agreement itself, the terms and conditions of the Second DIP Loan Agreement shall govern.

credit.[3] The lenders under the Second DIP Loan Agreement shall have sole interest in the Deposit and the Applicants (including Mobilicity SpectrumCo) irrevocably direct the Deposit to be paid to the lenders upon any withdrawal by the Applicants from the AWS-3 Auction or return of the Deposit by Industry Canada.

(e) Conditions:

(i) A court order approving the Second DIP Loan Agreement and the first-priority charge securing the DIP Notes must be granted on or before January 29, 2015;

(ii) All application and other materials in connection with the Wireless application for participation in the AWS-3 Auction must be in form and substance acceptable to the Purchasers.

(iii) Wireless must be an operating new entrant eligible to participate in the AWS-3 Auction, either directly or through Mobilicity SpectrumCo, with respect to the set-aside AWS-3 spectrum in all areas where Wireless currently operates.

(f) Interest Rate: 1% per annum paid at the time of repayment of the DIP Notes.

(g) DIP Funding Fee: 3% of aggregate principal amount of the DIP Notes issued, payable in cash on closing.

(h) Maturity: Repayable on the earlier of (i) seven days from the date on which a demand is made in the sole discretion of the Purchasers; or (ii) the date on which demand is made following the occurrence of an Event of Default.

(i) Mandatory Repayment: If Wireless withdraws, either directly or through Mobilicity SpectrumCo, from the AWS-3 Auction or Industry Canada returns the Deposit.

[3] It is expected that any such letter of credit would have to be cash collateralized using the proceeds of the Second DIP Loan Agreement.

(j) Voluntary Repayment: At any time in whole or in part without premium or penalty.

25. The Second DIP Loan Agreement requires that the only encumbrance against the property or assets of Mobilicity SpectrumCo shall be the court-ordered charge securing the obligations under the Second DIP Loan Agreement. Until any new spectrum may be acquired in the AWS-3 Auction, the sole property or asset of Mobilicity SpectrumCo will be any rights that it may have in the proceeds of the loan provided under the Second DIP Loan Agreement and the Deposit funded by that loan.

26. The Mobilicity Group is unaware of any secured creditors other than those who have received notice of this motion, who are likely to be affected by the DIP Lenders' Charge. In particular, notice has been provided to: (i) Equity Financial Trust Company, as trustee under the indenture governing the 9.5% First Lien Notes issued by Wireless (the "**First Lien Notes**"), (ii) the Ad Hoc Committee and The Catalyst Capital Group Inc. who, as noted in my Affidavit sworn September 29, 2013, have asserted in the past that they beneficially own, collectively, substantially all of the First Lien Notes; (iii) all holders of the Bridge Notes; and (iv) the beneficiaries of the Administration Charge and the Directors' Charge (each as defined in the Initial Order).

27. Attached hereto as Exhibit "C" are Ontario, Alberta and British Columbia personal property security searches performed by Norton Rose Fulbright Canada LLP, as counsel to the Mobilicity Group, against each of the Applicants' names (excluding Mobilicity SpectrumCo), current to January 26, 2015 in the case of the Alberta and British Columbia searches and current to January 22, 2015 in the case of the Ontario searches.

28. The Second DIP Loan Agreement provides the opportunity to bid in the AWS-3 Auction. In the Applicants' view the Second DIP Loan Agreement provides a high degree of flexibility at a reasonable cost. If the Applicants do bid in the AWS-3 Auction, the funding provided by the Second DIP Loan Agreement could fund that bid in whole or in part. If the Applicants withdraw from the AWS-3 Auction or the Deposit is otherwise returned by Industry Canada, the amount of the Deposit will be immediately repaid to the lenders under the Second DIP Loan Agreement.

AWS-3 Auction Bidding

29. In connection with the AWS-3 Auction, the Applicants will be required to move quickly to complete all application materials and deliver the Deposit. The Applicants also expect that they

will require flexibility as the AWS-3 Auction process progresses to provide formal bids in the process or, alternatively, withdraw from the process as determined at the appropriate time.

30. In the current circumstances it will be impractical for the Applicants to seek further Court approval before taking any such steps. As a result, the Applicants (including Mobilicity SpectrumCo) are seeking authorization and direction from the Court to comply with the covenants and obligations under the Second DIP Loan Agreement, including to take all steps necessary to submit applications and the Deposit for the AWS-3 Auction as the Applicants deem necessary or appropriate, subject to the terms of the Second DIP Loan Agreement and without further Court order.

31. If the Applicants elect to make a bid in the AWS-3 Auction in an amount in excess of the current available funding under the Second DIP Loan Agreement, the Applicants will seek the Court's approval for any required additional funding.

Request for a Further Stay Extension

32. The facility provided through the Second DIP Loan Agreement and the opportunity to participate in the AWS-3 Auction further supports the need for an extension of the Stay Period up to and including May 8, 2015.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on January 26, 2015. V Riley Commissioner for Taking Affidavits	William E Aziz WILLIAM E. AZIZ

Victoria Juliette Riley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 10, 2016.

Exhibit "A"

This is Exhibit A referred to in the affidavit of William E. Aziz sworn before me, this 26th day of January 2015

V Riley

A COMMISSIONER FOR TAKING AFFIDAVITS

Victoria Juliette Riley, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 10, 2016.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

$65,000,000

Senior Secured DIP Notes
Issued for AWS-3 Auction Deposit

DIP NOTE PURCHASE AND GUARANTEE AGREEMENT

Dated January ●, 2015

TABLE OF CONTENTS

DIP NOTE PURCHASE AND GUARANTEE AGREEMENT
Senior Secured DIP Notes
Issued for AWS-3 Auction Deposit

THIS AGREEMENT made as of the ●th day of January, 2015.

AMONG:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.,
together with its successors and assigns
(the "**Issuer**" or "**Wireless**")

- and -

The parties listed on the signature pages hereto as "Guarantors", together with their successors and assigns
(collectively, the "**Guarantors**")

- and -

The parties listed on the signature pages hereto, as "Purchasers", together with their successors and assigns

- and -

EQUITY FINANCIAL TRUST COMPANY
solely in its capacity as collateral agent, together with its successors and assigns
(the "**Collateral Agent**")

The Issuer and the Guarantors (other than ● ("**Mobilicity SpectrumCo**")) are applicants and debtor companies in a proceeding (the "**CCAA Proceeding**") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), commenced on September 30, 2013 before the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"). Pursuant to the DIP Order to be granted in the CCAA Proceeding (upon entry thereof), Mobilicity SpectrumCo will become an applicant in the CCAA Proceeding, and the Issuer, the Guarantors and the Collateral Agent shall be authorized to enter into this DIP Note Purchase and Guarantee Agreement (the "**Agreement**").

Pursuant to this Agreement and the DIP Order (upon entry thereof), the Purchasers shall make available to the Issuer a debtor-in-possession facility through the issuance of the DIP Notes in an aggregate principal amount of up to $65,000,000, which will be available to the Issuer (or as directed by the Issuer) on the terms and conditions set forth in this Agreement, as approved by the terms of the CCAA Court's DIP Order.

The proceeds of the DIP Notes will be used for the pre-auction financial deposit (the "**Deposit**") of the Issuer (or the joint Deposit of the Issuer and Mobilicity SpectrumCo, as determined with the consent of the Purchasers) due on January 30, 2015 for the AWS-3 spectrum auction (the "**AWS-3 Auction**") to be conducted by Industry Canada in March 2015 (or as collateral for the issuance of a letter of credit in respect thereof), the DIP Funding Fee and any applicable Third Party L/C Charges, in each case subject to the terms of this Agreement and the DIP Order.

To secure repayment of the DIP Notes and the payment of the other Obligations of the Issuer and the Guarantors hereunder and under the other DIP Documents, the Issuer and the Guarantors are providing to the Collateral Agent for and on behalf of the Purchasers, pursuant to this Agreement, the other DIP Documents and the DIP Order, a perfected Lien on all present and after-acquired assets of the Issuer and each Guarantor, including, for greater certainty, any spectrum licences acquired by the Issuer in the AWS-3 Auction.

1. DEFINITIONS

Capitalized terms used in this Agreement are defined in Schedule C.

2. SALE AND PURCHASE OF SENIOR SECURED DIP NOTES

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Issuer shall issue and sell to the Purchasers and the Purchasers shall purchase from the Issuer first lien senior secured debtor-in-possession promissory notes in aggregate principal amount of the sum of the amounts of the Deposit, the DIP Funding Fee and any applicable Third Party L/C Charges up to a maximum amount of $65,000,000 in the aggregate (the "**DIP Notes**") on the terms set forth herein, which DIP Notes shall be in the form set out in Exhibit A hereto and in the amounts set forth on Schedule D hereto. The aggregate purchase price for all of the DIP Notes issued in accordance with the terms set forth herein shall be in the amount of the sum of the amounts of the Deposit, the DIP Funding Fee and any applicable Third Party L/C Charges up to a maximum amount of $65,000,000 in the aggregate (the "**Purchase Price**"). The Purchasers' obligations hereunder are several and not joint or joint and several obligations, each in accordance with Schedule A, and no Purchaser shall have liability to any Person for the performance or non-performance by any Person (other than such Purchaser). The terms of the DIP Notes are set forth in this Agreement and in the DIP Notes. The DIP Notes will be secured by the Security. The security structure is described more fully in Section 6.

2.2 Closing

The closing of the purchase and sale of the DIP Notes pursuant to this Agreement shall occur on a date to be agreed by the Issuer and the Purchasers, which date shall be on or before January 30, 2015, and subject to the satisfaction of the conditions precedent set out in Section 11.1 of this Agreement (the "**Closing Date**").

2.3 Delivery

On the Closing Date, the Issuer shall deliver to the Purchasers the DIP Notes, duly executed, and free and clear of all Liens (other than Permitted Liens) and each Purchaser shall pay the Purchase Price for its *pro rata* share of the DIP Notes being issued on the Closing Date to (i) the Issuer or on behalf of the Issuer as directed by the Issuer, or (ii) if the Issuer directs such funds to Mobilicity SpectrumCo, to Mobilicity SpectrumCo or on behalf of Mobilicity SpectrumCo as directed by Mobilicity SpectrumCo, as applicable. The Issuer acknowledges and confirms that the Purchasers shall have the sole interest in the Deposit on a *pro rata* basis in accordance with their respective Commitments. In the event of any withdrawal by the Issuer from the AWS-3 Auction or return by Industry Canada of the Deposit, each of the Issuer and Mobilicity SpectrumCo, as applicable, hereby (i) irrevocably directs the Deposit, in each case, be returned directly to the Purchasers, on a *pro rata* basis in accordance with their respective Commitments, and the amount of the outstanding DIP Notes shall be reduced on a dollar for dollar basis, and (ii) acknowledges and confirms that the Purchasers shall have full authority to receive and direct the return of the Deposit on a *pro rata* basis in accordance with their respective Commitments.

3. TERMS OF THE DIP NOTES

3.1 Commitment

Each Purchaser severally, and not jointly or jointly and severally, commits to purchase its *pro rata* share of the DIP Notes on the Closing Date, in accordance with its commitment set forth on Schedule A hereto (each, a "**Commitment**" and collectively, the "**Total Commitment**"), in each case subject to the satisfaction of the conditions precedent set out in Article 11.

3.2 Termination by Purchasers

Notwithstanding anything herein to the contrary, and in addition to all other rights of the Purchasers under this Agreement, this Agreement and the Commitment of each Purchaser hereunder may be terminated at the option of the Purchasers if the DIP Order, *inter alia*, approving this Agreement and granting the DIP Charge has not been granted by January 29, 2015 or such later date as the Issuer and all of the Purchasers may agree.

3.3 Interest Rate

Interest shall be paid at the rate of 1% per annum (the "**Interest Rate**"), to be paid at the time of repayment of the DIP Notes pursuant to the terms set forth in Section 10.

3.4 DIP Funding Fee

The Issuer agrees to pay to the Purchasers a DIP funding fee in an amount equal to 3% of the aggregate principal amount of the DIP Notes issued on the Closing Date (the "**DIP Funding Fee**"), to be distributed to each Purchaser *pro rata* in accordance with its Commitment, which DIP Funding Fee shall be payable in cash on the Closing Date. The DIP Funding Fee shall be fully earned upon the issuance of the DIP Notes on the Closing Date.

3.5 Currency of Fees and Repayment

All repayments shall be made in Canadian dollars. All interest and fees on the DIP Notes shall be payable in Canadian dollars.

3.6 Use of Proceeds

The proceeds from the DIP Notes shall be used for the Issuer's Deposit (or the joint Deposit of the Issuer and Mobilicity SpectrumCo, as determined with the consent of the Purchasers) for the AWS-3 Auction (or as collateral for the issuance of a letter of credit in respect thereof), the DIP

Funding Fee and any applicable Third Party L/C Charges, subject to the terms of this Agreement and the DIP Order and as approved by the Purchasers.

4. INITIAL DIP NPA

The Issuer, each of the Guarantors and each of the Purchasers hereby confirm and agree that the Initial DIP NPA to which each is a party is of no further force and effect.

5. DECISIONS BY PURCHASERS

5.1 Subject to Section 5.2, any actions taken or not taken, or consents, approvals or waivers provided, under this Agreement or any other document delivered in connection herewith by the Purchasers may be taken, delivered or provided upon the direction of Purchasers who hold DIP Notes in an aggregate principal amount equal to at least 66 2/3% of aggregate principal amount of the then outstanding DIP Notes.

5.2 The following actions may only be taken with the prior unanimous written consent of all of the Purchasers:

(a) increasing the Commitment of any Purchaser hereunder;

(b) decreasing the Interest Rate or fees applicable to the DIP Notes;

(c) the subordination of the Security or permitting new or existing indebtedness to rank ahead of or *pari passu* with the DIP Notes or the Security Documents;

(d) the release or material amendment of the Security Documents;

(e) any amendment to Section 3.2 or this Article 5 of this Agreement;

(f) the payment of an interest payment in respect of the Senior Notes;

(g) any other matter which is expressly stated to require the consent of all of the Purchasers; and

(h) the issuance of any waiver of or consent to any of the matters set out in items (a) through (g) above (including, without limitation with regard to any Event of Default arising or resulting in connection therewith).

6. SECURITY

As security for payment and performance of all obligations of the Issuer and the Guarantors under or in connection with this Agreement, the DIP Notes and all other obligations hereunder and under the other DIP Documents (including all interest, fees and expenses payable hereunder or under the DIP Notes, the DIP Funding Fee and the Excess Amount (if any)), the Issuer and each Guarantor shall grant a first-priority perfected Lien in all of its property, assets and undertaking of the Issuer and the Guarantors, subject only to the Permitted Liens, other than Mobilicity SpectrumCo, which shall grant a first-priority perfected Lien in all of its property, assets and undertaking, subject only to the SpectrumCo Permitted Liens (the "**Security**") to the

Collateral Agent for the benefit of itself and the Purchasers, which Security shall rank in priority to the Senior Security.

7. RANKING

7.1 All indebtedness and all security and all claims, liabilities and other obligations owing pursuant to or in connection with this Agreement and the DIP Notes, whether on account of principal, interest, fees or otherwise, shall be senior in all respects to the payment of all Senior Obligations, and shall rank in priority to the Senior Obligations.

7.2 With respect to the ranking of the Liens (including charges created by the CCAA Court in the Initial Order and charges to be created by the CCAA Court in the DIP Order), the ranking in priority with respect to the assets, undertakings and properties of the Issuer and the Guarantors (other than Mobilicity SpectrumCo) shall be:

(a) the DIP Charge;

(b) the Liens in favour of the Senior Agent securing the Senior Obligations;

(c) the Administration Charge and the KERP Charge on a *pari passu* basis;

(d) the Directors' Charge; and

(e) the Bridge Notes Security.

7.3 With respect to the property and assets of Mobilicity SpectrumCo, the sole Lien (including charges created by the CCAA Court in the Initial Order and charges to be created by the CCAA Court in the DIP Order), shall be the DIP Charge, unless otherwise agreed by the Purchasers.

7.4 Notwithstanding any other provision hereof, the Collateral Agent and the Purchasers shall not take any steps to enforce their security granted in connection with this Agreement or the Security Documents without prior approval of the CCAA Court, other than as permitted under the DIP Order.

8. MANDATORY REPAYMENT

8.1 The DIP Notes (together with any unpaid and accrued interest thereon and fees and expenses payable in respect thereof) shall be repayable in full on the date (the "**Maturity Date**") which is the earlier of (i) seven days from the date on which demand is made at the sole discretion of the Purchasers, and (ii) the date on which demand is made following the occurrence of an Event of Default that has not been waived by the Purchasers and that has resulted in an acceleration of the DIP Notes.

8.2 The DIP Notes (together with any unpaid and accrued interest thereon and fees and expenses payable in respect thereof) shall be repayable in full in the event of any withdrawal by the Issuer from the AWS-3 Auction or any return by Industry Canada, as applicable, of the Deposit, which Deposit shall, in each case, be returned directly to the Purchasers, on a *pro rata* basis in accordance with their respective Commitments.

8.3 The DIP Notes (together with any unpaid and accrued interest thereon and fees and expenses payable in respect thereof) shall be repayable in full upon any mandatory repayment obligation or redemption offer under the Senior Indenture.

9. VOLUNTARY REPAYMENTS

9.1 The Issuer and the Guarantors shall be entitled to voluntarily prepay any principal amount of the Obligations, in whole or in part in any circumstances without premium or penalty.

9.2 Upon receipt by the Purchasers of indefeasible repayment in full of all Obligations:

(a) the Obligations shall be extinguished;

(b) the Purchasers shall have no further obligation to purchase any further DIP Notes hereunder or to make any other kind of loans or advances to the Issuer and/or the Guarantors; and

(c) this Agreement shall terminate, except with respect to any obligations of the Issuer and/or the Guarantors under Section 13(w) and Article 20 (excluding Section 20.9) of this Agreement, all of which shall survive the termination of this Agreement.

10. PAYMENT OF INTEREST

10.1 Interest shall be payable at the time of repayment of the DIP Notes pursuant to the terms hereof. Interest shall be calculated daily for the actual number of days elapsed in the period during which it accrues based on a year of 365 days and interest shall compound monthly on the last day of each month, to the extent not paid when due.

10.2 For purposes of the *Interest Act* (Canada), where in this Agreement or in the DIP Notes a rate of interest is to be calculated on the basis of a year of 365 days, the yearly rate of interest to which the rate is equivalent is the rate multiplied by the actual number of days in the year for which the calculation is made and divided by 365, as applicable.

10.3 The parties shall comply with the following provisions to ensure that no receipt by the Purchasers of any payments to the Purchasers hereunder would result in a breach of section 347 of the *Criminal Code* (Canada):

(a) If any provision of this Agreement or any of the other documents related to this Agreement would obligate the Issuer to make any payment to the Purchasers of an amount that constitutes "interest" (as such term is defined in the *Criminal Code* (Canada) and referred to in this section as "**Criminal Code interest**") during any one-year period after the date of the first issuance of DIP Notes in an amount or calculated at a rate which would result in the receipt by the Purchasers of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a "**criminal rate**"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Purchasers during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:

(i) first, by reducing the amount or rate of interest required to be paid to the Purchasers during such one-year period; and

(ii) thereafter, by reducing any upfront fees and other amounts (if any) required to be paid to the Purchasers during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to in this Agreement as the "**Excess Amount**".

(b) Any Excess Amount shall be payable and paid by the Issuer to the Purchasers in the then next succeeding one-year period or then next succeeding one-year periods until paid to the Purchasers in full, subject to the same limitations and qualifications set out in paragraph (a), so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the Purchasers of Criminal Code interest at a criminal rate.

(c) Any amount or rate of Criminal Code interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any DIP Notes remain outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be pro-rated over the period commencing on the date of the first issuance of DIP Notes and ending on the relevant Maturity Date (as may be extended by the Purchasers from time to time hereunder) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Purchasers shall be conclusive for the purposes of such calculation and determination.

10.4 If the DIP Notes are not repaid when due, all amounts then owing under or in respect of the DIP Notes will bear interest at the Interest Rate plus 2% per annum, compounded monthly on the last day of each month, and payable on demand.

11. CONDITIONS PRECEDENT TO FUNDING

11.1 Conditions Precedent to issuance of DIP Notes

The purchase by each Purchaser of its *pro rata* share of the DIP Notes shall be subject to the following conditions precedent, all of which shall be for the benefit of the Purchasers and shall be satisfied prior to the purchase of the DIP Notes, in each case in form and substance satisfactory to the Purchasers:

(a) execution and delivery by the Issuer and the Guarantors of this Agreement and the DIP Notes, all in form and substance satisfactory to the Purchasers;

(b) the DIP Order shall have been granted by the CCAA Court in form and substance satisfactory to the Purchasers, and shall be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect, except as may be acceptable to the Purchasers;

(c) the DIP Charge shall have been granted pursuant to the DIP Order, in form and substance satisfactory to the Purchasers;

(d) receipt of a certified copy of the constating documents and by-laws of the Issuer and each Guarantor, and of all corporate and other proceedings taken and required to be taken by the Issuer and the Guarantors to authorize, *inter alia*, the execution and delivery of this Agreement and the other DIP Documents to which it is a party and the performance of the transactions contemplated thereby; (ii) a certificate of status or like certificate of the Issuer and the Guarantors; and (iii) a certificate of incumbency of the Issuer and the Guarantors;

(e) execution and delivery of all security documents by the Issuer and the Guarantors in favour of the Collateral Agent for the benefit of itself and the Purchasers substantially in the form and substance of the security documents delivered in favour of the Bridge Notes Agent (the "**Security Documents**");

(f) delivery of a completed Perfection Certificate and Disclosure Letter in respect of the Issuer and the Guarantors;

(g) (i) completion of all necessary lien and other searches, together with all registrations, filings and recordings wherever the Purchasers deem appropriate in connection with the Security, (ii) satisfaction that there are no Liens affecting the property or assets of the Issuer or any Guarantor (other than Mobilicity SpectrumCo), except (A) Liens in favour of the Senior Agent securing the Senior Obligations, (B) Liens in favour of the Bridge Notes Agent securing the Bridge Notes, (C) Liens arising by operation of law in the ordinary course of business without any contractual grant of security, (D) such Liens as have been previously disclosed in lien searches conducted by Purchasers' counsel, which are set out on Schedule E hereto or (E) Liens granted by order of the CCAA Court with the consent of the Purchasers (collectively, the "**Permitted Liens**"), and (iii) satisfaction that there are no Liens affecting the property or assets of Mobilicity SpectrumCo other than Liens granted by order of the CCAA Court with the consent of the Purchasers (collectively, the "**SpectrumCo Permitted Liens**");

(h) delivery of all necessary documentation (including consents, amendments and supplements, if applicable) under the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture and the Quadrangle Commitment, if any, to permit the issuance of the DIP Notes, the granting of the Liens pursuant to the Security that are first in priority to all Liens to the extent that any of the foregoing is not otherwise permitted under the terms of the DIP Order;

(i) satisfaction that the Issuer and the Guarantors maintain adequate insurance coverage of such type and in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to the Purchasers, with appropriate endorsements in favour of the Collateral Agent;

(j) satisfaction that the Issuer and each of the Guarantors has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies and the requirements of applicable regulators in relation to its activities, to the extent that the failure to comply would have a Material Adverse Effect;

(k) if such right is exercised by the Purchasers prior to the Closing Date, the appointment of one Purchaser-nominated observer to the boards of the Issuer and/or the Guarantors;

(l) delivery of legal opinions from relevant counsel to the Issuer and the Guarantors confirming the authorization, execution and delivery of this Agreement and the other DIP Documents by the Issuer and the Guarantors;

(m) receipt of the Cash Flow Forecast for the first 13 weeks after the Closing Date, which shall be acceptable to the Purchasers;

(n) all reasonable and documented expenses of each of the Collateral Agent and the Purchasers incurred up to and including the Closing Date in connection with the DIP Notes and the CCAA Proceeding, including, without limitation, reasonable and documented legal fees of counsel to the Collateral Agent and the Purchasers shall have been paid in full from the proceeds of the DIP Notes, as directed by the Issuer;

(o) other than those claims, actions, suits, investigations or proceedings which have been disclosed in the Disclosure Letter prior to the Closing Date, there shall exist no unstayed claim, action, suit, investigation or proceeding, pending or (to the knowledge of any senior officers or directors of the Issuer or any Guarantor) threatened, in any court or before any arbitrator, mediator or governmental authority which relates to the Issuer, any Guarantor or the DIP Notes and which could reasonably be expected to result in a Material Adverse Effect;

(p) (i) all representations and warranties contained in this Agreement and the other DIP Documents remain true and correct in all material respects as of the Closing Date (unless stated to relate to a specific earlier date, in which case, such representations and warranties shall have been true and correct in all material respects as of such earlier date); (ii) no Default or Event of Default has occurred and is continuing or would result from the purchase of the DIP Notes, and (iii) the issuance and purchase of the DIP Notes shall not violate any applicable law, judgment or order of any court of competent jurisdiction;

(q) the Issuer and the Guarantors shall be in compliance with all of their covenants under this Agreement;

(r) no Default or Event of Default shall have occurred and be continuing on the Closing Date or after giving *pro forma* effect to the issuance of the DIP Notes on the Closing Date;

(s) no Material Adverse Effect shall have occurred after the date of this Agreement;

(t) all application and other materials in connection with the application for participation in the AWS-3 Auction by the Issuer pursuant to the AWS-3 Auction Rules shall be in form and substance acceptable to the Purchasers or Goodmans; and

(u) the Issuer shall be an operating new entrant eligible to participate in the AWS-3 Auction with respect to the set-aside AWS-3 spectrum pursuant to the AWS-3 Auction Rules (as same may be amended, modified and/or supplemented) in all of the areas in which the Issuer operates as of the date hereof.

12. REPRESENTATIONS AND WARRANTIES

Each of the Issuer and the Guarantors makes each of the following representations and warranties with respect to itself:

(a) Each of the Issuer and the Guarantors is a corporation duly incorporated, continued or amalgamated, as the case may be, and is validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated and each is duly qualified, licensed or registered to carry on business under the applicable law in all jurisdictions in which the nature of its assets or business makes such qualification necessary.

(b) Subject to the entry of the DIP Order, the execution, delivery and performance by the Issuer and each Guarantor of this Agreement:

(i) are within its corporate, partnership, limited partnership or similar power, as applicable;

(ii) have been duly authorized by all necessary corporate, partnership, limited partnership or similar action, as applicable, including all necessary consents of the holders of its equity interests, where required;

(iii) do not (A) contravene its articles, by-laws or other constating documents, as applicable, (B) violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets, (C) conflict with or result in the breach of, or constitute a default under, or require a consent under, any Material Contract or (D) result in the creation or imposition of any lien or encumbrance upon any of its property; and

(iv) do not require the consent of, authorization by, approval of, or notification to, any Governmental Entity.

(c) Subject to the entry of the DIP Order, this Agreement constitutes a valid and binding obligation of the Issuer and each Guarantor enforceable in accordance with its terms.

(d) The Issuer and each Guarantor (i) owns its respective assets with good and marketable title thereto, free and clear of all Liens, except for Permitted Liens, other than Mobilicity SpectrumCo which owns its assets with good and marketable title thereto, free and clear of all Liens, except for SpectrumCo Permitted Liens, and (ii) does not own any real property other than the real property disclosed in the Perfection Certificate.

(e) There is no Default or Event of Default that has occurred and is continuing as of the date hereof.

(f) All Indebtedness of the Issuer and each Guarantor as of the date hereof is disclosed in the Perfection Certificate, including without limitation Indebtedness under the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture and the Quadrangle Commitment.

(g) Except as disclosed in the Disclosure Letter and as otherwise contemplated by this Agreement and the transactions contemplated hereby, since June 11, 2013 there has not been (i) any Material Adverse Effect, (ii) any Material transaction to which the Issuer or any Guarantor is a party outside the ordinary course of business (other than as contemplated by this Agreement and the other DIP Documents), or (iii) any Material change in the capital or outstanding Indebtedness and Liabilities of the Issuer and the Guarantors (taken as a whole) (other than as contemplated by this Agreement and the other DIP Documents).

(h) None of the Issuer or any Guarantor has any Material Liabilities except (i) Liabilities which are reflected and properly reserved against in the Financial Statements, (ii) Liabilities incurred in the ordinary course of business, having regard to the current financial condition of the Issuer and the Guarantors, including expenses incurred in connection with the CCAA Proceeding, in each case as reflected in the Cash Flow Forecast, (iii) current Liabilities arising in the ordinary course under the Contracts to which any of the Issuer and the Guarantors is a party (other than obligations which are required to be reflected on a balance sheet prepared in accordance with GAAP).

(i) As of the date of this Agreement, the authorized capital of Holdings consists of (i) an unlimited number of common shares, of which 4,995,211 common shares are issued and outstanding, of which, 3,330,141 common shares are held by Data & Audio-Visual Enterprises Investments Inc. and 1,665,070 common shares are held by Quadrangle, and (ii) an unlimited number of Class B shares, of which 20,204,790 Class B shares are issued and outstanding, of which all Class B shares are held by Quadrangle. Holdings has no other capital stock authorized or, as of the date of this Agreement, issued and outstanding. All issued and outstanding Convertible Securities of Holdings, or existing rights to have such Convertible Securities of Holdings issued, as of the date hereof, are disclosed in the Perfection

Certificate. All voting rights in respect of Holdings are vested in the holders of the common shares of Holdings. Class B shares are convertible at the option of the holder on a one-for-one basis into common shares.

(j) As of the date of this Agreement, the authorized capital of Wireless consists of (i) an unlimited number of common shares, of which 43,974,221 common shares are issued and outstanding, all of which are held by Holdings, and (ii) an unlimited number of Class B shares. Wireless has no other capital stock authorized or, as of the date of this Agreement, issued and outstanding. All issued and outstanding Convertible Securities of Wireless, or existing rights to have such Convertible Securities of Wireless issued, as of the date hereof, are disclosed in the Perfection Certificate. All voting rights in respect of Wireless are vested in the holders of the common shares of Wireless. Class B shares are convertible at the option of the holder on a one-for-one basis into common shares.

(k) As of the date of this Agreement, the authorized capital of Mobilicity SpectrumCo consists of an unlimited number of common shares, of which ● are issued and outstanding, all of which are held by Wireless. Mobilicity SpectrumCo has no other capital stock authorized or, as of the date of this Agreement, issued and outstanding. All voting rights in respect of Mobilicity SpectrumCo are vested in the holders of the common shares of Mobilicity SpectrumCo.

(l) The estimated quantum of all bonus payments paid and expected to be paid to the senior executives of the Issuer and each Guarantor for the current fiscal year are set out in the Disclosure Letter.

(m) Since June 17, 2013, except as otherwise contemplated by this Agreement or set forth in the Disclosure Letter, the Issuer and each Guarantor has conducted its business only in the ordinary course consistent with past practice, to the extent possible given the current financial condition of the Issuer and the Guarantors, and there has not been any resignation or termination of any director, senior officer or senior manager, or any increase in the rate of compensation payable or to become payable by any Issuer or any Guarantor to any director, senior officer or senior manager of the Issuer or any Guarantor (other than standard increases in connection with general, regularly-scheduled reviews consistent with past practice in respect of employees other than the top three highest paid employees of the Issuer and any Guarantor), including the making of any loan to, or the payment, grant or accrual of any bonus payment to any such Person.

(n) There have been no changes to the compensation or severance entitlements or other benefits payable to directors, senior officers or senior managers (including by way of a "KERP") from their compensation and severance entitlements as disclosed in the Disclosure Letter and none of the Issuer or any Guarantor have agreed to any, or become obligated to pay any bonus payments or severance to the directors, senior officers or senior managers except in connection with existing benefit, incentive or compensation plans or employment contracts. The Issuer and the Guarantors have disclosed in the Disclosure Letter all benefit, incentive or compensation plans applicable to the senior officers and senior managers of the

Issuer and each Guarantor, copies of which shall be made available to each Purchaser upon request.

(o) The Issuer and the Guarantors have disclosed in the Disclosure Letter all employment agreements for the senior officers and senior managers of the Issuer and each Guarantor and have provided copies of all written employment agreements for the senior officers and senior managers of each of them, which are in full force and effect as of the date hereof, and there have been no extension, supplements or amendments thereto; there are no other written employment agreements for senior officers or senior managers to the Issuer and each Guarantor earning $150,000 or more per annum, including all bonuses and other cash compensation.

(p) Copies of all retainers for professionals and advisors engaged by the Issuer or Guarantors ("**Advisor Retainers**"), and all transaction, success, performance or change of control payments payable thereunder or in connection therewith, and all policies of directors' and officers' insurance maintained by the Issuer or Guarantors have been disclosed in the Disclosure Letter and have been included in the Cash Flow Forecast, and there are no directors trusts that have been established by the Issuer or any Guarantor.

(q) All payments to shareholders, directors, senior executives and their related parties, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, in each case occurring between December 31, 2012 and the date of this Agreement (all such payments being "**Affiliate Payments**") have been disclosed in the Disclosure Letter and have been included in the Cash Flow Forecast.

(r) Other than as disclosed in the Disclosure Letter, there is not now pending or, to the knowledge of any of the senior officers or directors of the Issuer or any Guarantor, threatened against the Issuer or any Guarantor, nor has the Issuer or any Guarantor received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal Governmental Entity or regulatory body, which would be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(s) A complete and accurate list of all Material Contracts and amendments thereto, including without limitation, the Spectrum Licenses, is disclosed in the Disclosure Letter, and all such agreements are in full force and effect, except as would not reasonably be expected to result in a Material Adverse Effect. Each of the Issuer and the Guarantors shall, promptly upon request of any Purchaser, provide to such Purchaser copies of all Material Contracts requested by it. All of the Material Contracts are valid, binding and enforceable in accordance with their terms against the Issuer or Guarantor party thereto, except (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors or (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity). As of the date of this Agreement, except as disclosed in the Disclosure Letter, there is no existing (or threatened in writing) default or dispute with respect to any of the Material Contracts that would reasonably be expected to result in a Material Adverse Effect.

(t) Each of the Issuer and the Guarantors has conducted its business in compliance with all Laws and none of the Issuer or any Guarantor has received any notice to the effect that, or has otherwise been advised that, it is not in compliance with such laws, other than any such non-compliance as would not reasonably be expected to result in a Material Adverse Effect.

(u) Except as would not have a Material Adverse Effect:

(i) The Issuer and the Guarantors, as applicable, are in possession of all, grants, authorizations, licenses (including the Spectrum Licenses), permits, easements, variances, exceptions, consents, certificates, approvals, registrations and orders of any governmental or regulatory authority, including, without limitation, Industry Canada, the Canadian Radio-television Telecommunications Commission (the "**CRTC**") and similar authorities in Canada and other jurisdictions necessary for the Issuer or any Guarantor to carry on their business as it is now being conducted (the "**Company Permits**"), the Company Permits are valid and in good standing and no suspension or cancellation of any of the Company Permits is pending or, to the knowledge of the Issuer or any Guarantor, threatened, except where the failure to have or the suspension or cancellation of, any of the Company Permits would not, individually or in the aggregate, have a Material Adverse Effect; and

(ii) to the knowledge of the Issuer and the Guarantors, none of them has received any written notice that Industry Canada, the CRTC or any other governmental or regulatory authority (including, without limitation, Governmental Entities and other regulatory agencies outside of Canada) has commenced, or overtly threatened to initiate, any action to withdraw its approval for, revoke, request the recall of, or otherwise impair restrict or vary any Company Permits, or to restrain, impede or prohibit the execution, delivery and performance by the Issuer and each Guarantor of this Agreement or require or purport to require a variation of this Agreement.

(v) The Issuer and the Guarantors maintain adequate insurance coverage of such type and in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope as is prudent for such a business, with appropriate endorsements in favour of the Collateral Agent.

(w) Subject to the entry of the DIP Order, the Security Documents create a valid and continuing perfected Lien on the personal property described therein (collectively, the "**Collateral**") in favour of the Collateral Agent for the benefit of itself and the

Purchasers having the priority set forth herein. There are no other Liens on the Collateral other than Permitted Liens.

(x) Neither the Financial Statements delivered to the Purchasers or their Advisors from time to time nor any other written statement or information (other than projections, which are subject to the last sentence of this subsection (x)) furnished by or on behalf of or at the direction of the Issuer or any Guarantor to the Purchasers or their Advisors in connection with the negotiation, consummation or administration of this Agreement contain, as of the time such statements were so furnished, any untrue statement of a material fact or an omission of a material fact as of such time, which material fact is necessary to make the statements contained therein not misleading. All such statements, taken as a whole, together with this Agreement, all of the other DIP Documents and all other relevant documents do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not misleading. All financial projections, including the Cash Flow Forecast, furnished or made available by the Issuer and the Guarantors to the Purchasers and their Advisors have been prepared in good faith, on the basis of all known facts and using reasonable assumptions and the Issuer and the Guarantors believe such projections to be fair and reasonable.

(y) All written information furnished by or on behalf of the Issuer and the Guarantors to the Purchasers or their Advisors for the purposes of, or in connection with, this Agreement, the other DIP Documents or any other relevant document or any other transaction contemplated thereby, including for greater certainty information contained in the Perfection Certificate and the Disclosure Letter, is true and accurate in all respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time in light of then-current circumstances.

(z) Other than as disclosed in the Disclosure Letter, there are no agreements between any of the Issuer and/or the Guarantors and any other holder of debt or Equity Securities of the Issuer or any Guarantor with respect to any restructuring, refinancing or recapitalization matters.

(aa) The Issuer is an operating new entrant eligible to participate in the AWS-3 Auction with respect to the set-aside AWS-3 spectrum pursuant to the AWS-3 Auction Rules (as same may be amended, modified and/or supplemented) in all of the areas in which the Issuer operates as of the date hereof.

13. COVENANTS

Each of the Issuer and the Guarantors covenants and agrees to comply with the following covenants:

(a) The Issuer shall duly and punctually pay all principal, interest, fees and other amounts owing in respect of the DIP Notes and contemplated by this Agreement when due and payable.

(b) The Issuer and the Guarantors shall use the proceeds of the DIP Notes only in accordance with Section 3.6.

(c) The Issuer and the Guarantors shall, as approved by the Purchasers, submit the Deposit, or direct the Deposit to be submitted, pursuant to the AWS-3 Auction Rules prior to the applicable deadline for such Deposit, and shall not withdraw such Deposit without at least seven Business Days' prior written notice to the Purchasers and subject to Section 8.2.

(d) All application and other materials in connection with the application for participation in the AWS-3 Auction by the Issuer (or the joint participation in the AWS-3 Auction by the Issuer and Mobilicity SpectrumCo, as determined with the consent of the Purchasers) pursuant to the AWS-3 Auction Rules shall be in form and substance acceptable to the Purchasers or Goodmans, and the Issuer and Guarantors shall discuss all material decisions and matters relating to the AWS-3 Auction with the Purchasers or Goodmans.

(e) The Issuer (and Mobilicity SpectrumCo, as applicable) shall abide by the AWS-3 Auction Rules.

(f) The Issuer and the Guarantors shall discuss in good faith the additional funding requirements that the Issuer may have in connection with the AWS-3 Auction with the Purchasers and other third parties, provided that any such additional funding shall be subject to further Order of the CCAA Court.

(g) The Issuer and the Guarantors shall provide the Purchasers and Goodmans draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file in the CCAA Proceeding at least three (3) days prior to any such filing or, where it is not practically possible to do so at least three (3) days prior to any such filing, as soon as possible, and all such filings shall be in form and substance acceptable to the Purchasers or Goodmans.

(h) The DIP Order and any other orders in respect of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge shall be submitted to the CCAA Court in a form confirmed in advance to be satisfactory to the Purchasers or Goodmans, subject to any amendments that are required by the CCAA Court or the Issuer that are acceptable to the Purchasers or Goodmans.

(i) Any and all materials in respect of a proposed Plan or other transaction in respect of a Potential Transaction or a Restructuring Alternative shall only be submitted to the CCAA Court in a form confirmed in advance to be satisfactory to the Purchasers or Goodmans.

(j) The Issuer and the Guarantors shall maintain at all times adequate insurance coverage of such kind and in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to the Purchasers, with appropriate endorsements in favour of the Collateral Agent.

(k) The Issuer or the CRO shall deliver to each of the Purchasers and/or such representatives as may be reasonably designated by the Purchasers:

(i) a refreshed Cash Flow Forecast in respect of the 13-week period beginning on the last day of the then applicable Current Cash Flow Period, which shall be delivered no less than ten (10) Business Days prior to the end of such Current Cash Flow Period and shall be acceptable to the Purchasers no less than five (5) Business Days prior to the end of such 13-week period;

(ii) on the fourth Business Day of every second week, a report as to the Issuer's and each Guarantor's actual cash flows for the immediately preceding two-week period, accompanied by a variance analysis explaining how and why actual results for such immediately preceding two-week period varied from the applicable weeks in the Cash Flow Forecast;

(iii) on the tenth Business Day of each month, a monthly financial report (including a balance sheet, a statement of changes in working capital and any other financial statements produced by the Issuer and approved by the Issuer's board of directors) with respect to the Issuer and the Guarantors;

(iv) on the first Business Day of each week, updates and plans from the Issuer's advisors or the CRO regarding any Potential Transaction or Restructuring Alternative;

(v) concurrently with the delivery thereof pursuant to the terms of the Bridge Notes NPA, copies of any information delivered to the holders of the Bridge Notes;

(vi) notice forthwith upon the Issuer, any Guarantor or the CRO determining that there will be a material change from the Cash Flow Forecast, or of any other material developments with respect to the business and affairs of the Issuer or any Guarantor;

(vii) notice forthwith upon the Issuer, any Guarantor or the CRO receiving notice from any creditor, landlord or other third party delivering a notice of default, demand, acceleration or enforcement in respect of any material obligation of the Issuer or any Guarantor;

(viii) notice forthwith and copies to Goodmans of, any material developments in respect of any Potential Transaction or Restructuring Alternative and discussion papers, term sheets, letters of intent, commitment letters, offers or agreements received by or entered into by any of the Issuer, any Guarantor or the CRO after the date hereof, relating to a Potential Transaction, provided that such documents shall not be provided by Goodmans to the Purchasers without the prior consent of the Issuer;

(ix) notice forthwith of any event or occurrence that, with notice or the passage of time or both, would be an Event of Default hereunder (a "**Default**"); and

(x) such other information as may be requested by the Purchasers or Goodmans from time to time acting reasonably.

(l) The Purchasers shall have the right to engage at any time a financial advisor to assist them in relation to the DIP Notes or any Potential Transaction or Restructuring Alternative, and all reasonable and documented fees of such advisor shall be payable by the Issuer.

(m) The Purchasers shall be entitled to have an observer attend all board and committee meetings of the Issuer or any of the Guarantors and any such observer shall have all information disclosure rights that existing board members have.

(n) Subject to Section 13(o), neither the Issuer nor any Guarantor shall be entitled to make any Distribution or Affiliate Payment, other than a Distribution or Affiliate Payment that is approved by the Purchasers in advance.

(o) Neither the Issuer nor any Guarantor shall make an interest payment in respect of the Senior Notes unless such interest payment is approved by the Purchasers in advance, provided that, if any such interest payment is not approved by the Purchasers, the Issuer and the Guarantors shall not make any interest payment in respect of the Bridge Notes until such time as the outstanding interest payment in respect of the Senior Notes has been made.

(p) Neither the Issuer nor any Guarantor shall make payments in respect of any of its pre-petition obligations unless such payment is approved by the Purchasers in advance.

(q) Neither the Issuer nor any Guarantor shall provide, or seek or support a motion by another party to provide, "critical supplier" status pursuant to the CCAA to any party without the prior written consent of the Purchasers.

(r) Neither the Issuer nor any Guarantors shall make any capital expenditures except to the extent such expenditures are specifically listed in the Cash Flow Forecast.

(s) Neither the Issuer nor any Guarantors shall amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change the nature of their business or their corporate or capital structure (except as contemplated by a Plan acceptable to the Purchasers) or enter into any agreement committing to such actions, in each case without the prior written consent of the Purchasers.

(t) Neither the Issuer nor any Guarantors shall create, incur or Guarantee any Indebtedness for borrowed money other than Indebtedness and Guarantees existing on the date hereof that have been disclosed in writing to the Purchasers and Indebtedness contemplated by this Agreement.

(u) Neither the Issuer nor any Guarantors shall make any new Investments or acquisitions of any kind, direct or indirect.

(v) Neither the Issuer nor any Guarantors shall create or incur any Liens other than Permitted Liens, other than Mobilicity SpectrumCo which shall not create or incur any Liens other than the SpectrumCo Permitted Liens.

(w) The Issuer shall pay the reasonable and documented fees of the Advisors, in each case within five (5) Business Days of the receipt of any invoice from any such Advisor.

(x) The Issuer and the Guarantors shall not participate in any material discussions with any party (other than their legal and financial advisors) with respect to the CCAA Proceeding or any Potential Transaction or Restructuring Alternative, in each case (upon conferring with their financial advisor) without providing reasonable notice to the Purchasers and Goodmans, and an opportunity for a representative of Goodmans or the financial advisor to the Purchasers to participate in such discussions.

(y) The Issuer and the Guarantors shall not participate in any material discussions with the regulators relating to the CCAA Proceeding or any Potential Transaction or Restructuring Alternative without providing the Purchasers with a reasonable opportunity to participate in such discussions unless a regulator explicitly requests a discussion without the Purchasers present, in which case the Issuer and the Guarantors shall provide the Purchasers with advance notice and an opportunity for Goodmans to participate in such a discussion on an external counsel basis, and agree with Goodmans in advance regarding the conduct and nature of such discussions provided that the Issuer and the Guarantors or their advisors shall, following such discussion, advise the Purchasers of the content of those discussions aside from external counsel only matters.

(z) The Issuer and the Guarantors shall promptly (and in any event within 24 hours of receipt by any of them) notify the Purchasers and Goodmans, at first orally and thereafter in writing, of any proposal in respect of any Potential Transaction, in each case received after the date hereof, of which it or any of its representatives are or become aware, or any amendments to such proposal in respect of any Potential Transaction, any request for material discussions or negotiations, or any request for non-public information relating to the Issuer or any Guarantor in connection with such Potential Transaction or for access to the books or records of the Issuer or any Guarantor by any person that informs the Issuer or any Guarantor that it is considering making, or has made, a proposal with respect to any Potential Transaction and any amendment thereto; and the Issuer shall promptly provide to the Purchasers and Goodmans a description of the material terms and conditions of any such proposed Potential Transaction or request. The Issuer and the Guarantors shall keep the Purchasers and Goodmans informed of any material change to the material terms of any such proposed Potential Transaction.

(aa) Neither the Issuer nor the Guarantors shall increase compensation or severance entitlements or other benefits payable to directors, senior officers or senior management (including by way of a "KERP"), or pay any bonuses or severance payments whatsoever, if not approved in advance by the Purchasers or as required by law.

(bb) The Issuer and the Guarantors shall operate their businesses in the ordinary course of business, having regard to the current financial condition of the Issuer and the Guarantors, and, in any event, neither the Issuer nor the Guarantors shall make a public announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business, if not approved in advance by the Purchasers.

(cc) Following a reasonable advance request by the Purchasers or Goodmans, the Issuer and each Guarantor, as applicable, shall, to the extent permitted by law and the terms of any contractual confidentiality obligations, and subject to and in accordance with the terms of the Noteholder Confidentiality Agreement:

(i) provide the Purchasers and/or Goodmans with reasonable access to its books and records for use in connection with the transactions contemplated by this Agreement; and

(ii) make its officers and legal and financial advisors available on a reasonable basis for any discussions with the Purchasers and/or Goodmans.

(dd) Any changes to composition (including addition, removal or replacement of directors or officers) of the board of directors or the officers (including the CRO) of the Issuer or any Guarantor shall be acceptable to the Purchasers, acting reasonably.

(ee) None of the Issuer or any Guarantor shall enter into, or permit any amendment to, any shareholders agreement in respect of it.

(ff) Without the prior written consent of the Purchasers, Holdings shall not, to the extent it is required to do so, consent to, or take any steps in furtherance of the exercise of any conversion right under the Convertible Debentures or any Equity Securities or Convertible Securities issued by it.

(gg) Holdings shall immediately notify the Purchasers and their Advisors, at first orally and thereafter in writing, as soon as it has become aware of any intention of any of holder of any Equity Securities or Convertible Securities issued by Holdings to exercise any conversion right under such Equity Securities or Convertible Securities issued by it, other than in respect of the notice of conversion issued by Quadrangle on January 31, 2013 which has been previously disclosed.

(hh) Without the prior written consent of the Purchasers, Holdings shall not consent to, or prescribe any conditions precedent to, any transfer of the Convertible Debentures by Quadrangle.

(ii) Immediately upon receipt thereof, Holdings shall notify the Purchasers and Goodmans, at first orally and thereafter in writing, of any notice it has received from Quadrangle notifying Holdings of Quadrangle's intent to transfer the Convertible Debentures.

(jj) Neither the Issuer nor the Guarantors shall transfer, lease, license or otherwise dispose of all or any part of its property, assets or undertaking aggregating over $500,000 without the consent of the Purchasers, except pursuant to a Potential Transaction which has been approved by the Purchasers.

(kk) Neither the Issuer nor the Guarantors shall enter into, extend, renew, waive or otherwise modify in any material respect the terms of any transaction with an Affiliate, or extend or renew existing operational arrangements without the prior approval of the Purchasers or as permitted under the Initial Order.

14. EVENTS OF DEFAULT

14.1 Each of the following shall constitute an event of default hereunder and under the DIP Notes and the Security Documents (each, an "**Event of Default**"):

(a) the failure to pay any principal amount outstanding under the DIP Notes when the same shall become due and payable hereunder;

(b) the failure to pay any interest on the DIP Notes or any fees or other amounts payable by the Issuer or any Guarantor pursuant to this Agreement or any other DIP Document within 2 Business Days after the same shall become due and payable hereunder or thereunder as the case may be;

(c) the failure by the Issuer or any Guarantor to pay the reasonable and documented fees to the Purchasers' Advisors within 5 Business Days of the receipt of any invoice from any such party;

(d) the failure by the Issuer or any Guarantor to perform or comply with any term, condition, covenant or obligation contained herein (other than the items set out in paragraphs (a), (b) and (c) above), in the DIP Notes or in any other DIP Document or any other document delivered pursuant to the terms hereof or thereof or in connection herewith or therewith on their part to be performed or complied with and, to the extent capable of being remedied, such failure remains unremedied for 5 Business Days;

(e) if any representation, warranty or other statement of the Issuer or any Guarantor made or deemed to be made in this Agreement, any other DIP Document or in any other document delivered pursuant to the terms thereof or in connection therewith shall prove untrue in any material respect as of the date made or deemed to be made;

(f) the failure by the Issuer or any Guarantor to pay any amounts due under or perform or comply with any term, condition, covenant or obligation contained in the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture or the Quadrangle Commitment, in each case except where enforcement is stayed by an order of the CCAA Court;

(g) except as stayed by order of the CCAA Court, the occurrence of a default or an event of default under any Indebtedness for borrowed money of the Issuer or any Guarantor, including for greater certainty under the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture or the Quadrangle Commitment;

(h) except as stayed by order of the CCAA Court, a default under, revocation or cancellation of, any Material Contract which has or could reasonably be expect to result in a Material Adverse Effect;

(i) the existence of (i) an adverse variance of actual cash flow from the Cash Flow Forecast by an amount exceeding 10% in respect of any preceding four week period as reflected in the Cash Flow Forecast, provided that the amount of all professional fees paid during such period (including any amounts paid to the Purchasers' Advisors) and the amount of any interest payment not made pursuant to Section 13(o) shall be excluded solely for the purposes of such calculation, or (ii) the occurrence of any other Material Adverse Effect with respect to the business and affairs of the Issuer or any Guarantor;

(j) the existence of an adverse variance of actual Professional Fees of any advisor from the amount set out therefor in the Cash Flow Forecast by an amount exceeding 15% in respect of any preceding four week period as reflected in the Cash Flow Forecast, provided that such an adverse variance in respect of the Professional Fees of the Monitor and legal counsel to the Monitor shall be subject to an order of the CCAA Court prior to being taken into account for the purposes of this paragraph;

(k) any change to the composition (including addition, removal or replacement of directors or officers) of the board of directors or officers of the Issuer or any Guarantor that is not acceptable to the Purchasers, acting reasonably;

(l) the removal, termination, replacement or change in the scope or extent of the authority of the CRO, without the prior consent of the Purchasers, acting reasonably;

(m) any change, other than through the exercise of conversion rights under the Shareholders Agreement, the Quadrangle Commitment, the Convertible Debentures or other Convertible Securities without the consent of the Issuer or any Guarantor or the issuance of warrants pursuant to the Senior Unsecured Indenture, to (i) the legal or beneficial ownership (whether direct or indirect) of the Equity Securities issued by the Issuer or any Guarantor, or any Convertible Securities of the Issuer or any Guarantor, or rights thereto or (ii) the voting control of the Issuer or any Guarantor, from that disclosed in Sections 12(i) and 12(j) hereof;

(n) the cessation (or threat of cessation) by the Issuer or any Guarantor to carry on business in the ordinary course, having regard to the current financial condition of the Issuer and the Guarantors, without the prior consent of the Purchasers;

(o) the denial or repudiation by the Issuer or any Guarantor of the legality, validity, binding nature or enforceability of this Agreement, the other DIP Documents or any other document or certificate delivered pursuant to the terms hereof or thereof;

(p) the cessation of any of the Security Documents to constitute, in whole or in part, a Lien on the Collateral in the priority contemplated by this Agreement without the prior consent of the Purchasers;

(q) except as stayed by order of the CCAA Court, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of $5,000,000 against the Issuer or any Guarantor or the Collateral that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy;

(r) the CCAA Proceeding shall be dismissed without a sanctioned Plan or converted to a receivership, proposal in bankruptcy or a bankruptcy proceeding;

(s) the appointment of any receiver, receiver-manager, interim receiver, monitor (other than in connection with the CCAA Proceedings), liquidator, assignee, custodian, trustee, sequestrator or other similar entity in respect of the Issuer or any Guarantor (or any of their subsidiaries) or all or any part of their respective property, assets or undertaking other than in connection with a Plan or other Potential Transaction or Restructuring Alternative which has been approved by all of the Purchasers;

(t) other than in connection with the CCAA Proceeding, the act of the Issuer or any Guarantor (i) making a general assignment for the benefit of its creditors, including without limitation, any assignment made pursuant to the BIA, (ii) acknowledging its insolvency or is declared or becomes bankrupt or insolvent, (iii) failing to meet its liabilities generally as they become due, or (iv) committing an act of bankruptcy under the BIA or any similar law of any jurisdiction;

(u) the DIP Order (or any other order of the CCAA Court in respect of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge) is dismissed, stayed, reversed, vacated, or amended and such dismissal, stay, reversal, vacating or amendment adversely affects or could reasonably be expected to adversely affect the interests of the Purchasers in any manner, unless in the case of any of the foregoing, the Purchasers have consented thereto in writing;

(v) any order is entered, or any Plan is sanctioned, that is not consistent with any provision of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge in a manner that is adverse to the interests of the Purchasers or could reasonably be expected to adversely affect the interests of the Purchasers, unless in the case of any of the foregoing, the Purchasers have consented thereto in writing;

(w) any proceeding, motion or application shall be commenced or filed by the Issuer or any Guarantor, or if commenced by another party, supported or otherwise consented to by the Issuer or any Guarantor, seeking: (i) the invalidation, subordination or other challenging of the terms and provisions of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge; or (ii) approval of any Potential Transaction or Restructuring Alternative which does not have the prior consent of the Purchasers; or

(x) the Issuer or any Guarantor seek to approve or consummate any Potential Transaction or Restructuring Alternative which does not have the prior consent of all of the Purchasers.

15. REMEDIES

Subject to Section 7.3, following the occurrence of an Event of Default, without limiting the remedies available under the Security Documents or hereunder, the Purchasers and/or the Collateral Agent may:

(a) on demand, accelerate all payments due by the Issuer hereunder, and set off amounts owing by the Purchasers to the Issuer against amounts owing by the Issuer to the Purchasers;

(b) apply to a court (i) for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Issuer or any Guarantor, (ii) for the appointment of a trustee in bankruptcy of the Issuer or any Guarantor, or (iii) to seek other relief; or

(c) without limiting the foregoing, the Collateral Agent and the Purchasers shall have the power and rights of a secured party under section 17 and Part V of the *Personal Property Security Act* (Ontario).

16. GUARANTEE

16.1 Subject to this Article 16, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Purchaser and its successors and assigns, irrespective of the validity and enforceability of this Agreement, the DIP Notes or the obligations of the Issuer hereunder or thereunder, that:

(a) the principal of, premium, if any, interest and fees on, the DIP Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the DIP Notes, if any, if lawful, and all other obligations of the Issuer to the Purchasers or the Collateral Agent under this Agreement, the DIP Notes and any other DIP Document will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(b) in case of any extension of time of payment or renewal of any DIP Notes or any other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. The liability of each Guarantor shall bear interest from the date any such amount so guaranteed was due at the rate or rates of interest then applicable to such obligations or amount under and calculated in the manner provided in this Agreement.

Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

16.2 The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of (i) any bankruptcy or insolvency proceeding with respect to the Issuer or any of its Affiliates or any other Person; (ii) any limitation, discharge, or cessation of the liability of the Issuer or any other Person for any obligations under this Agreement, the DIP Notes or any other DIP Document due to any statute, regulation or rule of law, or any invalidity or unenforceability in whole or in part of any of obligations thereunder; (iii) any sale, lease, transfer or other disposition of any or all of the assets of the Issuer, any of its Affiliates or other Person, including any sale of any interest in the Issuer; (iv) any claim, defence, counterclaim or setoff, other than that of prior performance, that the Issuer, any of its Affiliates, or any other Person may have or assert, including any defence of incapacity or lack of capacity to execute or deliver this Agreement or any other DIP Document; (v) the Purchasers' vote, claim, distribution, election, acceptance, action or inaction in any bankruptcy or insolvency proceeding related to the obligations guaranteed by this Guarantee; (vi) any change in the name, objects, Equity Securities or constitution of the Issuer or any of its Affiliates, (vii) any waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of this Agreement, the DIP Notes, or any of the Collateral, now or hereafter acquired by the Issuer in which a security interest shall exist in favour of any of the Collateral Agent or the Purchasers to secure the obligations guaranteed by this Guarantee, whether by operation of law or otherwise; (viii) the Collateral Agent's or any Purchaser's exercise or non-exercise of any power, right or remedy with respect to any of the Collateral, including the Purchasers' compromise, release, settlement or waiver with or of any of the Issuer or any other Person; (ix) any impairment or invalidity of any of the Collateral or any failure to perfect any of the Collateral Agent's or any Purchaser's security interests thereon or therein; and (x) any other Guarantee, whether by any Affiliate of the Issuer or any other Person, of all or any part of the obligations guaranteed by this Guarantee or any other Indebtedness, obligations or Liabilities of Issuer to the Purchasers. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenant that this Guarantee will not be discharged except by complete performance of the obligations contained in the DIP Notes and this Agreement.

16.3 The Collateral Agent and the Purchasers shall not be bound to exhaust their recourse against the Issuer or any other Person being entitled to payment under this Guarantee and each Guarantor renounces all benefits of discussion and division.

16.4 If any Purchaser or the Collateral Agent is required by any court or otherwise to return to the Issuer, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid by either to the Collateral Agent or such Purchaser, this Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

16.5 Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Purchasers in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Purchasers and the Collateral Agent, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided herein for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided herein, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Guarantee. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Purchasers under this Guarantee.

16.6 Until all of the obligations guaranteed under this Guarantee have been paid in full, each Guarantor irrevocably waives any rights which it may have at any time by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Issuer, (ii) to claim contribution from any other Guarantor of the debts, liabilities or obligations of the Issuer, or (iii) to take the benefit (in whole or in part whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Purchasers under this Agreement, the DIP Notes or any other DIP Document.

16.7 Each Guarantor, and by its acceptance of DIP Notes, each Purchaser, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of the BIA, the CCAA, the *Winding-up and Restructuring Act (Canada)* or any similar federal or provincial law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Collateral Agent, the Purchasers and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 16, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance.

16.8 The Guarantors hereby expressly and irrevocably subordinate to the payment of the obligations of the Issuer hereunder and under the DIP Notes, any and all rights at law or in equity to reimbursement, exoneration, contribution, indemnification or set-off and any and all defences available to a surety, guarantor or accommodation co-obligor until all of the obligations of the Issuer hereunder and under the DIP Notes are indefeasibly paid in full in cash and this Agreement has been terminated. The Guarantors further agree to waive any rights of subrogation arising at law or in equity.

16.9 This Guarantee is a continuing Guarantee, extending to all present and future obligations guaranteed hereby, and applying to and securing the ultimate balance of the amounts guaranteed hereby due or remaining due to the Collateral Agent and the Purchasers. This Guarantee shall be binding as a continuing obligation of each Guarantor until the Purchasers release such Guarantor in accordance with the terms of this Agreement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the amounts guaranteed hereby is rescinded or must otherwise be returned by the Collateral Agent or the Purchasers upon the insolvency, bankruptcy, or reorganization of the Issuer, all as though such payment has not been made.

17. EXPENSES

The Issuer and each Guarantor will and hereby does indemnify and save harmless each of the Purchasers and their respective Advisors from any loss or damage incurred as a result of entering into this Agreement or any other DIP Document or purchasing the DIP Notes, except for any loss or damage incurred as a result of the gross negligence or wilful misconduct of any of the Purchasers or their respective Advisors. All reasonable out-of-pocket expenses and costs, including, without limitation, all reasonable and documented legal and advisory fees, incurred by each of the Purchasers and their respective Advisors in connection with any matter arising hereunder or any documents issued in connection with this Agreement or any of the DIP Documents or otherwise in connection with the purchase of the DIP Notes shall be for the sole account of the Issuer and shall be paid within five (5) days of being invoiced.

18. TAXES

All payments by the Issuer and/or the Guarantors to any Purchaser, including without limitation any payments required to be made from and after the exercise of any remedies available to the

Purchasers upon an Event of Default, shall, except as required by applicable law, be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes (other than Excluded Taxes) are required by applicable law to be deducted or withheld ("**Withholding Taxes**") from any interest or other amount payable to any Purchaser hereunder or under any other document delivered pursuant to the terms hereof, the amount so payable to such Purchaser shall be increased to the extent necessary to yield to the relevant party on a net basis after payment of all Withholding Taxes, the amount payable under such documentation at the rate or in the amount specified in such documentation and the Issuer shall provide evidence satisfactory to the Purchasers that the Taxes have been so withheld and remitted. Notwithstanding the foregoing, prior to an Event of Default, an assignee of a Purchaser shall not be entitled to any greater payment under this Article 18 than the Purchaser from which it received its assignment.

In addition, the Issuer and Guarantors shall reimburse and indemnify each Purchaser for any Withholding Taxes paid by such Purchaser within 10 days upon receiving evidence from the Purchaser that it has paid the Withholding Taxes, whether or not such Withholding Taxes were correctly or legally asserted. If a Purchaser determines, in its sole discretion exercised in good faith, that it has received a refund of Withholding Taxes to which it has been indemnified and reimbursed by the Issuer and/or Guarantors, it shall pay to the relevant Issuer and/or Guarantor an amount equal to such refund, net of all out-of-pocket expenses (including any taxes) and without interest. Such indemnifying Issuer and/or Guarantor shall, upon request, repay to such Purchaser the amount paid over to the Issuer and/or Guarantor hereunder in the event that the Purchaser is required to repay such refund to a Government Entity.

19. DIP NOTES

19.1 Transfer and Exchange of DIP Notes

Upon any assignment by any Purchaser of its rights and obligations in accordance with the terms of this Agreement to any other Person, and upon surrender of any DIP Note issued in the name of the assigning Purchaser in connection therewith to the Issuer, the Issuer shall execute and deliver, at the Issuer's expense, one or more new DIP Notes, (as requested by the assigning Purchaser) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount (and accrued and unpaid interest owing in respect thereof) of the surrendered Note (evidencing the same and continuing obligation of the DIP Note(s) so surrendered). Each such new DIP Note shall be substantially in the form of Exhibit A and shall be dated and bear interest from the date to which interest shall have been paid on the surrendered DIP Note.

19.2 Replacement of DIP Notes

Upon receipt by the Issuer of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any DIP Note, and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Issuer, or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Issuer at its own expense, within five (5) Business Days thereafter, shall execute and deliver in lieu thereof, a new DIP Note (representing the same, continuing obligation as the lost, stolen, destroyed or mutilated DIP Note), dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated DIP Note.

19.3 DIP Notes Held by Issuer, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of DIP Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or under any documents related thereto, or have directed the taking of any action provided herein or in any of the documents related thereto to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of DIP Notes then outstanding, DIP Notes directly or indirectly owned by the Issuer or any of its Affiliates shall be deemed not to be outstanding.

20. MISCELLANEOUS

20.1 Further Assurances

The Issuer and Guarantors shall at their expense, from time to time do, execute and deliver, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Purchasers may request for the purpose of giving effect to this Agreement, perfecting, protecting and maintaining the Liens created by the Security establishing compliance with the representations, warranties and conditions of this Agreement or any other document delivered in connection herewith.

20.2 Unrestricted Purchasers

The Issuer and the Purchasers agree that any item required to be delivered to a Purchaser hereunder shall be satisfied by delivery to such Purchaser's legal advisor, Goodmans, in the event such Purchaser is unrestricted and unable to receive confidential information from the Issuer and the Guarantors.

20.3 Disclosure

No press release or other public disclosure concerning the transactions contemplated herein shall be made by the Issuer or Guarantors without the prior consent of the Purchasers (such consent not to be unreasonably withheld); *provided*, however, that the Issuer and Guarantors shall, after providing the Purchasers and their Advisors with copies of all related documents and an opportunity to consult with the Purchasers and their Advisors as to the contents, make prompt disclosure of the material terms of this Agreement and make such disclosure as may be required by applicable law, by any regulatory authority having jurisdiction over the Issuer and Guarantors, or by any court of competent jurisdiction. Notwithstanding the foregoing, no information with respect to the specific holdings of DIP Notes (or any other security of the Issuer or any of its affiliates) held by any Purchaser shall be disclosed by the Issuer or any Guarantor except as may be required by applicable law, by any regulatory authority having jurisdiction over the Issuer or the Guarantors, or by any court of competent jurisdiction.

20.4 Conflict

To the extent that there is any inconsistency between this Agreement and any of the other DIP Documents (other than the DIP Order or any other order of the CCAA Court that is a DIP Document), this Agreement shall govern.

20.5 Amendments and Waivers

This Agreement shall only be amended or waived with the consent of the Purchasers, in accordance with Article 5, and the Issuer and the Guarantors. Where any matter under this Agreement or the other DIP Documents requires the agreement, waiver, consent or approval by the Purchasers, confirmation of such agreement, waiver, consent or approval may be provided by Goodmans in writing on behalf of the Purchasers and the Issuer and the Guarantors may rely on such written confirmation from Goodmans on behalf of the Purchasers as conclusive evidence that the Purchasers have agreed, waived, consented to or approved a particular matter.

20.6 Assignments

Each Purchaser may assign and/or grant participations in its Commitment and any portion or all of its DIP Notes without the consent of any other party. No Issuer or Guarantor may assign its rights hereunder without the consent of the Purchasers.

20.7 Governing Law

(a) This Agreement, the other DIP Documents or any other documents executed in connection therewith and each of the documents contemplated herein shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) The Issuer and each Guarantor hereby consents and agrees that the CCAA Court shall have exclusive jurisdiction to hear and determine any claims or disputes between the Issuer, the Guarantors, the Collateral Agent and the Purchasers pertaining to this Agreement or any of the other documents related thereto or to any matter arising out of or relating to this Agreement or any of the other documents related thereto. The Issuer and each Guarantor expressly submits and consents in advance to such jurisdiction in any action or suit commenced in the CCAA Court, and the Issuer and each Guarantor hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue or *forum non conveniens* and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by the CCAA Court. The Issuer and each Guarantor hereby waives personal service of the summons, complaint and other process issued in any such action or suit and agree that service of such summons, complaints and other process may be made by registered mail (return receipt requested) addressed to it at the address set forth in Section 20.15 of this Agreement and that service so made shall be deemed completed upon the earlier of its actual receipt thereof or three (3) Business Days after deposit with Canada post, proper postage paid.

20.8 Currency

All dollar amounts referred to in this Agreement are in Canadian Dollars unless otherwise indicated.

20.9 Exclusivity

Upon entering into this Agreement, the Issuer and each Guarantor agrees that it will not enter into bilateral arrangements with any party to provide any debt facility of any kind or similar financing arrangement, in each case for any purpose contemplated by this Agreement or any other similar purpose unless the consent of the Purchasers has been obtained.

20.10 Counterparts and Facsimile; Signatures

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures provided by electronic transmission or facsimile shall be valid and binding.

20.11 Indemnity

The Issuer and the Guarantors shall indemnify and hold harmless each of the Collateral Agent, the Purchasers and their respective Affiliates, and each such Person's respective officers, directors, shareholders, employees, legal counsel, agents and representatives (each, an "**Indemnified Person**"), from and against any and all suits, actions, proceedings, orders, claims, damages, losses, liabilities and expenses (including reasonable and documented legal fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as a result of or in connection with (i) the breach by the Issuer of its obligations in connection with or arising out of the transactions contemplated under this Agreement and the other documents related thereto and any actions or failures to act in connection therewith including the taking of any enforcement actions by the Collateral Agent, and (ii) all reasonable legal costs and expenses arising out of or incurred in connection with disputes between or among the Purchasers, the Issuer, the Guarantors and/or any other party or parties to any of the documents related thereto (excluding any such legal costs and expenses incurred by any Purchaser or the Collateral Agent in connection with disputes solely between such Purchasers, or as between a Purchaser or Purchasers and the Collateral Agent (except to the extent that the Issuer and the Guarantors are required to reimburse the Collateral Agent for such costs and expenses under the Collateral Agency Agreement)) (collectively, "**Indemnified Liabilities**"); provided that the Issuer and the Guarantors shall not be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results from that Indemnified Person's gross negligence or wilful misconduct. No Indemnified Person shall be responsible or liable to any other party to any document related thereto, any successor, assignee or third party beneficiary of such Person or any other Person asserting claims derivatively through such party, for indirect, punitive, exemplary or consequential damages which may be alleged as a result of the purchase of the DIP Notes or as a result of any other transaction contemplated hereunder or under any of the documents related thereto.

20.12 No Waiver

The Collateral Agent's or any Purchaser's failure, at any time or times, to require strict performance by the Issuer or the Guarantors of any provision of this Agreement or any other document related thereto shall not waive, affect or diminish any right of the Collateral Agent or such Purchaser thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of an Event of Default shall not suspend, waive or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. Except as otherwise provided for herein, none of the undertakings, agreements, warranties, covenants and representations of the Issuer and the Guarantors contained in this Agreement or any of the other documents related thereto and no Default or Event of Default by the Issuer or any Guarantor shall be deemed to have been suspended or waived by the Collateral Agent or any Purchaser, as applicable, unless such waiver or suspension is by an instrument in writing from the Collateral Agent and/or the applicable Purchasers and directed to the Issuer or any Guarantor specifying such suspension or waiver.

20.13 Remedies

The Purchasers' rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that the Collateral Agent or any Purchaser may have under any other agreement, including the other documents related thereto, by operation of law or otherwise. Recourse to the Collateral shall not be required.

20.14 Severability

Wherever possible, each provision of this Agreement and the other documents related thereto shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement or any other document related thereto shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or such other document related thereto.

20.15 Notices

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered:

(a) upon the earlier of actual receipt and three (3) Business Days after deposit with Canada Post, registered mail, return receipt requested, with proper postage prepaid,

(b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or with Canada Post as otherwise provided in this Section 20.15),

(c) upon receipt, when sent by electronic mail (with such electronic mail promptly confirmed by delivery of a copy by personal delivery or Canada Post as otherwise provided in this Section 20.15) and such notice, demand, request, consent, approval, declaration or other communication shall be in "pdf" format and shall include the actual signature of the party sending such communication if that signature would be required or customary if the communication was delivered by telecopier,

(d) one (1) Business Day after deposit with a reputable courier for overnight delivery with all charges prepaid, or

(e) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated Schedule B hereto or to such other address (or facsimile number) as may be substituted by notice given as herein provided.

The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than the Issuer or Collateral Agent) designated on Schedule B to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

20.16 Section Titles

The Section titles and Table of Contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

20.17 Reinstatement

This Agreement shall remain in full force and effect and continue to be effective should any petition or other proceeding be filed by or against the Issuer or any Guarantor for liquidation or reorganization, should the Issuer make an assignment for the benefit of any creditor or creditors or should an interim receiver, receiver, receiver and manager or trustee be appointed for all or any significant part of the Issuer's or Guarantors' assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the obligations under the DIP Notes, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the DIP Notes, whether as a fraudulent preference, reviewable transaction or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the obligations under the DIP Notes shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

20.18 No Strict Construction

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.

20.19 Permitted Liens

The designation of any Lien as a Permitted Lien or a SpectrumCo Permitted Lien is not, and shall not be deemed to be, an acknowledgment by the Collateral Agent or any of the Purchasers that the Lien shall have priority over the security interests granted to the Collateral Agent for the benefit of itself and the Purchasers in the Collateral pursuant to the Security Documents.

20.20 Signing Authority

Each Signatory has delivered a letter to the Issuer dated as of the date hereof (each a "**Signing Authority Letter**") confirming its authority to sign this Agreement and all other DIP Documents for and on behalf of the Purchasers listed on Schedule A to such Signatory's Signing Authority Letter.

20.21 Collateral Agent

The Collateral Agent is a party to this Agreement solely in its capacity as collateral agent pursuant to the terms the Collateral Agency Agreement, and has not, by entering into this Agreement, assumed any obligations or liabilities other than those contained in the Collateral Agency Agreement. To the extent that there is any inconsistency between any term of this Agreement and the Collateral Agency Agreement, insofar as such inconsistency affects the Collateral Agent, the Collateral Agency Agreement shall govern.

20.22 Principles of Construction

(a) Unless otherwise specified, references in this Agreement or any of the Exhibits, Annexes, Schedules or Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in this Agreement. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement or any such Annex, Exhibit or Schedule.

(b) Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the agreement) or, in the case of

Governmental Entities, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Whenever any provision in any agreement refers to the knowledge (or an analogous phrase) of the Issuer or any Guarantor, such words are intended to signify that the Issuer or such Guarantor has actual knowledge or awareness of a particular fact or circumstance or that the Issuer or such Guarantor, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

(c) All Annexes, Schedules, Exhibits and other attachments (collectively, "**Appendices**") hereto, or expressly identified to this Agreement, are incorporated herein by reference, and taken together with this Agreement, shall constitute one single agreement.

20.23 Purchaser Identity and Holdings

The Issuer and the Guarantors agree, on their own behalf and on behalf of their Representatives, to maintain the confidentiality of the identity and, to the extent known, specific holdings of the Purchasers; provided, however, that such information may be disclosed: (a) to the Issuer's and Guarantors' respective directors, trustees, executives, officers, auditors, and employees and financial and legal advisors or other agents (collectively referred to herein as the "**Representatives**" and individually as a "**Representative**") and provided further that each such Representative is informed of, and agrees to abide by, this confidentiality provision; and (b) to Persons in response to, and to the extent required by, (i) any subpoena, or other legal process, including, without limitation, by a court of competent jurisdiction or applicable rules, regulations or procedures of such court, (ii) any Governmental Entity, or (iii) applicable Law. If the Issuer, the Guarantors or their Representatives are required to disclose the identity or specific holdings of a Purchaser in the manner set out in the preceding sentence, the Issuer and/or the Guarantors shall provide such Purchaser with prompt written notice of any such requirement, to the extent permissible and practicable under the circumstances, so that such Purchaser may (at the Issuer's expense) seek a protective order or other appropriate remedy or waiver of compliance with the provisions of this Agreement. Notwithstanding the provisions in this Section or elsewhere in this Agreement: (x) the Issuer and/or the Guarantors may disclose the identity of a Purchaser if necessary in connection with any action to enforce this Agreement against such Purchaser (and only to the extent necessary to enforce this Agreement against such Purchaser), (y) the Issuer and/or the Guarantors may disclose the identity or a Purchaser's specific holdings to the extent consented to in writing by a Purchaser (or by such Purchaser's duly authorised advisor) and (z) the Issuer and/or the Guarantors may disclose the identity of a Signatory.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., as Issuer

Per: ______________________________
Name:
Title:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC., as a Guarantor

Per: ______________________________
Name:
Title:

8440522 Canada Inc., as a Guarantor

Per: ______________________________
Name:
Title:

[Mobilicity SpectrumCo], as a Guarantor

Per: ______________________________
Name:
Title:

EQUITY FINANCIAL TRUST COMPANY, as Collateral Agent

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

[Purchaser]

Per:

____

Name:

Title:

SCHEDULE A
PURCHASERS' COMMITMENTS

	[Purchaser]	[Purchaser]	[Purchaser]
DIP Notes	$●	$●	$●

SCHEDULE B
NOTICES

If to the Issuer or any Guarantor

Data & Audio-Visual Enterprises Wireless Inc.
101 Exchange Ave
Vaughan, Ontario, L4K 5R6

Attn: William Aziz
Fax: 416.650.9706
E-mail: baziz@bluetreeadvisors.com

and a copy to:

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, ON
M5J 2Z4

Attn: Walied Soliman
Fax: 416.216.3930
E-mail: walied.soliman@nortonrosefulbright.com

If to any Purchaser:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario, M5H 2S7

Attn: Rob Chadwick/Caroline Descours
Fax: 416.979.1234
E-mail: rchadwick@goodmans.ca/cdescours@goodmans.ca

SCHEDULE C
DEFINITIONS

Defined Term	**Section Number**
Advisor Retainers	12(f)
Affiliate Payments	12(q)
Agreement	Preamble
Appendices	20.22(c)
CCAA	Preamble
CCAA Court	Preamble
CCAA Proceeding	Preamble
Closing Date	2.2
Collateral	12(w)
Collateral Agent	Parties
Commitment	3.1
Company Permits	12(u)(i)
Criminal Code interest	10.3(a)
criminal rate	10.3(a)
CRTC	12(u)(i)
Default	13(k)(ix)
Deposit	Preamble
DIP Funding Fee	3.4
DIP Notes	2.1
Event of Default	14.1
Excess Amount	10.3(a)
Guarantors	Parties
Indemnified Liabilities	20.11
Indemnified Person	20.11
Initial Sub-Tranche	11.1
Interest Rate	3.3
Issuer	Parties
Maturity Date	8.1
Mobilicity SpectrumCo	Preamble
Permitted Liens	11.1(g)
Purchase Price	2.1
Representative(s)	20.23
Security	6
Security Documents	11.1(e)
Signing Authority Letter	20.20
SpectrumCo Permitted Liens	11.1(g)
Taxes	18
Total Commitment	3.1
Wireless	Parties
Withholding Taxes	18

In addition, the following terms used in this Agreement shall have the following meanings:

"**Administration Charge**" means the CCAA Court ordered administration charge granted in the Initial Order, the amount and ranking of which may be amended with the consent of the Purchasers.

"**Advisors**" means the legal and financial advisors to the Purchasers.

"**Affiliate**" means (a) any Person which, directly or indirectly, Controls, is Controlled by or is under common Control with any other Person; (b) any Person which beneficially owns or holds, directly or indirectly, 10% or more of any class of voting stock or equity interest (including partnership interests) of any other Person; (c) any Person, 10% or more of any class of the voting stock (or if such Person is not a corporation, 10% or more of the equity interest, including partnership interests) of which is beneficially owned or held, directly or indirectly, by any other Person; or (d) any Person related within the meaning of the *Income Tax Act* (Canada) to any such Person and includes any "Affiliate" within the meaning specified in the CBCA on the date hereof.

"**AWS-3 Auction Rules**" means the Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3) issued by Industry Canada in December 2014, and all related documents and materials, as each may be amended, modified and/or supplemented.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3, as amended.

"**Bridge Notes**" means the senior secured second lien notes issued under the Bridge Notes NPA, plus all interest and fees thereon owed pursuant to the Bridge Notes NPA.

"**Bridge Notes Agent**" means Equity Financial Trust Company as collateral agent under the Bridge Notes NPA.

"**Bridge Notes NPA**" means the note purchase, guarantee and backstop agreement dated as of February 6, 2013, as amended, restated, supplemented or otherwise modified from time to time.

"**Bridge Notes Purchasers**" means the Purchasers under the Bridge Notes NPA.

"**Bridge Notes Security**" means the security interests granted by the Issuer and each Guarantor in all of the property, assets and undertaking of the Issuer and the Guarantors to the Collateral Agent for the benefit of itself and the Bridge Note Purchasers in connection with the Bridge Notes NPA, the Bridge Notes and the Transaction Documents (as such term is defined in the Bridge Notes NPA).

"**Bridge Obligations**" means any and all amounts now or hereafter owing by the Issuer and/or the Guarantors to the Bridge Notes Purchasers pursuant to the Bridge Notes NPA or any other Transaction Document (as such term is defined in the Bridge Notes NPA) (including all principal, interest, fees, expenses, the Liquidity Payment (as such term is defined in the Bridge Notes NPA), indemnities and any other amounts).

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

"**Capital Lease**" means any lease of property that, in accordance with GAAP, is required to be capitalized on the consolidated balance sheet of the Issuer or Guarantors.

"**Capital Lease Obligations**" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as Capital Leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"**Cash Flow Forecast**" means the weekly cash flow forecast for the Issuer and the Guarantors for the first 13 weeks after the Closing Date, as the same shall be updated pursuant to Section 13(k), and in each case approved by the Purchasers, which cash flow forecast shall contain, among all other items, a specific delineation of all anticipated Professional Fees, presented on a weekly basis for each advisor.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

"**Change of Control**" means any change in the legal or beneficial ownership of more than fifty percent (50%) of the voting Equity Securities of the Issuer or any Guarantor in one or more related transactions.

"**Collateral Agency Agreement**" means the collateral agency agreement dated as of the date hereof by and among the Purchasers, the Collateral Agent, the Issuer and the Guarantors.

"**Contracts**" means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

"**Control**" (including the terms "controlled by" and "under common control with"), means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question.

"**Convertible Debentures**" means any debentures or other similar debt instruments issued to Quadrangle or its affiliates by Holdings, including any debentures issued under the Quadrangle Commitment.

"**Convertible Securities**" means warrants, options or other securities of a Person convertible into Equity Securities of such Person.

"**CRO**" means Blue Tree Advisors II Inc. (or such other persons appointed to be the Chief Restructuring Officers of the Issuer and the Guarantors as may be acceptable to the Purchasers, acting reasonably).

"**Current Cash Flow Period**" means, at any time, the 13-week period covered by the most recently delivered Cash Flow Forecast.

"**DIP Charge**" means the CCAA Court ordered charge to be granted in the DIP Order to secure payment of the Obligations.

"**DIP Documents**" means this Agreement, the DIP Notes, the Security Documents, the Collateral Agency Agreement, the Perfection Certificate, the Disclosure Letter, the DIP Order and any other order of the CCAA Court with respect to this Agreement and/or the DIP Notes, and all other documents or instruments delivered pursuant to the terms of this Agreement and/or the DIP Notes or in connection with this Agreement and/or the DIP Notes.

"**DIP Order**" means an order granted by the CCAA Court pursuant to which, *inter alia*, the Issuer and the Guarantors shall be authorized to enter into this Agreement and perform their obligations hereunder, and the DIP Charge shall be approved, in form and substance satisfactory to the Purchasers, as the same may be amended by the CCAA Court with the consent of the Purchasers.

"**Directors' Charge**" means the CCAA Court ordered directors' charge granted in the Initial Order, the amount and ranking of which may be amended with the consent of the Purchasers.

"**Disclosure Letter**" means a letter from the Issuer and the Guarantors to the Purchaser's counsel, Goodmans dated the date hereof and attached as Schedule F hereto, all or any portion of which Goodmans shall be entitled to share with one or more Purchasers.

"**Distribution**" means the retirement, redemption, retraction, purchase, repayment or other acquisition of any Equity Securities or Indebtedness of any Person; the declaration or payment of any dividend, return of capital or other distribution of, on or in respect of Equity Securities of any Person; or any other payment or distribution (in cash, securities or other property or otherwise) of, on or in respect of any Equity Securities or Indebtedness of any Person or any of its subsidiaries.

"**Equity Securities**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person's capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

"**Excluded Taxes**" means Taxes based upon or measured by a Purchaser's overall net income, capital, net receipts or net profits or franchise taxes imposed in lieu thereof, and imposed by a taxing authority in a jurisdiction in which such Purchaser is organized, its principal office is located or it has its lending office in respect of which payments under the Agreement are made.

"**Financial Statements**" means (a) the consolidated balance sheet of the Issuer and the Guarantors as at December 31, 2013 and the related consolidated statement of operations and comprehensive loss, consolidated statement of cash flows for each of the fiscal years then ended, together with the report thereon of independent certified public accountants, each prepared in accordance with GAAP consistently applied throughout the periods covered, and (b) an unaudited consolidated balance sheet of the Issuer and the Guarantors as of December 31, 2014, and the related unaudited consolidated statement of operations and comprehensive loss and consolidated statement of cash flows for such period, each prepared in accordance with GAAP consistently applied throughout the periods covered.

"**GAAP**" means International Financial Reporting Standards as in effect from time to time.

"**Goodmans**" means Goodmans LLP, solely in its capacity as legal counsel to the Purchasers in respect of this Agreement.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Guarantee**" of or by any Person (in this definition, the "**guarantor**") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (in this definition, the "primary credit party") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Indebtedness or other obligation, (d) as an account party in respect of any letter of credit or letter of guarantee issued to support such Indebtedness or other obligation, or (e) to purchase, sell or lease (as lessor or lessee) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss.

"**Holdings**" means Data & Audio-Visual Enterprises Holdings Inc.

"**Indebtedness**" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, DIP Notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such

Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guarantee, (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (k) all negative marked-to-market exposure of such Person under Swap Agreements, and (1) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value (other than for other Equity Securities) any Equity Securities in the capital of such Person, valued, in the case of redeemable Equity Securities, at the greater of voluntary or involuntary liquidation preference, plus accrued and unpaid dividends.

"**Initial DIP NPA**" means the DIP note purchase and guarantee agreement dated as of September 30, 2013, as amended, restated, supplemented or otherwise modified from time to time

"**Initial Order**" means an initial order granted by the CCAA Court on September 30, 2013 in respect of the Issuer and the Guarantors, as the same may be amended by the CCAA Court or the Issuer and the Guarantors with the consent of the Purchasers.

"**Investment**" means, as applied to any Person (the "investor"), any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person, including any exchange of Equity Securities for Indebtedness, or any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by the investor to any other Person, including all Indebtedness and accounts owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor's business, or any direct or indirect purchase or other acquisition of bonds, DIP Notes, debentures or other debt securities of, any other Person.

"**KERP Charge**" means the CCAA Court ordered key employee retention charge granted in the Initial Order, the amount and ranking of which may be amended with the consent of the Purchasers.

"**Liability**" or "**Liabilities**" means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any type, whether accrued, absolute, contingent, matured, unmatured liquidated, unliquidated, known or unknown.

"**Lien**" means any mortgage, charge, hypothec, lien and security interest of any kind or nature whatsoever.

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Issuer and the Guarantors (taken as a whole).

"**Material Adverse Effect**" means an event, change or occurrence that, individually or together with any other event, change or occurrence, has a material adverse impact on (a) the financial condition, business or results of operations of the Issuer and the Guarantors (taken as a whole) and shall include, without limitation, the disposition by the Issuer or any Guarantor of any material asset without the prior consent of the Purchasers, (b) the ability of the Issuer or any of the Guarantors to perform their payment obligations under this Agreement, or (c) the rights and remedies of the Purchasers under this Agreement or any of the DIP Documents; provided, however, that a Material Adverse Effect shall not include, and shall be deemed to exclude the impact of: (A) changes in laws of general applicability or interpretations thereof by courts or governmental or regulatory authorities, (B) actions and omissions of the Issuer or any Guarantor taken with the prior written consent of the Purchasers, (C) the effects of compliance with this Agreement, including on the operating performance of the Issuer and the Guarantors, (D) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of this Agreement or the transactions contemplated by this Agreement, including any litigation resulting therefrom or with respect thereto, and any adverse change in customer, distributor, employee, supplier, financing source, licensor, licensee, sub-licensee, shareholder, collaboration or joint venture partner or similar relationships resulting therefrom or with respect thereto, (E) any change or development in Canadian financial, credit or securities markets, general economic or business conditions, or political conditions, (E) any act of war, armed hostilities or terrorism or any worsening thereof, (F) any failure by the Issuer or any Guarantor to meet internal projections or forecasts or third party revenue or earnings predictions for any period (it being understood that any cause of any such failure may be taken into consideration when determining whether a Material Adverse Effect has occurred or is reasonably expected to occur), or (G) the terms of Industry Canada's Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licenses for Commercial Mobile Spectrum (June 2013).

"**Material Contract**" means (a) the contracts, licences and agreements listed and described in the Disclosure Letter and (b) any other contract, licence or agreement (i) to which the Issuer or any Guarantor is a party or is bound, (ii) which is material to, or necessary in, the operation of the business of the Issuer or any Guarantor, and (iii) which the Issuer or any Guarantor cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

"**Monitor**" means the monitor appointed pursuant to the Initial Order in respect of the Issuer and the Guarantors.

"**Noteholder Confidentiality Agreement**" means a confidentiality agreement entered into or binding upon a Purchaser and one or more of the Issuer and the Guarantors.

"**Obligations**" means any and all amounts now or hereafter owing by the Issuer and/or the Guarantors to the Purchasers pursuant to this Agreement or any other DIP Document (including all principal, interest, fees, expenses, the DIP Funding Fee, indemnities and any other amounts).

"**Pari Passu Convertible Debentures**" means the Initial Convertible Debentures as such term is defined in the Quadrangle Commitment.

"**Perfection Certificate**" means the perfection certificate delivered by the Issuer and the Guarantors to the Purchasers and the Collateral Agent dated as of the date hereof.

"**Person**" means any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Entity or other entity.

“**Plan**” means any plan of compromise, arrangement or reorganization filed pursuant to the CBCA, the CCAA or any other statute, in respect of any of the Issuer or any of the Guarantors.

“**Potential Transaction**” means a transaction that may or could reasonably be expected to result in a financing, refinancing, Sale Transaction, Change of Control or Plan.

“**Professional Fees**” means the fees and expenses of the legal and financial advisors to the Issuer and the Guarantors, the CRO, legal counsel to the CRO, the Monitor and legal counsel to the Monitor.

“**Purchasers**” means, collectively, the funds that are managed or administered by each Signatory and listed on Schedule A to such Signatory’s Signing Authority Letter.

“**Quadrangle**” means QCP CW S.a.r.l.

“**Quadrangle Commitment**” means the Second Amended and Restated Commitment Agreement dated as of April 29, 2011 by and among Holdings, Quadrangle and Data & Audio-Visual Enterprises Investments Inc., as it exists on the date hereof.

“**Restructuring Alternative**” means any restructuring, plan of arrangement or compromise, other transaction or any other alternative steps taken with respect to the Issuer and the Guarantors including, without limitation, any auction procedure or process, in each case in respect of all of the assets and property of the Issuer and the Guarantors (or any material portion or combination of such property and assets), a disposition of material assets, warehousing of the Spectrum Licenses, a suspension or termination of the Issuer’s business and operations, liquidation, winding-up, bankruptcy or other proceeding (including any other insolvency proceeding) in respect of the Issuer and the Guarantors, in each case as approved in advance by the Purchasers.

“**Sale Transaction**” means a sale by the Issuer or any Guarantors of all or substantially all of its assets or ongoing business operations.

“**Senior Agent**” means Equity Financial Trust Company, as trustee and collateral agent under the Senior Indenture.

“**Senior Indenture**” means the first lien secured indenture dated as of April 29, 2011 by and among the Issuer, as issuer, the guarantors party thereto and Equity Financial Trust Company, as trustee, as amended from time to time and as may be further amended, restated, supplemented or otherwise modified from time to time.

“**Senior Notes**” means the notes issued under the Senior Indenture.

“**Senior Obligations**” means all obligations of the Issuer and the Guarantors under the Senior Indenture and the Senior Notes.

“**Senior Security**” means the security interests granted by the Issuer and each Guarantor in all of the property, assets and undertaking of the Issuer and the Guarantors to the Senior Agent in connection with the Senior Indenture and the Senior Notes.

"**Senior Unsecured Debentures**" means the debentures issued under the Senior Unsecured Indenture.

"**Senior Unsecured Indenture**" means the trust indenture amended and restated as of April 29, 2011 between Holdings, as issuer and Equity Financial Trust Company, as trustee, as amended from time to time and as may be further amended, restated, supplemented or otherwise modified from time to time.

"**Shareholders**" means each of the shareholders of Holdings, including each of Quadrangle and Data & Audio-Visual Enterprises Investments Inc.

"**Shareholders Agreement**" means the Second Amended and Restated Shareholders Agreement made as of May 14, 2010 between Data & Audio-Visual Enterprises Investments Inc., Quadrangle, Holdings and the Issuer.

"**Signatory**" means each party listed on the signature pages to this Agreement that is signing for and on behalf of the Purchasers that it manages or administers that are listed on Schedule A to such party's Signing Authority Letter.

"**Spectrum Licenses**" means the spectrum licences issued to the Issuer for spectrum in the 1730-1735, 2130-2135, 1735-1740 and 2135-2140 MHz frequency bands, and any other spectrum or radio licences held by the Issuer or any Guarantor and issued pursuant to the *Radiocommunication Act* (Canada) and the regulations made thereunder.

"**Swap Agreement**" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"**Third Party L/C Charges**" means, to the extent the Deposit for the AWS-3 Auction is submitted by way of a letter of credit, any third party charges or fees incurred in connection with the provision of a letter of credit in connection with the Deposit for the AWS-3 Auction.

SCHEDULE D
PRINCIPAL AMOUNT OF DIP NOTES

	[Purchaser]	**[Purchaser]**	**[Purchaser]**
DIP Notes	$●	$●	$●

SCHEDULE E
PERMITTED LIENS

Nil.

SCHEDULE F
DISCLOSURE LETTER

See attached.

EXHIBIT A – FORM OF DIP NOTE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [•], 2015 AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE ACT, (C) WITHIN THE UNITED STATES IN COMPLIANCE WITH (I) RULE 144 UNDER THE ACT, OR (II) RULE 144A UNDER THE ACT, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE ISSUER AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. AT ANY TIME THAT THE ISSUER IS A "FOREIGN ISSUER" (AS DEFINED IN RULE 902 UNDER THE ACT), A NEW CERTIFICATE, BEARING NO LEGEND, THE DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE ISSUER UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE ISSUER, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE ACT AND, IF REQUESTED BY THE ISSUER OR ITS TRANSFER AGENT, AN OPINION OF COUNSEL OF RECOGNIZED STANDING, EACH IN A FORM SATISFACTORY TO THE TRANSFER AGENT OF THE ISSUER AND THE ISSUER, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE ACT.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

(A corporation incorporated under the laws of Ontario)

Senior Secured DIP Note

●, 2015

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. (the "**Company**"), for value received hereby acknowledges itself indebted and, subject to the provisions of a note purchase and guarantee agreement (as from time to time amended, restated, replaced or modified, the "**DIP Note Purchase Agreement**") dated as of ●, 2015 between, *inter alia*, the Company, Equity Financial Trust Company and the Purchasers named therein promises to pay to ●, the registered holder hereof, or its successors or permitted assigns, on the Maturity Date or on such earlier date as the principal amount hereof may become due in accordance with the terms of the DIP Note Purchase Agreement, the principal sum of ● CANADIAN DOLLARS (CDN$ ●) with interest (a) on the unpaid balance thereof at the Interest Rate from the date hereof, calculated daily and payable at the time of repayment of the Note and compounded monthly (to the extent not paid when due) in arrears on the first Business Day of each month and on the Maturity Date in accordance with the terms of the DIP Note Purchase Agreement, commencing on ●, 2015, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal or any overdue payment of interest, calculated and payable in accordance with the terms of the DIP Note Purchase Agreement (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to 2% above the Interest Rate. Capitalized terms used and not defined herein shall have the meaning assigned thereto in the DIP Note Purchase Agreement.

All interest payable by the Company hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment in accordance with the provisions of the DIP Note Purchase Agreement.

Payments of principal or interest on this Note are to be made in lawful money of Canada to the holder of this Note or at such other place as the holder of this Note shall have designated by written notice to the Company as provided in the DIP Note Purchase Agreement.

Upon surrender of this Note for transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to and in the name of, the transferee. Prior to due presentment for transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional and/or mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the DIP Note Purchase Agreement. In addition to payments of principal and interest required to be paid by the Company, the Company promises to pay the holder of this Note all fees required to be paid in respect of this Note pursuant to the terms of the DIP Note Purchase Agreement.

If an Event of Default, as defined in the DIP Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the DIP Note Purchase Agreement.

This Note is secured by the Security.

Reference is hereby expressly made to the DIP Note Purchase Agreement for a description of the terms and conditions upon which the DIP Notes are issued and held and the rights and remedies of the holders of the DIP Notes and of the Company, all to the same effect as if the provisions of the DIP Note Purchase Agreement were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents. To the extent that anything contained herein is inconsistent with or conflicts with the provisions of the DIP Note Purchase Agreement, the provisions of the DIP Note Purchase Agreement shall govern.

This Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Per: ________________________________

Name:
Title:

Exhibit "B"

This is Exhibit B referred to in the affidavit of William E. Aziz sworn before me, this 26th day of January, 2015

V Riley

A COMMISSIONER FOR TAKING AFFIDAVITS

Victoria Juliette Riley, a Commissioner, etc., Province of Ontario, while a Student-at-Law. Expires April 10, 2016.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

$~~30~~65,000,000

~~15.5%~~ Senior Secured DIP Notes
Issued for AWS-3 Auction Deposit

DIP NOTE PURCHASE AND GUARANTEE AGREEMENT

Dated ~~September 30~~January ●, 201~~3~~5

TABLE OF CONTENTS

DIP NOTE PURCHASE AND GUARANTEE AGREEMENT
~~15.5%~~ Senior Secured DIP Notes
Issued for AWS-3 Auction Deposit

THIS AGREEMENT made as of the ~~30~~●th day of ~~September~~January, 201~~3~~5.

AMONG:

> **DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.**,
> together with its successors and assigns
> (the "**Issuer**" or "**Wireless**")
>
> \- and -
>
> The parties listed on the signature pages hereto as "Guarantors", together with their successors and assigns
> (collectively, the "**Guarantors**")
>
> \- and -
>
> The parties listed on the signature pages hereto, as "Purchasers", together with their successors and assigns
>
> \- and -
>
> **EQUITY FINANCIAL TRUST COMPANY**
> solely in its capacity as collateral agent, together with its successors and assigns
> (the "**Collateral Agent**")

The Issuer and the Guarantors ~~will be~~(other than ● ("**Mobilicity SpectrumCo**")) are applicants and debtor companies in a proceeding (the "**CCAA Proceeding**") under Canada~~'~~'s *Companies~~'~~' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), commenced on September 30, 2013 before the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**"). Pursuant to the ~~Initial~~DIP Order to be granted in the CCAA Proceeding~~,~~ (upon entry thereof), Mobilicity SpectrumCo will become an applicant in the CCAA Proceeding, and the Issuer~~ and~~, the Guarantors and the Collateral Agent shall be authorized ~~(upon entry thereof) to retain possession of their assets, to continue the operation of their business and~~ to enter into this DIP Note Purchase and Guarantee Agreement (the "**Agreement**").

Pursuant to this Agreement and the ~~Initial~~DIP Order (upon entry thereof), the Purchasers shall make available to the Issuer a debtor-in-possession facility through the issuance of the DIP Notes ~~(as defined below)~~ in an aggregate principal amount of up to $~~30~~65,000,000, which will be available to the Issuer ~~in five tranches~~(or as directed by the Issuer) on the terms and conditions set forth in this Agreement, as approved by the terms of the CCAA Court~~'~~'s ~~Initial~~DIP Order.

The proceeds of the DIP Notes will be used for ~~working capital and other general corporate purposes of the Issuer and the Guarantors including, without limitation, the payment of fees and expenses incurred in connection with entering into this Agreement, the CCAA Proceeding and all~~

~~other uses contemplated by the Cash Flow Forecasts, in all cases~~the pre-auction financial deposit (the "**Deposit**") of the Issuer (or the joint Deposit of the Issuer and Mobilicity SpectrumCo, as determined with the consent of the Purchasers) due on January 30, 2015 for the AWS-3 spectrum auction (the "**AWS-3 Auction**") to be conducted by Industry Canada in March 2015 (or as collateral for the issuance of a letter of credit in respect thereof), the DIP Funding Fee and any applicable Third Party L/C Charges, in each case subject to the terms of this Agreement and the ~~Initial~~DIP Order.

To secure repayment of the DIP Notes and the payment of the other Obligations of the Issuer and the Guarantors hereunder and under the other DIP Documents, the Issuer and the Guarantors are providing to the Collateral Agent for and on behalf of the Purchasers, pursuant to this Agreement, the other DIP Documents and the ~~Initial~~DIP Order, a perfected Lien on all present and after-acquired assets of the Issuer and each Guarantor, including, for greater certainty, any spectrum licences acquired by the Issuer in the AWS-3 Auction.

1. DEFINITIONS

Capitalized terms used in this Agreement are defined in Schedule C.

2. SALE AND PURCHASE OF SENIOR SECURED DIP NOTES

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Issuer shall issue and sell to the Purchasers and the Purchasers shall purchase from the Issuer ~~up to $30,000,000 *in aggregate principal amount of*~~first lien senior ~~second lien~~ secured debtor-in-possession promissory ~~DIP Notes~~notes *in aggregate principal amount of* the sum of the amounts of the Deposit, the DIP Funding Fee and any applicable Third Party L/C Charges up to a maximum amount of $65,000,000 in the aggregate (the "**DIP Notes**") on the terms set forth herein, which DIP Notes shall be in the form set out in Exhibit A hereto and in the amounts set forth on Schedule D hereto. The aggregate purchase price for all of the DIP Notes issued~~ from time to time~~ in accordance with the terms set forth herein shall be ~~up to $3~~in the amount of the sum of the amounts of the Deposit, the DIP Funding Fee and any applicable Third Party L/C Charges up to a maximum amount of $65,000,000~~,000~~ in the aggregate (the "**Purchase Price**"). The Purchasers' obligations hereunder are several and not joint or joint and several obligations, each in accordance with Schedule A, and no Purchaser shall have liability to any Person for the performance or non-performance by any Person (other than such Purchaser). The terms of the DIP Notes are set forth in this Agreement and in the DIP Notes. The DIP Notes will be secured by the Security. The security structure is described more fully in Section 6.

2.2 Closing

The closing of the purchase and sale of the~~ Initial~~ DIP Notes pursuant to this Agreement shall occur on ~~the date on which~~a date to be agreed by the Issuer and the Purchasers, which date shall be on or before January 30, 2015, and subject to the satisfaction of the conditions precedent set out in Section 11.1 of this Agreement ~~are satisfied (the "**Initial Closing Date**"). The closing of the purchase and sale of the Second Tranche DIP Notes, the Third Tranche DIP Notes, the Fourth~~

~~Tranche DIP Notes and the Final DIP Notes shall occur on the date on which the conditions precedent set out in Section 11.2 of this Agreement are satisfied (each, a "**Subsequent Tranche Closing Date**" and together with the Initial Closing Date, each, a~~(the "**Closing Date**").

2.3 Delivery

On the~~ applicable~~ Closing Date, the Issuer shall deliver to the Purchasers the~~ applicable~~ DIP Notes, duly executed, and free and clear of all Liens (other than Permitted Liens) and each Purchaser shall pay the Purchase Price for its *pro rata* share of the~~ applicable~~ DIP Notes being issued on ~~such Closing Date to the Issuer~~the Closing Date to (i) the Issuer or on behalf of the Issuer as directed by the Issuer, or (ii) if the Issuer directs such funds to Mobilicity SpectrumCo, to Mobilicity SpectrumCo or on behalf of Mobilicity SpectrumCo as directed by Mobilicity SpectrumCo, as applicable. The Issuer acknowledges and confirms that the Purchasers shall have the sole interest in the Deposit on a *pro rata* basis in accordance with their respective Commitments. In the event of any withdrawal by the Issuer from the AWS-3 Auction or return by Industry Canada of the Deposit, each of the Issuer and Mobilicity SpectrumCo, as applicable, hereby (i) irrevocably directs the Deposit, in each case, be returned directly to the Purchasers, on a *pro rata* basis in accordance with their respective Commitments, and the amount of the outstanding DIP Notes shall be reduced on a dollar for dollar basis, and (ii) acknowledges and confirms that the Purchasers shall have full authority to receive and direct the return of the Deposit on a *pro rata* basis in accordance with their respective Commitments.

3. TERMS OF THE DIP NOTES

3.1 Commitment

Each Purchaser severally, and not jointly or jointly and severally, commits to purchase its *pro rata* share of the DIP Notes on the~~ applicable~~ Closing Date, in accordance with its commitment set forth on Schedule A hereto (each, a "**Commitment**" and collectively, the "**Total Commitment**"), in each case subject to the satisfaction of the conditions precedent set out in Article 11. ~~For greater certainty, to the extent that any of the Purchasers does not purchase its *pro rata* share of a Subsequent Tranche of DIP Notes in accordance with the terms hereof, none of the other Purchasers shall have any obligation or commitment to purchase any portion of any Subsequent Tranche of DIP Notes.~~

3.2 Termination by Purchasers

Notwithstanding anything herein to the contrary, and in addition to all other rights of the Purchasers under this Agreement, this Agreement and the Commitment of each Purchaser hereunder may be terminated at the option of the Purchasers if the ~~Initial~~DIP Order, *inter alia*, approving this Agreement and granting the DIP Charge has not been granted by ~~October 15~~January 29, 201~~3~~5 or such later date as the Issuer and all of the Purchasers may agree.

3.3 Interest Rate

Interest shall be paid at the rate of 1~~5.5~~% per annum (the "**Interest Rate**"), to be paid at the time of repayment of the DIP Notes pursuant to the terms set forth in Section 10.

3.4 DIP Funding Fee

The Issuer agrees to pay to the Purchasers a DIP funding fee in an amount equal to ~~$3,000,000 in~~3% of the aggregate principal amount of the DIP Notes issued on the Closing Date (the "**DIP Funding Fee**"), to be distributed to each Purchaser *pro rata* in accordance with its Commitment, which DIP Funding Fee shall be payable in ~~kind through: (i) the issuance of $320,000 of additional Notes on the Initial Closing Date (the "**Initial DIP Funding Fee**"); and (ii) the issuance of $750,000 of additional Notes on each Subsequent Tranche Closing Date, other than the Closing Date for the Final DIP Notes; and (iii) the issuance of $430,000 of additional Notes on the Closing Date for the Final DIP Notes ((ii) and (iii) each, a "**Subsequent DIP Funding Fee**"). The Initial~~cash on the Closing Date. The DIP Funding Fee shall be fully earned upon the issuance of the ~~Initial DIP Notes on the Initial Closing Date and each Subsequent DIP Funding Fee shall be fully earned upon the issuance of the Second Tranche DIP Notes, Third Tranche DIP Notes, Fourth Tranche DIP Notes and the Final DIP Notes, as applicable, on the applicable Subsequent Tranche~~DIP Notes on the Closing Date.

3.5 Currency of Fees and Repayment

All repayments shall be made in Canadian dollars. All interest and fees on the DIP Notes shall be payable in Canadian dollars.

3.6 Use of Proceeds

~~(a) Subject to the following paragraph, the proceeds from the DIP Notes shall be used for general corporate and working capital purposes of the Issuer and the Guarantors and to pay general operating expenses of the Issuer and the Guarantors (including expenses relating to the CCAA Proceeding), including the payment of legal fees and expenses incurred in connection with this Agreement and the transactions contemplated hereunder.~~The proceeds from the DIP Notes shall be used for the Issuer's Deposit (or the joint Deposit of the Issuer and Mobilicity SpectrumCo, as determined with the consent of the Purchasers) for the AWS-3 Auction (or as collateral for the issuance of a letter of credit in respect thereof), the DIP Funding Fee and any applicable Third Party L/C Charges, subject to the terms of this Agreement and the DIP Order and *as approved by the Purchasers.*

> ~~(b) Notwithstanding the foregoing, the proceeds from the DIP Notes shall only be used in accordance with the Cash Flow Forecast, *as approved by the Purchasers.*~~

4. ~~FOLLOW ON FACILITY~~ INITIAL DIP NPA

~~4.1~~ ~~Each of the~~The Issuer~~ and~~, each of the Guarantors and each of the Purchasers hereby confirms and agrees that ~~Article 4 of~~ the ~~Bridge Notes~~Initial DIP NPA to which each is a party is of no further force and effect.

5. DECISIONS BY PURCHASERS

5.1 Subject to Section 5.2, any actions taken or not taken, or consents, approvals or waivers provided, under this Agreement or any other document delivered in connection herewith by the Purchasers may be taken, delivered or provided upon the direction of Purchasers who hold DIP Notes in an aggregate principal amount equal to at least 66 2/3% of aggregate principal amount of the then outstanding DIP Notes.

5.2 The following actions may only be taken with the prior unanimous written consent of all of the Purchasers:

~~(a)~~ ~~approving any Approved Transaction or Restructuring Alternative;~~

(a) ~~(b)~~ increasing the Commitment of any Purchaser hereunder;

(b) ~~(c)~~ decreasing the Interest Rate or fees applicable to the DIP Notes;

~~(d)~~ ~~extending the date for payment of principal, interest, fees or any other amount relating to the DIP Notes;~~

~~(e)~~ ~~amending the Maturity Date;~~

(c) ~~(f)~~ the subordination of the Security ~~(other than to the Liens in favour of the Senior Agent)~~ or permitting new or existing indebtedness ~~(other than Senior Obligations and the Bridge Obligations)~~ to rank ahead of or *pari passu* with the DIP Notes or the Security Documents;

(d) ~~(g)~~ the release or material amendment of the Security Documents;

(e) ~~(h)~~ any amendment to Section 3.2 or this Article 5 of this Agreement;

~~(i)~~ ~~the approval of any Cash Flow Forecast;~~

~~(j)~~ ~~the confirmation that the covenant in Section 13(kk) and the conditions precedent to the issuance of any and each Subsequent Tranche of DIP Notes in Sections 11.2(h), 11.2(i) and 11.2(j) have been observed or completed to the satisfaction of the Purchasers, and any amendment to or waiver of such covenant or conditions;~~

(f) ~~(k)~~ the payment of an interest payment in respect of the Senior Notes;

(g) ~~(l)~~ any other matter which is expressly stated to require the consent of all of the Purchasers; and

(h) ~~(m)~~ the issuance of any waiver of or consent to any of the matters set out in items (a) through (~~l~~g) above (including, without limitation with regard to any Event of Default arising or resulting in connection therewith).

6. SECURITY

~~**6.1**~~ As security for payment and performance of all obligations of the Issuer and the Guarantors under or in connection with this Agreement, the DIP Notes and all other obligations hereunder and under the other DIP Documents (including all interest, fees and expenses payable hereunder or under the DIP Notes, the DIP Funding Fee and the Excess Amount (if any)), the Issuer and each Guarantor shall grant a ~~second~~first-priority perfected Lien in all of its property, assets and undertaking of the Issuer and the Guarantors, subject only to the Permitted Liens, other than Mobilicity SpectrumCo, which shall grant a first-priority perfected Lien in all of its property, assets and undertaking, subject only to the SpectrumCo Permitted Liens (the "**Security**") to the Collateral Agent for the benefit of itself and the Purchasers, which Security shall rank ~~*pari passu* with~~in priority to the ~~Bridge Notes~~Senior Security.

~~**6.2** For the purposes of this Agreement, *"Lien" means any mortgage, charge, hypothec, lien and security interest of any kind or nature whatsoever.*~~

7. RANKING

7.1 All indebtedness and all security and all claims, liabilities and other obligations owing pursuant to or in connection with this Agreement and the DIP Notes ~~(other than the interest payable on the DIP Notes pursuant to the terms hereof)~~, whether on account of principal, interest, fees or otherwise, shall be ~~fully and effectively subordinated and postponed to the full and final~~senior in all respects to the payment of all Senior Obligations, and shall rank ~~behind~~in priority to the Senior Obligations~~, and each Purchaser agrees to and shall be bound by the provisions of this Section 7.1.~~.

~~**7.2** All indebtedness and all security and all claims, liabilities and other obligations owing pursuant to or in connection with this Agreement and the DIP Notes (other than the interest payable on the DIP Notes pursuant to the terms hereof), whether on account of principal, fees or otherwise, shall in all respects rank *pari passu* (including with respect to order of payment) with the Bridge Notes and all indebtedness, security and all claims, liabilities and other obligations owing pursuant to or in connection with the Bridge Notes NPA.~~

7.2 ~~7.3~~ With respect to the ranking of the Liens (including charges ~~to be~~ created by the CCAA Court in the Initial Order and charges to be created by the CCAA Court in the DIP Order), the ranking in priority with respect to the assets, undertakings and properties of the Issuer and the Guarantors (other than Mobilicity SpectrumCo) shall be:

(a) the DIP Charge;

(b) ~~(a)~~ the Liens in favour of the Senior Agent securing the Senior Obligations;

(c) ~~(b)~~ the Administration Charge and the KERP Charge on a *pari passu* basis;

(d) ~~(c)~~ the Directors~~'~~' Charge; and

(e) ~~(d) the DIP Charge and~~ the Bridge Notes Security~~ on a *pari passu* basis~~.

7.3 With respect to the property and assets of Mobilicity SpectrumCo, the sole Lien (including charges created by the CCAA Court in the Initial Order and charges to be created by the CCAA Court in the DIP Order), shall be the DIP Charge, unless otherwise agreed by the Purchasers.

7.4 Notwithstanding any other provision hereof, the Collateral Agent and the Purchasers shall not take any steps to enforce their security granted in connection with this Agreement or the Security Documents without prior approval of the CCAA Court, other than as permitted under the DIP Order.

8. MANDATORY REPAYMENT

8.1 The DIP Notes (together with any unpaid and accrued interest thereon and fees and expenses payable in respect thereof) shall be repayable in full on the date (the "**Maturity Date**") which is the earlier of (i) seven days from the date on which ~~an Approved Transaction or Restructuring Alternative is consummated; (ii) February 12, 2014;~~demand is made at the sole discretion of the Purchasers, and (~~iii~~ii) the date on which demand is made following the occurrence of an Event of Default that has not been waived by the Purchasers and that has resulted in an acceleration of the DIP Notes.

8.2 The DIP Notes (together with any unpaid and accrued interest thereon and fees and expenses payable in respect thereof) shall be repayable in full ~~*upon any mandatory repayment obligation or redemption offer under the Senior Indenture*, subject to the prior repayment in full of all Senior Obligations, unless such obligation is waived in accordance with the terms of the Senior Indenture, and shall be payable to each Purchaser *pro rata* in accordance with its Commitment~~in the event of any withdrawal by the Issuer from the AWS-3 Auction or any return by Industry Canada, as applicable, of the Deposit, which Deposit shall, in each case, be returned directly to the Purchasers, on a *pro rata* basis in accordance with their respective Commitments.

8.3 The DIP Notes (together with *any unpaid and accrued interest* thereon and fees and expenses payable in respect thereof) shall be repayable in full *upon any mandatory repayment obligation or redemption offer under the Senior Indenture*.

9. ~~NO~~ VOLUNTARY REPAYMENTS

9.1 The Issuer and the Guarantors shall ~~not~~ be entitled to voluntarily prepay any principal amount of the Obligations, in whole or in part in any circumstances~~, except that:~~ without premium or penalty.

~~(a) in the event that the Initial Order is granted but then any aspect of the Initial Order that approved any aspect of the DIP Notes is subsequently reversed, vacated or rescinded on appeal, then the Issuer shall have the right to prepay in full the amount of the Obligations then outstanding without penalty or premium; and~~

~~(b) the Issuer shall have the right to prepay in full the amount of the Obligations then outstanding without penalty or premium upon the simultaneous prepayment in full of all amounts then outstanding (including *any unpaid and accrued interest* and fees and expenses payable) in respect of the Bridge Notes.~~

9.2 Upon receipt by the Purchasers of indefeasible repayment in full of all Obligations:

(a) the Obligations shall be extinguished;

(b) the Purchasers shall have no further obligation to purchase any further DIP Notes hereunder or to make any other kind of loans or advances to the Issuer and/or the Guarantors; and

(c) this Agreement shall terminate, except with respect to any obligations of the Issuer and/or the Guarantors under Section 13(~~t~~w) and Article 20 (excluding Section 20.9) of this Agreement, all of which shall survive the termination of this Agreement.

10. PAYMENT OF INTEREST

10.1 Interest shall be payable ~~monthly in arrears in cash on the first Business Day of each month and on the Maturity Date, commencing on (to the extent the Initial DIP Notes have been issued) November 1, 2013 in respect of interest accrued to and including October 31, 2013~~at the time of repayment of the DIP Notes pursuant to the terms hereof. Interest shall be calculated daily for the actual number of days elapsed in the period during which it accrues based on a year of 365 days and interest shall compound monthly on the last day of each ~~payment date~~month, to the extent not paid when due. ~~*"**Business Day**" means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Toronto, Ontario, Canada.*~~

10.2 For purposes of the *Interest Act* (Canada), where in this Agreement or in the DIP Notes a rate of interest is to be calculated on the basis of a year of 365 days, the yearly rate of interest to which the rate is equivalent is the rate multiplied by the actual number of days in the year for which the calculation is made and divided by 365, as applicable.

10.3 The parties shall comply with the following provisions to ensure that no receipt by the Purchasers of any payments to the Purchasers hereunder would result in a breach of section 347 of the *Criminal Code* (Canada):

(a) If any provision of this Agreement or any of the other documents related to this Agreement would obligate the Issuer to make any payment to the Purchasers of an amount that constitutes "interest"~~,~~ (as such term is defined in the *Criminal Code* (Canada) and referred to in this section as "**Criminal Code interest**"~~,~~) during any one-year period after the date of the first issuance of DIP Notes in an amount or calculated at a rate which would result in the receipt by the Purchasers of Criminal Code interest at a criminal rate (as defined in the *Criminal Code* (Canada) and referred to in this section as a "**criminal rate**"), then, notwithstanding such provision, that amount or rate during such one-year period shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not result in the receipt by the Purchasers during such one-year period of Criminal Code interest at a criminal rate, and the adjustment shall be effected, to the extent necessary, as follows:

(i) first, by reducing the amount or rate of interest required to be paid to the Purchasers during such one-year period; and

(ii) thereafter, by reducing any upfront fees~~ and liquidity payments~~ and other amounts (if any) required to be paid to the Purchasers during such one-year period which would constitute Criminal Code interest.

The dollar amount of all such reductions made during any one-year period is referred to in this ~~section~~Agreement as the "**Excess Amount**".

(b) Any Excess Amount shall be payable and paid by the Issuer to the Purchasers in the then next succeeding one-year period or then next succeeding one-year periods until paid to the Purchasers in full, subject to the same limitations and qualifications set out in paragraph (a), so that the amount of Criminal Code interest payable or paid during any subsequent one-year period shall not exceed an amount that would result in the receipt by the Purchasers of Criminal Code interest at a criminal rate.

(c) Any amount or rate of Criminal Code interest referred to in this section shall be calculated and determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any DIP Notes remain outstanding on the assumption that any charges, fees or expenses that constitute Criminal Code interest shall be pro-rated over the period commencing on the date of the first issuance of DIP Notes and ending on the relevant Maturity Date (as may be extended by the Purchasers from time to time hereunder) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Purchasers shall be conclusive for the purposes of such calculation and determination.

10.4 If the DIP Notes are not repaid when due, all amounts then owing under or in respect of the DIP Notes will bear interest at the Interest Rate plus 2% per annum, compounded monthly on the last day of each month, and payable on demand.

11. CONDITIONS PRECEDENT TO FUNDING

11.1 Conditions Precedent to issuance of~~ Initial~~ DIP Notes

~~Each~~The purchase by each Purchaser~~'s~~ of its *pro rata* share of the ~~Initial DIP Notes may, at the option of the Purchasers after consultation with the Issuer, be purchased in one or more sub-tranches (each, an "**Initial Sub-Tranche**") (subject to corresponding reductions to the fees and interest payable hereunder to account for the amount of such Initial Sub-Tranche) based on the funding requirements of the Issuer and the Guarantors at such time in an amount sufficient to ensure that the cash balance of the Issuer and the Guarantors shall not fall below $2,000,000 based on and in accordance with the projections in the Cash Flow Forecast. The purchase by each Purchaser of its *pro rata* share of the Initial DIP Notes, including any Initial Sub-Tranche thereof,~~DIP Notes shall be subject to the following conditions precedent, all of which shall be for the benefit of the Purchasers and shall be satisfied prior to the purchase of the ~~Initial~~ DIP Notes~~ or Initial Sub-Tranche thereof, as the case may be~~, in each case in form and substance satisfactory to the Purchasers:

(a) execution and delivery by the Issuer and the Guarantors of this Agreement and the ~~Initial~~ DIP Notes, all in form and substance satisfactory to the Purchasers;

(b) the ~~Initial~~DIP Order shall have been granted by the CCAA Court in form and substance satisfactory to the Purchasers, and shall be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect, except as may be acceptable to the Purchasers;

(c) the DIP Charge shall have been granted pursuant to the ~~Initial~~DIP Order, in form and substance satisfactory to the Purchasers;

(d) receipt of a certified copy of the constating documents and by-laws of the Issuer and each Guarantor, and of all corporate and other proceedings taken and required to be taken by the Issuer and the Guarantors to authorize, *inter alia*, the execution and delivery of this Agreement and the other DIP Documents to which it is a party and the performance of the transactions contemplated thereby; (ii) a certificate of status or like certificate of the Issuer and the Guarantors; and (iii) a certificate of incumbency of the Issuer and the Guarantors;

(e) execution and delivery of all security documents by the Issuer and the Guarantors in favour of the Collateral Agent for the benefit of itself and the Purchasers substantially in the form and substance of the security documents delivered in favour of the Bridge Notes Agent (the "**Security Documents**");

(f) delivery of a completed Perfection Certificate and Disclosure Letter in respect of the Issuer and the Guarantors;

(g) (i) completion of all necessary lien and other searches, together with all registrations, filings and recordings wherever the Purchasers deem appropriate in connection with the Security, ~~and~~ (ii) satisfaction that there are no Liens affecting the property or assets of the Issuer or any Guarantor (other than Mobilicity SpectrumCo), except (A) Liens in favour of the Senior Agent securing the Senior Obligations, (B) Liens in favour of the Bridge Notes Agent securing the Bridge Notes, (C) Liens arising by operation of law in the ordinary course of business without any contractual grant of security, (D) such Liens as have been previously disclosed in lien searches conducted by Purchasers' counsel, which are set out on Schedule E hereto or (E) Liens granted by order of the CCAA Court with the consent of the Purchasers (collectively, the "**Permitted Liens**"), and (iii) satisfaction that there are no Liens affecting the property or assets of Mobilicity SpectrumCo other than Liens granted by order of the CCAA Court with the consent of the Purchasers (collectively, the "**SpectrumCo Permitted Liens**");

(h) delivery of all necessary documentation (including consents, amendments and supplements, if applicable) under the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture and the Quadrangle Commitment, if any, to permit the issuance of the DIP Notes, the granting of the Liens pursuant to the Security that are ~~second~~first in priority to ~~the Liens granted in respect of the Senior Notes and the Administration Charge and that rank *pari passu* with the Liens granted in~~

~~respect of the Bridge Notes,~~all Liens to the extent that any of the foregoing is not otherwise permitted under the terms of the ~~Initial~~DIP Order;

(i) satisfaction that the Issuer and the Guarantors maintain adequate insurance coverage of such type and in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to the Purchasers, with appropriate endorsements in favour of the Collateral Agent;

(j) satisfaction that the Issuer and each of the Guarantors has complied with and is continuing to comply in all material respects with all applicable laws, regulations and policies and the requirements of applicable regulators in relation to its activities, to the extent that the failure to comply would have a Material Adverse Effect;

(k) if such right is exercised by the Purchasers prior to the ~~Initial~~ Closing Date, the appointment of one Purchaser-nominated observer to the boards of the Issuer and/or the Guarantors;

(l) delivery of legal opinions from relevant counsel to the Issuer and the Guarantors confirming the authorization, execution and delivery of this Agreement and the other DIP Documents by the Issuer and the Guarantors;

~~(m) receipt by Goodmans of all expressions of interest, letters of interest and other relevant documents from all parties relating to a Potential Transaction involving the Issuer or any of the Guarantors, that were received since June 10, 2013;~~

(m) ~~(n)~~ receipt of the Cash Flow Forecast for the first 13 weeks after the ~~Initial~~ Closing Date, which shall be acceptable to the Purchasers;

~~(o) satisfaction with the scope and extent of the authority of the CRO, including as set out in the Initial Order;~~

~~(p) receipt of, and satisfaction with, any engagement letters between the Issuer or any Guarantor and (i) their financial advisors, including Canaccord Genuity Corp., and (ii) the CRO;~~

(n) ~~(q)~~ all reasonable and documented expenses of each of the Collateral Agent and the Purchasers incurred up to and including the ~~Initial~~ Closing Date in connection with the DIP Notes and the CCAA Proceeding, including, without limitation, reasonable and documented legal fees of counsel to the Collateral Agent and the Purchasers shall have been paid in full from the proceeds of the ~~Initial~~ DIP Notes, as directed by the Issuer;

~~(r) all reasonable and documented expenses of each of the Bridge Notes Agent and the Bridge Note Purchasers incurred up to and including the Initial Closing Date in connection with Bridge Notes, including, without limitation, reasonable and documented legal fees of counsel to the Bridge Notes Agent and the Bridge Note~~

~~Purchasers shall have been paid in full from the proceeds of the Initial DIP Notes, as directed by the Issuer;~~

(o) ~~(s)~~ other than those claims, actions, suits, investigations or proceedings which have been disclosed in the Disclosure Letter prior to the ~~Initial~~ Closing Date, there shall exist no unstayed claim, action, suit, investigation or proceeding, pending or (to the knowledge of any senior officers or directors of the Issuer or any Guarantor) threatened, in any court or before any arbitrator, mediator or governmental authority which relates to the Issuer, any Guarantor or the DIP Notes and which could reasonably be expected to result in a Material Adverse Effect;

(p) ~~(t)~~ (i) all representations and warranties contained in this Agreement and the other DIP Documents remain true and correct in all material respects as of the ~~Initial~~ Closing Date (unless stated to relate to a specific earlier date, in which case, such representations and warranties shall have been true and correct in all material respects as of such earlier date); (ii) no Default or Event of Default has occurred and is continuing or would result from the purchase of the ~~Initial~~ DIP Notes, and (iii) the issuance and purchase of the ~~Initial~~ DIP Notes shall not violate any applicable law, judgment or order of any court of competent jurisdiction;

(q) ~~(u)~~ the Issuer and the Guarantors shall be in compliance with all of their covenants under this Agreement;

(r) ~~(v)~~ no Default or Event of Default shall have occurred and be continuing on the ~~Initial~~ Closing Date or after giving *pro forma* effect to the issuance of the ~~Initial~~ DIP Notes on the ~~Initial~~ Closing Date;

(s) ~~(w)~~ no Material Adverse Effect shall have occurred after the date of this Agreement; ~~and~~

~~(x) the CRO, on behalf of the Issuer and the Guarantors and not in his personal capacity, shall have certified to the Purchasers and provided evidence satisfactory to the Purchasers (or their Advisors) that (i) the Issuer has available cash in an amount not exceeding $2,000,000 and (ii) that the issuance of the Initial DIP Notes is necessary to the Issuer and the Guarantors.~~

~~11.2 Conditions Precedent to issuance of Subsequent Tranches~~

~~Each Purchaser's *pro rata* share of a second tranche of $7,500,000 of DIP Notes (the "**Second Tranche DIP Notes**"), a third tranche of $7,500,000 of DIP Notes (the "**Third Tranche DIP Notes**"), a fourth tranche of $7,500,000 of DIP Notes (the "**Fourth Tranche DIP Notes**") and a final fifth tranche of DIP Notes which shall be in an aggregate principal amount equal to the remainder of the $30,000,000 following the issuance of the Initial DIP Notes, the Second Tranche DIP Notes, the Third Tranche DIP Notes and the Fourth Tranche DIP Notes (the "**Final DIP Notes**" and together with the Second Tranche DIP Notes, the Third Tranche DIP notes and the Fourth Tranche DIP Notes, collectively, each a "**Subsequent Tranche of DIP Notes**") may, at the option of the Purchasers after consultation with the Issuer, be purchased in one or more~~

~~sub-tranches (each, a "**Subsequent Sub-Tranche**") (subject to corresponding reductions to the fees and interest payable hereunder to account for the amount of such Subsequent Sub-Tranche) based on the funding requirements of the Issuer and the Guarantors at such time in an amount sufficient to ensure that the cash balance of the Issuer and the Guarantors shall not fall below $2,000,000 based on and in accordance with the projections in the Cash Flow Forecast. The purchase by each Purchaser of its *pro rata* share of each Subsequent Tranche of DIP Notes, including any Subsequent Sub-Tranche thereof, shall be subject to the following conditions precedent, all of which shall be for the benefit of the Purchasers and shall be satisfied prior to the purchase of each Subsequent Tranche of DIP Notes or Subsequent Sub-Tranche thereof, as the case may be, in each case in form and substance satisfactory to the Purchasers:~~

~~(a) *Final Order and DIP Charge* – (i) the Initial Order shall have become a Final Order and (ii) the Initial Order shall continue to grant the Purchasers the DIP Charge in accordance with this Agreement;~~

~~(b) *Spectrum Transfer* – the Purchasers, acting reasonably, shall be satisfied that there has been no material adverse change in the Spectrum Transfer Restrictions from the Spectrum Transfer Restrictions in effect on the date hereof;~~

~~(c) *Cash Flows* – the CRO, on behalf of the Issuer and the Guarantors and not in his personal capacity, shall have certified to the Purchasers and provided evidence satisfactory to the Purchasers (or their Advisors) that the actual cash flows of the Issuer and the Guarantors for the period from the immediately preceding Closing Date through the relevant Subsequent Tranche Closing Date for the applicable Subsequent Tranche of DIP Notes, do not adversely vary by more than 5% from the projected cash flows contained in the most recently delivered Cash Flow Forecast for such period, provided that the amount of all professional fees paid during such period (including any amounts paid to the Purchasers' Advisors) and the amount of any interest payment not made pursuant to Section 13(l) shall be excluded solely for the purposes of such calculation;~~

~~(d) *Professional Fees* – the CRO, on behalf of the Issuer and the Guarantors and not in his personal capacity, shall have certified to the Purchasers and provided evidence satisfactory to the Purchasers (or their Advisors) that the Professional Fees paid by the Issuer or any Guarantor for the period from the immediately preceding Closing Date through the relevant Subsequent Tranche Closing Date for the applicable Subsequent Tranche of DIP Notes, do not adversely vary by more than 10% per advisor from the projected amount of such Professional Fees for such advisor contained in the most recently delivered Cash Flow Forecast for such period, provided that such an adverse variance in respect of the Professional Fees of the Monitor and legal counsel to the Monitor shall be subject to an order of the CCAA Court prior to being taken into account for the purposes of this paragraph;~~

~~(e) *Available Cash* – the CRO, on behalf of the Issuer and the Guarantors and not in his personal capacity, shall have certified to the Purchasers and provided evidence satisfactory to the Purchasers (or their Advisors) that (i) the Issuer has available cash in an amount not exceeding $2,000,000 and (ii) that the issuance of the~~

~~applicable Subsequent Tranche of DIP Notes is necessary to the Issuer and the Guarantors;~~

~~(f)~~ ~~*Expenses* — (i) all reasonable and documented expenses of each of the Collateral Agent and the Purchasers incurred up to and including the relevant Subsequent Tranche Closing Date in connection with this Agreement, the DIP Notes and the CCAA Proceeding, including, without limitation, reasonable and documented legal fees of counsel to the Collateral Agent and the Purchasers; shall have been paid in full from the proceeds of issuance of the applicable Subsequent Tranche of DIP Notes, as directed by the Issuer; and (ii) all reasonable and documented expenses of each of the Bridge Notes Agent and the Bridge Note Purchasers incurred up to and including the relevant Subsequent Tranche Closing Date for the applicable Subsequent Tranche of DIP Notes in connection with Bridge Notes, including, without limitation, reasonable and documented legal fees of counsel to the Bridge Notes Agent and the Bridge Notes Purchasers shall have been paid in full from the proceeds of issuance of the applicable Subsequent Tranche of DIP Notes, as directed by the Issuer;~~

~~(g)~~ ~~*Reps and Warranties, etc.* — (i) all representations and warranties contained in this Agreement and the other DIP Documents remain true and correct in all material respects as of the relevant Subsequent Tranche Closing Date (unless stated to relate to a specific earlier date, in which case, such representations and warranties shall have been true and correct in all material respects as of such earlier date); (ii) the Issuer and the Guarantors shall have complied with all of their covenants under this Agreement; (iii) no Default or Event of Default shall have occurred and be continuing on the relevant Subsequent Tranche Closing Date or after giving *pro forma* effect to the issuance of the applicable Subsequent Tranche of DIP Notes on the relevant Subsequent Tranche Closing Date; (iv) no Material Adverse Effect shall have occurred after the date of this Agreement and be continuing on the relevant Subsequent Tranche Closing Date; and (v) the issuance of the applicable Subsequent Tranche of DIP Notes shall not violate any applicable law, judgment or order of any court of competent jurisdiction, and the Purchasers shall have received a certification from an officer of the Issuer as to each of the foregoing items (i)-(v);~~

~~(h)~~ ~~*Approved Transaction and Restructuring Alternative* — (i)(A) the Issuer and the Guarantors shall have determined and presented to the Purchasers the proposed Restructuring Alternative on or prior to October 24, 2013 or such other date as the Issuer and the Purchasers may agree or (B) commenced the Restructuring Alternative on or prior to October 24, 2013, or such other date as the Issuer and the Purchasers may agree, with the prior consent of the Purchasers or (C) if requested by the Purchasers, commenced the Restructuring Alternative on or prior to October 24, 2013 or such other date as the Issuer and the Purchasers may agree, (ii) the Purchasers shall be satisfied with an Approved Transaction on or before November 12, 2013, or such other date as the Issuer and the Purchasers may agree, or the Purchasers shall be satisfied with the status of the Restructuring Alternative; and (iii) there shall be no adverse change in the status of any~~

~~Approved Transaction or Restructuring Alternative since the immediately preceding Closing Date; and~~

~~(i)~~ ~~*Material Agreements* the Ericsson Agreement, the Amdocs Agreement and the Ingram Agreement shall each have been amended and restated or otherwise addressed pursuant to the CCAA by no later than November 12, 2013, or such other date as the Issuer and the Purchasers may agree, in a manner satisfactory to the Purchasers.~~

(t) all application and other materials in connection with the application for participation in the AWS-3 Auction by the Issuer pursuant to the AWS-3 Auction Rules shall be in form and substance acceptable to the Purchasers or Goodmans; and

(u) the Issuer shall be an operating new entrant eligible to participate in the AWS-3 Auction with respect to the set-aside AWS-3 spectrum pursuant to the AWS-3 Auction Rules (as same may be amended, modified and/or supplemented) in all of the areas in which the Issuer operates as of the date hereof.

12. REPRESENTATIONS AND WARRANTIES

Each of the Issuer and the Guarantors makes each of the following representations and warranties with respect to itself:

(a) Each of the Issuer and the Guarantors is a corporation duly incorporated, continued or amalgamated, as the case may be, and is validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated and each is duly qualified, licensed or registered to carry on business under the applicable law in all jurisdictions in which the nature of its assets or business makes such qualification necessary.

(b) Subject to the entry of the ~~Initial~~DIP Order, the execution, delivery and performance by the Issuer and each Guarantor of this Agreement:

(i) are within its corporate, partnership, limited partnership or similar power, as applicable;

(ii) have been duly authorized by all necessary corporate, partnership, limited partnership or similar action, as applicable, including all necessary consents of the holders of its equity interests, where required;

(iii) do not (A) contravene its articles, by-laws or other constating documents, as applicable, (B) violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets, (C) conflict with or result in the breach of, or constitute a default under, or require a consent under, any Material Contract or (D) result in the creation or imposition of any lien or encumbrance upon any of its property; and

(iv) do not require the consent of, authorization by, approval of, or notification to, any Governmental Entity~~ (other than those consents, approvals, authorizations or notifications that may be required in connection with an Approved Transaction or Restructuring Alternative)~~.

(c) Subject to the entry of the ~~Initial~~DIP Order, this Agreement constitutes a valid and binding obligation of the Issuer and each Guarantor enforceable in accordance with its terms.

(d) The Issuer and each Guarantor (i) owns its respective assets with good and marketable title thereto, free and clear of all Liens, except for Permitted Liens, other than Mobilicity SpectrumCo which owns its assets with good and marketable title thereto, free and clear of all Liens, except for SpectrumCo Permitted Liens, and (ii) does not own any real property other than the real property disclosed in the Perfection Certificate.

(e) There is no Default or Event of Default that has occurred and is continuing as of the date hereof.

(f) All Indebtedness of the Issuer and each Guarantor as of the date hereof is disclosed in the Perfection Certificate, including without limitation Indebtedness under the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture and the Quadrangle Commitment.

(g) Except as disclosed in the Disclosure Letter and as otherwise contemplated by this Agreement and the transactions contemplated hereby, since June 11, 2013 there has not been (i) any Material Adverse Effect, (ii) any Material transaction to which the Issuer or any Guarantor is a party outside the ordinary course of business (other than as contemplated by this Agreement and the other DIP Documents), or (iii) any Material change in the capital or outstanding Indebtedness and Liabilities of the Issuer and the Guarantors (taken as a whole) (other than as contemplated by this Agreement and the other DIP Documents).

(h) None of the Issuer or any Guarantor has any Material Liabilities except (i) Liabilities which are reflected and properly reserved against in the Financial Statements, (ii) Liabilities incurred in the ordinary course of business, having regard to the current financial condition of the Issuer and the Guarantors, including expenses incurred in connection with the CCAA Proceeding, in each case as reflected in the Cash Flow Forecast, (iii) current Liabilities arising in the ordinary course under the Contracts to which any of the Issuer and the Guarantors is a party (other than obligations which are required to be reflected on a balance sheet prepared in accordance with GAAP).

(i) As of the date of this Agreement, the authorized capital of Holdings consists of (i) an unlimited number of common shares, of which 4,995,211 common shares are issued and outstanding, of which, 3,330,141 common shares are held by Data & Audio-Visual Enterprises Investments Inc. and 1,665,070 common shares are held by Quadrangle, and (ii) an unlimited number of Class B shares, of which

20,204,790 Class B shares are issued and outstanding, of which all Class B shares are held by Quadrangle. Holdings has no other capital stock authorized or, as of the date of this Agreement, issued and outstanding. All issued and outstanding Convertible Securities of Holdings, or existing rights to have such Convertible Securities of Holdings issued, as of the date hereof, are disclosed in the Perfection Certificate. All voting rights in respect of Holdings are vested in the holders of the common shares of Holdings. Class B shares are convertible at the option of the holder on a one-for-one basis into common shares.

(j) As of the date of this Agreement, the authorized capital of Wireless consists of (i) an unlimited number of common shares, of which 43,974,221 common shares are issued and outstanding, all of which are held by Holdings, and (ii) an unlimited number of Class B shares. Wireless has no other capital stock authorized or, as of the date of this Agreement, issued and outstanding. All issued and outstanding Convertible Securities of Wireless, or existing rights to have such Convertible Securities of Wireless issued, as of the date hereof, are disclosed in the Perfection Certificate. All voting rights in respect of Wireless are vested in the holders of the common shares of Wireless. Class B shares are convertible at the option of the holder on a one-for-one basis into common shares.

(k) As of the date of this Agreement, the authorized capital of Mobilicity SpectrumCo consists of an unlimited number of common shares, of which ● are issued and outstanding, all of which are held by Wireless. Mobilicity SpectrumCo has no other capital stock authorized or, as of the date of this Agreement, issued and outstanding. All voting rights in respect of Mobilicity SpectrumCo are vested in the holders of the common shares of Mobilicity SpectrumCo.

(l) ~~(k)~~ The estimated quantum of all bonus payments paid and expected to be paid to the senior executives of the Issuer and each Guarantor for the current fiscal year are set out in the Disclosure Letter.

(m) ~~(l)~~ Since June 17, 2013, except as otherwise contemplated by this Agreement or set forth in the Disclosure Letter, the Issuer and each Guarantor has conducted its business only in the ordinary course consistent with past practice, to the extent possible given the current financial condition of the Issuer and the Guarantors, and there has not been any resignation or termination of any director, senior officer or senior manager, or any increase in the rate of compensation payable or to become payable by any Issuer or any Guarantor to any director, senior officer or senior manager of the Issuer or any Guarantor (other than standard increases in connection with general, regularly-scheduled reviews consistent with past practice in respect of employees other than the top three highest paid employees of the Issuer and any Guarantor), including the making of any loan to, or the payment, grant or accrual of any bonus payment to any such Person.

(n) ~~(m)~~ There have been no changes to the compensation or severance entitlements or other benefits payable to directors, senior officers or senior managers (including by way of a "KERP") from their compensation and severance entitlements as disclosed in the Disclosure Letter and none of the Issuer or any Guarantor have agreed to any, or become obligated to pay any bonus payments or severance to the directors, senior officers or senior managers except in connection with existing benefit, incentive or compensation plans or employment contracts. The Issuer and the Guarantors have disclosed in the Disclosure Letter all benefit, incentive or compensation plans applicable to the senior officers and senior managers of the Issuer and each Guarantor, copies of which shall be made available to each Purchaser upon request.

(o) ~~(n)~~ The Issuer and the Guarantors have disclosed in the Disclosure Letter all employment agreements for the senior officers and senior managers of the Issuer and each Guarantor and have provided copies of all written employment agreements for the senior officers and senior managers of each of them, which are in full force and effect as of the date hereof, and there have been no extension, supplements or amendments thereto; there are no other written employment agreements for senior officers or senior managers to the Issuer and each Guarantor earning $150,000 or more per annum, including all bonuses and other cash compensation.

(p) ~~(o)~~ Copies of all retainers for professionals and advisors engaged by the Issuer or Guarantors ("**Advisor Retainers**"), and all transaction, success, performance or change of control payments payable thereunder or in connection therewith, and all policies of directors' and officers' insurance maintained by the Issuer or Guarantors have been disclosed in the Disclosure Letter and have been included in the Cash Flow Forecast, and there are no directors trusts that have been established by the Issuer or any Guarantor.

(q) ~~(p)~~ All payments to shareholders, directors, senior executives and their related parties, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, in each case occurring between December 31, 2012 and the date of this Agreement (all such payments being "**Affiliate Payments**") have been disclosed in the Disclosure Letter and have been included in the Cash Flow Forecast.

(r) ~~(q)~~ Other than as disclosed in the Disclosure Letter, there is not now pending or, to the knowledge of any of the senior officers or directors of the Issuer or any Guarantor, threatened against the Issuer or any Guarantor, nor has the Issuer or any Guarantor received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal Governmental Entity or regulatory body, which would be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(s) ~~(r)~~ A complete and accurate list of all Material Contracts and amendments thereto, including without limitation, the Spectrum Licenses, is disclosed in the Disclosure Letter, and all such agreements are in full force and effect, except as would not reasonably be expected to result in a Material Adverse Effect. Each of the Issuer and the Guarantors shall, promptly upon request of any Purchaser, provide to such Purchaser copies of all Material Contracts requested by it. All of the Material

Contracts are valid, binding and enforceable in accordance with their terms against the Issuer or Guarantor party thereto, except (i) as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors or (ii) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity). As of the date of this Agreement, except as disclosed in the Disclosure Letter, there is no existing (or threatened in writing) default or dispute with respect to any of the Material Contracts that would reasonably be expected to result in a Material Adverse Effect.

(t) ~~(s)~~ Each of the Issuer and the Guarantors has conducted its business in compliance with all Laws and none of the Issuer or any Guarantor has received any notice to the effect that, or has otherwise been advised that, it is not in compliance with such laws, other than any such non-compliance as would not reasonably be expected to result in a Material Adverse Effect.

(u) ~~(t)~~ Except as would not have a Material Adverse Effect:

(i) The Issuer and the Guarantors, as applicable, are in possession of all, grants, authorizations, licenses (including the Spectrum Licenses), permits, easements, variances, exceptions, consents, certificates, approvals, registrations and orders of any governmental or regulatory authority, including, without limitation, Industry Canada, the Canadian Radio-television Telecommunications Commission (the "**CRTC**") and similar authorities in Canada and other jurisdictions necessary for the Issuer or any Guarantor to carry on their business as it is now being conducted (the "**Company Permits**"), the Company Permits are valid and in good standing and no suspension or cancellation of any of the Company Permits is pending or, to the knowledge of the Issuer or any Guarantor, threatened, except where the failure to have or the suspension or cancellation of, any of the Company Permits would not, individually or in the aggregate, have a Material Adverse Effect; and

(ii) to the knowledge of the Issuer and the Guarantors, none of them has received any written notice that Industry Canada, the CRTC or any other governmental or regulatory authority (including, without limitation, Governmental Entities and other regulatory agencies outside of Canada) has commenced, or overtly threatened to initiate, any action to withdraw its approval for, revoke, request the recall of, or otherwise impair restrict or vary any Company Permits, or to restrain, impede or prohibit the execution, delivery and performance by the Issuer and each Guarantor of this Agreement or require or purport to require a variation of this Agreement.

(v) ~~(u)~~ The Issuer and the Guarantors maintain adequate insurance coverage of such type and in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope as is prudent for such a business, with appropriate endorsements in favour of the Collateral Agent.

(w) ~~(v)~~ Subject to the entry of the ~~Initial~~DIP Order, the Security Documents create a valid and continuing perfected Lien on the personal property described therein (collectively, the "**Collateral**") in favour of the Collateral Agent for the benefit of itself and the Purchasers having the priority set forth herein~~, subject only to Permitted Liens~~. There are no other Liens on the Collateral other than Permitted Liens.

(x) ~~(w)~~ Neither the Financial Statements delivered to the Purchasers or their Advisors from time to time nor any other written statement or information (other than projections, which are subject to ~~following~~the last sentence of this subsection (w)) furnished by or on behalf of or at the direction of the Issuer or any Guarantor to the Purchasers or their Advisors in connection with the negotiation, consummation or administration of this Agreement contain, as of the time such statements were so furnished, any untrue statement of a material fact or an omission of a material fact as of such time, which material fact is necessary to make the statements contained therein not misleading. All such statements, taken as a whole, together with this Agreement, all of the other DIP Documents and all other relevant documents do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not misleading. All financial projections, including the Cash Flow Forecast, furnished or made available by the Issuer and the Guarantors to the Purchasers and their Advisors have been prepared in good faith, on the basis of all known facts and using reasonable assumptions and the Issuer and the Guarantors believe such projections to be fair and reasonable.

(y) ~~(x)~~ All written information furnished by or on behalf of the Issuer and the Guarantors to the Purchasers or their Advisors for the purposes of, or in connection with, this Agreement, the other DIP Documents or any other relevant document or any other transaction contemplated thereby, including for greater certainty information contained in the Perfection Certificate and the Disclosure Letter, is true and accurate in all respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time in light of then-current circumstances.

(z) ~~(y)~~ Other than as disclosed in the Disclosure Letter, there are no agreements between any of the Issuer and/or the Guarantors and any other holder of debt or Equity Securities of the Issuer or any Guarantor with respect to any restructuring, refinancing or recapitalization matters.

(aa) The Issuer is an operating new entrant eligible to participate in the AWS-3 Auction with respect to the set-aside AWS-3 spectrum pursuant to the AWS-3 Auction Rules (as same may be amended, modified and/or supplemented) in all of the areas in which the Issuer operates as of the date hereof.

13. COVENANTS

Each of the Issuer and the Guarantors covenants and agrees to comply with the following covenants:

(a) The Issuer shall duly and punctually pay all principal, interest, fees and other amounts owing in respect of the DIP Notes and contemplated by this Agreement when due and payable.

(b) The Issuer and the Guarantors shall use the proceeds of the DIP Notes only in accordance with Section 3.6.

(c) The Issuer and the Guarantors shall, as approved by the Purchasers, submit the Deposit, or direct the Deposit to be submitted, pursuant to the AWS-3 Auction Rules prior to the applicable deadline for such Deposit, and shall not withdraw such Deposit without at least seven Business Days' prior written notice to the Purchasers and subject to Section 8.2.

(d) All application and other materials in connection with the application for participation in the AWS-3 Auction by the Issuer (or the joint participation in the AWS-3 Auction by the Issuer and Mobilicity SpectrumCo, as determined with the consent of the Purchasers) pursuant to the AWS-3 Auction Rules shall be in form and substance acceptable to the Purchasers or Goodmans, and the Issuer and Guarantors shall discuss all material decisions and matters relating to the AWS-3 Auction with the Purchasers or Goodmans.

(e) The Issuer (and Mobilicity SpectrumCo, as applicable) shall abide by the AWS-3 Auction Rules.

(f) *The Issuer and the Guarantors shall discuss in good faith* the additional funding requirements that the Issuer may have in connection with the AWS-3 Auction with the Purchasers and other third parties, provided that any such additional funding shall be subject to further Order of the CCAA Court.

(g) ~~(c)~~ The Issuer and the Guarantors shall provide the Purchasers and Goodmans draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file in the CCAA Proceeding at least three (3) days prior to any such filing or, where it is not practically possible to do so at least three (3) days prior to any such filing, as soon as possible, and all such filings shall be in form and substance acceptable to the Purchasers or Goodmans.

(h) ~~(d)~~ The ~~Initial~~DIP Order and any other orders in respect of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge shall be submitted to the CCAA Court in a form confirmed in advance to be satisfactory to the Purchasers or Goodmans, subject to any amendments that are required by the CCAA Court or the Issuer that are acceptable to the Purchasers or Goodmans.

(i) ~~(e)~~ Any and all materials in respect of a proposed Plan or other transaction in respect of a Potential Transaction or a Restructuring Alternative shall only be submitted to the CCAA Court in a form confirmed in advance to be satisfactory to the Purchasers or Goodmans.

~~(f)~~ ~~(i)(A) the Issuer and the Guarantors shall have determined and presented to the Purchasers the proposed Restructuring Alternative on or prior to October 24, 2013 or such other date as the Issuer and the Purchasers may agree or (B) commenced the Restructuring Alternative on or prior to October 24, 2013, or such other date as the Issuer and the Purchasers may agree, with the prior consent of the Purchasers or (C) if requested by the Purchasers, commenced the Restructuring Alternative on or prior to October 24, 2013 or such other date as the Issuer and the Purchasers may agree, and (ii) the Issuer and the Purchasers shall have agreed upon a Sale Transaction, Change of Control or other transaction (including a Plan) that is acceptable to the Purchasers (each, an "**Approved Transaction**") by November 12, 2013, or such other date as the Issuer and the Purchasers may agree, or the Purchasers shall be satisfied with the status of the Restructuring Alternative.~~

(j) ~~(g)~~ The Issuer and the Guarantors shall maintain at all times adequate insurance coverage of such kind and in such amounts and against such risks as is prudent for a business of an established reputation with financially sound and reputable insurers in coverage and scope acceptable to the Purchasers, with appropriate endorsements in favour of the Collateral Agent.

(k) ~~(h)~~ The Issuer or the CRO shall deliver to each of the Purchasers and/or such representatives as may be reasonably designated by the Purchasers:

(i) a refreshed Cash Flow Forecast in respect of the 13-week period beginning on the last day of the then applicable Current Cash Flow Period, which shall be delivered no less than ten (10) Business Days prior to the end of such Current Cash Flow Period and shall be acceptable to the Purchasers no less than five (5) Business Days prior to the end of such 13-week period;

(ii) on the fourth Business Day of every second week, a report as to the Issuer's and each Guarantor's actual cash flows for the immediately preceding two-week period, accompanied by a variance analysis explaining how and why actual results for such immediately preceding two-week period varied from the applicable weeks in the Cash Flow Forecast;

(iii) on the ~~first~~tenth Business Day of each month, a monthly financial report (including a balance sheet, a statement of changes in working capital and any other financial statements produced by the Issuer and approved by the Issuer's board of directors) with respect to the Issuer and the Guarantors;

(iv) on the first Business Day of each week, updates and plans from the Issuer~~'~~'s advisors or the CRO regarding any Potential Transaction or Restructuring Alternative;

(v) concurrently with the delivery thereof pursuant to the terms of the Bridge Notes NPA, copies of any information delivered to the holders of the Bridge Notes;

(vi) notice forthwith upon the Issuer, any Guarantor or the CRO determining that there will be a material change from the Cash Flow Forecast, or of any other material developments with respect to the business and affairs of the Issuer or any Guarantor;

(vii) notice forthwith upon the Issuer, any Guarantor or the CRO receiving notice from any creditor, landlord or other third party delivering a notice of default, demand, acceleration or enforcement in respect of any material obligation of the Issuer or any Guarantor;

(viii) notice forthwith and copies to Goodmans of, any material developments in respect of any Potential Transaction~~, Approved Transaction~~ or Restructuring Alternative and discussion papers, term sheets, letters of intent, commitment letters, offers or agreements received by or entered into by any of the Issuer, any Guarantor or the CRO after the date hereof, relating to a Potential Transaction, provided that such documents shall not be provided by Goodmans to the Purchasers without the prior consent of the Issuer;

(ix) notice forthwith of any event or occurrence that, with notice or the passage of time or both, would be an Event of Default hereunder (a "**Default**"); and

(x) such other information as may be requested by the Purchasers or Goodmans from time to time acting reasonably.

(l) ~~(i)~~ The Purchasers shall have the right to engage at any time a financial advisor to assist them in relation to the DIP Notes or any Potential Transaction or Restructuring Alternative, and all reasonable and documented fees of such advisor shall be payable by the Issuer.

(m) ~~(j)~~ The Purchasers shall be entitled to have an observer attend all board and committee meetings of the Issuer or any of the Guarantors and any such observer shall have all information disclosure rights that existing board members have.

(n) ~~(k)~~ Subject to Section 13(~~l~~o), neither the Issuer nor any Guarantor shall be entitled to make any Distribution or Affiliate Payment, other than a Distribution or Affiliate Payment that is approved by the Purchasers in advance.

(o) ~~(l)~~ Neither the Issuer nor any Guarantor shall make an interest payment in respect of the Senior Notes unless such interest payment is approved by the Purchasers in advance, provided that, if any such interest payment is not approved by the Purchasers, the Issuer and the Guarantors shall not make any interest payment in respect of the Bridge Notes until such time as the outstanding interest payment in respect of the Senior Notes has been made.

(p) ~~(m)~~ Neither the Issuer nor any Guarantor shall make payments in respect of any of its pre-petition obligations unless such payment is approved by the Purchasers in advance.

(q) ~~(n)~~ Neither the Issuer nor any Guarantor shall provide, or seek or support a motion by another party to provide, "critical supplier" status pursuant to the CCAA to any party without the prior written consent of the Purchasers.

(r) ~~(o)~~ Neither the Issuer nor any Guarantors shall make any capital expenditures except to the extent such expenditures are specifically listed in the Cash Flow Forecast.

(s) ~~(p)~~ Neither the Issuer nor any Guarantors shall amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change the nature of their business or their corporate or capital structure (except as contemplated by a Plan acceptable to the Purchasers) or enter into any agreement committing to such actions, in each case without the prior written consent of the Purchasers.

(t) ~~(q)~~ Neither the Issuer nor any Guarantors shall create, incur or Guarantee any Indebtedness for borrowed money other than Indebtedness and Guarantees existing on the date hereof that have been disclosed in writing to the Purchasers and Indebtedness contemplated by this Agreement.

(u) ~~(r)~~ Neither the Issuer nor any Guarantors shall make any new Investments or acquisitions of any kind, direct or indirect.

(v) ~~(s)~~ Neither the Issuer nor any Guarantors shall create or incur any Liens other than Permitted Liens, other than Mobilicity SpectrumCo which shall not create or incur any Liens other than the SpectrumCo Permitted Liens.

(w) ~~(t)~~ The Issuer shall pay the reasonable and documented fees of the Advisors, in each case within five (5) Business Days of the receipt of any invoice from any such Advisor~~, and shall pay the reasonable and documented fees of the legal advisors to the Bridge Notes Purchasers within five (5) Business Day of the receipt of the proceeds from the issuance of the Initial DIP Notes~~.

~~(u) The Issuer shall require all invoices in respect of Professional Fees to be submitted on a weekly basis, and such invoices shall be subject to review and approval by the CRO prior to payment thereof.~~

(x) ~~(v)~~ The Issuer and the Guarantors shall not participate in any material discussions with any party (other than their legal and financial advisors) with respect to the CCAA Proceeding or any Potential Transaction or Restructuring Alternative, in each case (upon conferring with their financial advisor) without providing reasonable notice to the Purchasers and Goodmans, and an opportunity for a representative of Goodmans or the financial advisor to the Purchasers to participate in such discussions.

(y) ~~(w)~~ The Issuer and the Guarantors shall not participate in any material discussions with the regulators relating to the CCAA Proceeding or any Potential Transaction or Restructuring Alternative without providing the Purchasers with a reasonable opportunity to participate in such discussions unless a regulator explicitly requests a discussion without the Purchasers present, in which case the Issuer and the Guarantors shall provide the Purchasers with advance notice and an opportunity for Goodmans to participate in such a discussion on an external counsel basis, and agree with Goodmans in advance regarding the conduct and nature of such discussions provided that the Issuer and the Guarantors or their advisors shall, following such discussion, advise the Purchasers of the content of those discussions aside from external counsel only matters.

(z) ~~(x)~~ The Issuer and the Guarantors shall promptly (and in any event within 24 hours of receipt by any of them) notify the Purchasers and Goodmans, at first orally and thereafter in writing, of any proposal in respect of any Potential Transaction, in each case received after the date hereof, of which it or any of its representatives are or become aware, or any amendments to such proposal in respect of any Potential Transaction, any request for material discussions or negotiations, or any request for non-public information relating to the Issuer or any Guarantor in connection with such Potential Transaction or for access to the books or records of the Issuer or any Guarantor by any person that informs the Issuer or any Guarantor that it is considering making, or has made, a proposal with respect to any Potential Transaction and any amendment thereto; and the Issuer shall promptly provide to the Purchasers and Goodmans a description of the material terms and conditions of any such proposed Potential Transaction or request. The Issuer and the Guarantors shall keep the Purchasers and Goodmans informed of any material change to the material terms of any such proposed Potential Transaction.

(aa) ~~(y)~~ Neither the Issuer nor the Guarantors shall increase compensation or severance entitlements or other benefits payable to directors, senior officers or senior management (including by way of a "KERP"), or pay any bonuses or severance payments whatsoever, if not approved in advance by the Purchasers or as required by law.

(bb) ~~(z)~~ The Issuer and the Guarantors shall operate their businesses in the ordinary course of business, having regard to the current financial condition of the Issuer and the Guarantors, and, in any event, neither the Issuer nor the Guarantors shall make a public announcement in respect of, enter into any agreement or letter of intent with respect to, or attempt to consummate, or support an attempt to consummate by another party, any transaction or agreement outside the ordinary course of business, if not approved in advance by the Purchasers.

(cc) ~~(aa)~~ Following a reasonable advance request by the Purchasers or Goodmans, the Issuer and each Guarantor, as applicable, shall, to the extent permitted by law and the terms of any contractual confidentiality obligations, and subject to and in accordance with the terms of the Noteholder Confidentiality Agreement:

(i) provide the Purchasers and/or Goodmans with reasonable access to its books and records for use in connection with the transactions contemplated by this Agreement; and

(ii) make its officers and legal and financial advisors available on a reasonable basis for any discussions with the Purchasers and/or Goodmans.

(dd) ~~(bb)~~ Any changes to composition (including addition, removal or replacement of directors or officers) of the board of directors or the officers (including the CRO) of the Issuer or any Guarantor shall be acceptable to the Purchasers, acting reasonably.

(ee) ~~(cc)~~ None of the Issuer or any Guarantor shall enter into, or permit any amendment to, any shareholders agreement in respect of it.

(ff) ~~(dd)~~ Without the prior written consent of the Purchasers, Holdings shall not, to the extent it is required to do so, consent to, or take any steps in furtherance of the exercise of any conversion right under the Convertible Debentures or any Equity Securities or Convertible Securities issued by it.

(gg) ~~(ee)~~ Holdings shall immediately notify the Purchasers and their Advisors, at first orally and thereafter in writing, as soon as it has become aware of any intention of any of holder of any Equity Securities or Convertible Securities issued by Holdings to exercise any conversion right under such Equity Securities or Convertible Securities issued by it, other than in respect of the notice of conversion issued by Quadrangle on January 31, 2013 which has been previously disclosed.

(hh) ~~(ff)~~ Without the prior written consent of the Purchasers, Holdings shall not consent to, or prescribe any conditions precedent to, any transfer of the Convertible Debentures by Quadrangle.

(ii) ~~(gg)~~ Immediately upon receipt thereof, Holdings shall notify the Purchasers and Goodmans, at first orally and thereafter in writing, of any notice it has received from Quadrangle notifying Holdings of Quadrangle's intent to transfer the Convertible Debentures.

(jj) ~~(hh)~~ Neither the Issuer nor the Guarantors shall transfer, lease, license or otherwise dispose of all or any part of its property, assets or undertaking aggregating over $500,000 without the consent of the Purchasers, except pursuant to a Potential Transaction which has been approved by the Purchasers.

(kk) ~~(ii)~~ Neither the Issuer nor the Guarantors shall enter into, extend, renew, waive or otherwise modify in any material respect the terms of any transaction with an Affiliate, or extend or renew existing operational arrangements without the prior approval of the Purchasers or as permitted under the Initial Order.

~~(jj)~~ ~~*The Issuer and the Guarantors shall discuss in good faith* any additional funding requirements that the Issuer may have in connection with the deadline for receipt of applications to participate and deposits in respect of the spectrum auction currently scheduled for January 14, 2014 (as such date may be amended).~~

~~(kk)~~ ~~Each of the Ericsson Agreement, the Amdocs Agreement and the Ingram Agreement shall be amended and restated or otherwise addressed pursuant to the CCAA by no later than November 12, 2013, or such other date as the Issuer and the Purchasers may agree, in a manner satisfactory to the Purchasers.~~

14. EVENTS OF DEFAULT

14.1 Each of the following shall constitute an event of default hereunder and under the DIP Notes and the Security Documents (each, an "**Event of Default**"):

(a) the failure to pay any principal amount outstanding under the DIP Notes when the same shall become due and payable hereunder;

(b) the failure to pay any interest on the DIP Notes or any fees or other amounts payable by the Issuer or any Guarantor pursuant to this Agreement or any other DIP Document within 2 Business Days after the same shall become due and payable hereunder or thereunder as the case may be;

(c) the failure by the Issuer or any Guarantor to pay the reasonable and documented fees to the Purchasers' Advisors within 5 Business Days of the receipt of any invoice from any such party;

(d) the failure by the Issuer or any Guarantor to perform or comply with any term, condition, covenant or obligation contained herein (other than the items set out in paragraphs (a), (b) and (c) above), in the DIP Notes or in any other DIP Document or any other document delivered pursuant to the terms hereof or thereof or in connection herewith or therewith on their part to be performed or complied with and, to the extent capable of being remedied, such failure remains unremedied for 5 Business Days;

(e) if any representation, warranty or other statement of the Issuer or any Guarantor made or deemed to be made in this Agreement, any other DIP Document or in any other document delivered pursuant to the terms thereof or in connection therewith shall prove untrue in any material respect as of the date made or deemed to be made;

(f) the failure by the Issuer or any Guarantor to pay any amounts due under or perform or comply with any term, condition, covenant or obligation contained in the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture or the Quadrangle Commitment, in each case except where enforcement is stayed by ~~the~~an order of the CCAA Court;

(g) except as stayed by order of the CCAA Court, the occurrence of a default or an event of default under any Indebtedness for borrowed money of the Issuer or any Guarantor, including for greater certainty under the Senior Indenture, the Bridge Notes NPA, the Senior Unsecured Indenture or the Quadrangle Commitment;

(h) except as stayed by order of the CCAA Court, a default under, revocation or cancellation of, any Material Contract which has or could reasonably be expect to result in a Material Adverse Effect;

(i) the existence of (i) an adverse variance of actual cash flow from the Cash Flow Forecast by an amount exceeding 10% in respect of any preceding four week period as reflected in the Cash Flow Forecast, provided that the amount of all professional fees paid during such period (including any amounts paid to the Purchasers~~'~~' Advisors) and the amount of any interest payment not made pursuant to Section 13(~~l~~o) shall be excluded solely for the purposes of such calculation, or (ii) the occurrence of any other Material Adverse Effect with respect to the business and affairs of the Issuer or any Guarantor;

(j) the existence of an adverse variance of actual Professional Fees of any advisor from the amount set out therefor in the Cash Flow Forecast by an amount exceeding 15% in respect of any preceding four week period as reflected in the Cash Flow Forecast, provided that such an adverse variance in respect of the Professional Fees of the Monitor and legal counsel to the Monitor shall be subject to an order of the CCAA Court prior to being taken into account for the purposes of this paragraph;

(k) any change to the composition (including addition, removal or replacement of directors or officers) of the board of directors or officers of the Issuer or any Guarantor that is not acceptable to the Purchasers, acting reasonably;

(l) the removal, termination, replacement or change in the scope or extent of the authority of the CRO, without the prior consent of the Purchasers, acting reasonably;

(m) any change, other than through the exercise of conversion rights under the Shareholders Agreement, the Quadrangle Commitment, the Convertible Debentures or other Convertible Securities without the consent of the Issuer or any Guarantor or the issuance of warrants pursuant to the Senior Unsecured Indenture, to (i) the legal or beneficial ownership (whether direct or indirect) of the Equity Securities issued by the Issuer or any Guarantor, or any Convertible Securities of the Issuer or any Guarantor, or rights thereto or (ii) the voting control of the Issuer or any Guarantor, from that disclosed in Sections 12(i) and 12(j) hereof;

(n) the cessation (or threat of cessation) by the Issuer or any Guarantor to carry on business in the ordinary course, having regard to the current financial condition of the Issuer and the Guarantors, without the prior consent of the Purchasers;

(o) the denial or repudiation by the Issuer or any Guarantor of the legality, validity, binding nature or enforceability of this Agreement, the other DIP Documents or any other document or certificate delivered pursuant to the terms hereof or thereof;

(p) the cessation of any of the Security Documents to constitute, in whole or in part, a Lien on the Collateral in the priority contemplated by this Agreement without the prior consent of the Purchasers;

(q) except as stayed by order of the CCAA Court, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of $5,000,000 against the Issuer or any Guarantor or the Collateral that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy;

(r) the CCAA Proceeding shall be dismissed without a sanctioned Plan or converted to a receivership, proposal in bankruptcy or a bankruptcy proceeding~~ other than in connection with an Approved Transaction which has been approved by all of the Purchasers~~;

(s) the appointment of any receiver, receiver-manager, interim receiver, monitor (other than in connection with the CCAA Proceedings), liquidator, assignee, custodian, trustee, sequestrator or other similar entity in respect of the Issuer or any Guarantor (or any of their subsidiaries) or all or any part of their respective property, assets or undertaking other than in connection with a Plan or other Potential Transaction or Restructuring Alternative which has been approved by all of the Purchasers;

(t) other than in connection with the CCAA Proceeding, the act of the Issuer or any Guarantor (i) making a general assignment for the benefit of its creditors, including without limitation, any assignment made pursuant to the BIA, (ii) acknowledging its insolvency or is declared or becomes bankrupt or insolvent, (iii) failing to meet its liabilities generally as they become due, or (iv) committing an act of bankruptcy under the BIA or any similar law of any jurisdiction;

(u) the ~~Initial~~DIP Order (or any other order of the CCAA Court in respect of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge) is dismissed, stayed, reversed, vacated, or amended and such dismissal, stay, reversal, vacating or amendment adversely affects or could reasonably be expected to adversely affect the interests of the Purchasers in any manner, unless in the case of any of the foregoing, the Purchasers have consented thereto in writing;

(v) any order is entered, or any Plan is sanctioned, that is not consistent with any provision of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge in a manner that is adverse to the interests of the Purchasers or could reasonably be expected to adversely affect the interests of the Purchasers, unless in the case of any of the foregoing, the Purchasers have consented thereto in writing;

(w) any proceeding, motion or application shall be commenced or filed by the Issuer or any Guarantor, or if commenced by another party, supported or otherwise consented to by the Issuer or any Guarantor, seeking: (i) the invalidation, subordination or other challenging of the terms and provisions of this Agreement, the DIP Notes, any of the DIP Documents or the DIP Charge; or (ii) approval of any Potential Transaction or Restructuring Alternative which does not have the prior consent of the Purchasers; or

(x) the Issuer or any Guarantor seek to approve or consummate any Potential Transaction or Restructuring Alternative which does not have the prior consent of all of the Purchasers.

15. REMEDIES

Subject to Section 7.43, following the occurrence of an Event of Default, without limiting the remedies available under the Security Documents or hereunder, the Purchasers and/or the Collateral Agent may:

(a) on demand, accelerate all payments due by the Issuer hereunder, and set off amounts owing by the Purchasers to the Issuer against amounts owing by the Issuer to the Purchasers;

(b) apply to a court (i) for the appointment of an interim receiver or a receiver and manager of the undertaking, property and assets of the Issuer or any Guarantor, (ii) for the appointment of a trustee in bankruptcy of the Issuer or any Guarantor, or (iii) to seek other relief; or

(c) without limiting the foregoing, the Collateral Agent and the Purchasers shall have the power and rights of a secured party under section 17 and Part V of the *Personal Property Security Act* (Ontario).

16. GUARANTEE

16.1 Subject to this Article 16, each of the Guarantors hereby, jointly and severally, unconditionally guarantees to each Purchaser and its successors and assigns, irrespective of the validity and enforceability of this Agreement, the DIP Notes or the obligations of the Issuer hereunder or thereunder, that:

(a) the principal of, premium, if any, interest and fees on, the DIP Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the DIP

Notes, if any, if lawful, and all other obligations of the Issuer to the Purchasers or the Collateral Agent under this Agreement, the DIP Notes and any other DIP Document will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(b) in case of any extension of time of payment or renewal of any DIP Notes or any other obligations, that same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise.

Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors will be jointly and severally obligated to pay the same immediately. The liability of each Guarantor shall bear interest from the date any such amount so guaranteed was due at the rate or rates of interest then applicable to such obligations or amount under and calculated in the manner provided in this Agreement.

Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

16.2 The Guarantors hereby agree that their obligations hereunder are unconditional, irrespective of (i) any bankruptcy or insolvency proceeding with respect to the Issuer or any of its Affiliates or any other Person; (ii) any limitation, discharge, or cessation of the liability of the Issuer or any other Person for any obligations under this Agreement, the DIP Notes or any other DIP Document due to any statute, regulation or rule of law, or any invalidity or unenforceability in whole or in part of any of obligations thereunder; (iii) any sale, lease, transfer or other disposition of any or all of the assets of the Issuer, any of its Affiliates or other Person, including any sale of any interest in the Issuer; (iv) any claim, defence, counterclaim or setoff, other than that of prior performance, that the Issuer, any of its Affiliates, or any other Person may have or assert, including any defence of incapacity or lack of capacity to execute or deliver this Agreement or any other DIP Document; (v) the Purchasers’ vote, claim, distribution, election, acceptance, action or inaction in any bankruptcy or insolvency proceeding related to the obligations guaranteed by this Guarantee; (vi) any change in the name, objects, Equity Securities or constitution of the Issuer or any of its Affiliates, (vii) any waiver, release, extension, renewal, settlement, surrender, alteration or compromise of any of this Agreement, the DIP Notes, or any of the Collateral, now or hereafter acquired by the Issuer in which a security interest shall exist in favour of any of the Collateral Agent or the Purchasers to secure the obligations guaranteed by this Guarantee, whether by operation of law or otherwise; (viii) the Collateral Agent’s or any Purchaser’s exercise or non-exercise of any power, right or remedy with respect to any of the Collateral, including the Purchasers’ compromise, release, settlement or waiver with or of any of the Issuer or any other Person; (ix) any impairment or invalidity of any of the Collateral or any failure to perfect any of the Collateral Agent’s or any Purchaser’s security interests thereon or therein; and (x) any other Guarantee, whether by any Affiliate of the Issuer or any other Person, of all or any part of the obligations guaranteed by this Guarantee or any other Indebtedness, obligations or Liabilities of Issuer to the Purchasers. Each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenant that this Guarantee will not be discharged except by complete performance of the obligations contained in the DIP Notes and this Agreement.

16.3 The Collateral Agent and the Purchasers shall not be bound to exhaust their recourse against the Issuer or any other Person being entitled to payment under this Guarantee and each Guarantor renounces all benefits of discussion and division.

16.4 If any Purchaser or the Collateral Agent is required by any court or otherwise to return to the Issuer, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid by either to the Collateral Agent or such Purchaser, this Guarantee, to the extent theretofore discharged, will be reinstated in full force and effect.

16.5 Each Guarantor agrees that it will not be entitled to any right of subrogation in relation to the Purchasers in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Purchasers and the Collateral Agent, on the other hand, (1) the maturity of the obligations guaranteed hereby may be accelerated as provided herein for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (2) in the event of any declaration of acceleration of such obligations as provided herein, such obligations (whether or not due and payable) will forthwith become due and payable by the Guarantors for the purpose of this Guarantee. The Guarantors will have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Purchasers under this Guarantee.

16.6 Until all of the obligations guaranteed under this Guarantee have been paid in full, each Guarantor irrevocably waives any rights which it may have at any time by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Issuer, (ii) to claim contribution from any other Guarantor of the debts, liabilities or obligations of the Issuer, or (iii) to take the benefit (in whole or in part whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Purchasers under this Agreement, the DIP Notes or any other DIP Document.

16.7 Each Guarantor, and by its acceptance of DIP Notes, each Purchaser, hereby confirms that it is the intention of all such parties that the Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of the BIA, the CCAA, the *Winding-up and Restructuring Act (Canada)* or any similar federal or provincial law to the extent applicable to any Guarantee. To effectuate the foregoing intention, the Collateral Agent, the Purchasers and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 16, result in the obligations of such Guarantor under its Guarantee not constituting a fraudulent transfer or conveyance.

16.8 The Guarantors hereby expressly and irrevocably subordinate to the payment of the obligations of the Issuer hereunder and under the DIP Notes, any and all rights at law or in equity to reimbursement, exoneration, contribution, indemnification or set-off and any and all defences available to a surety, guarantor or accommodation co-obligor until all of the obligations of the Issuer hereunder and under the DIP Notes are indefeasibly paid in full in cash and this Agreement has been terminated. The Guarantors further agree to waive any rights of subrogation arising at law or in equity.

16.9 This Guarantee is a continuing Guarantee, extending to all present and future obligations guaranteed hereby, and applying to and securing the ultimate balance of the amounts guaranteed hereby due or remaining due to the Collateral Agent and the Purchasers. This Guarantee shall be binding as a continuing obligation of each Guarantor until the Purchasers release such Guarantor in accordance with the terms of this Agreement. This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the amounts guaranteed hereby is rescinded or must otherwise be returned by the Collateral Agent or the Purchasers upon the insolvency, bankruptcy, or reorganization of the Issuer, all as though such payment has not been made.

17. EXPENSES

The Issuer and each Guarantor will and hereby does indemnify and save harmless each of the Purchasers and their respective Advisors from any loss or damage incurred as a result of entering into this Agreement or any other DIP Document or purchasing the DIP Notes, except for any loss or damage incurred as a result of the gross negligence or wilful misconduct of any of the Purchasers or their respective Advisors. All reasonable out-of-pocket expenses and costs, including, without limitation, all reasonable and documented legal and advisory fees, incurred by each of the Purchasers and their respective Advisors in connection with any matter arising hereunder or any documents issued in connection with this Agreement or any of the DIP Documents or otherwise in connection with the purchase of the DIP Notes shall be for the sole account of the Issuer and shall be paid within five (5) days of being invoiced.

18. TAXES

All payments by the Issuer and/or the Guarantors to any Purchaser, including without limitation any payments required to be made from and after the exercise of any remedies available to the Purchasers upon an Event of Default, shall, except as required by applicable law, be made free and clear of, and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision of any country (collectively "**Taxes**"); provided, however, that if any Taxes (other than Excluded Taxes) are required by applicable law to be deducted or withheld ("**Withholding Taxes**") from any interest or other amount payable to any Purchaser hereunder or under any other document delivered pursuant to the terms hereof, the amount so payable to such Purchaser shall be increased to the extent necessary to yield to the relevant party on a net basis after payment of all Withholding Taxes, the amount payable under such documentation at the rate or in the amount specified in such documentation and the Issuer shall provide evidence satisfactory to the Purchasers that the

Taxes have been so withheld and remitted. Notwithstanding the foregoing, prior to an Event of Default, an assignee of a Purchaser shall not be entitled to any greater payment under this Article 18 than the Purchaser from which it received its assignment.

In addition, the Issuer and Guarantors shall reimburse and indemnify each Purchaser for any Withholding Taxes paid by such Purchaser within 10 days upon receiving evidence from the Purchaser that it has paid the Withholding Taxes, whether or not such Withholding Taxes were correctly or legally asserted. If a Purchaser determines, in its sole discretion exercised in good faith, that it has received a refund of Withholding Taxes to which it has been indemnified and reimbursed by the Issuer and/or Guarantors, it shall pay to the relevant Issuer and/or Guarantor an amount equal to such refund, net of all out-of-pocket expenses (including any taxes) and without interest. Such indemnifying Issuer and/or Guarantor shall, upon request, repay to such Purchaser the amount paid over to the Issuer and/or Guarantor hereunder in the event that the Purchaser is required to repay such refund to a Government Entity.

19. DIP NOTES

19.1 Transfer and Exchange of DIP Notes

Upon any assignment by any Purchaser of its rights and obligations in accordance with the terms of this Agreement to any other Person, and upon surrender of any DIP Note issued in the name of the assigning Purchaser in connection therewith to the Issuer, the Issuer shall execute and deliver, at the Issuer's expense, one or more new DIP Notes, (as requested by the assigning Purchaser) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount (and accrued and unpaid interest owing in respect thereof) of the surrendered Note (evidencing the same and continuing obligation of the DIP Note(s) so surrendered). Each such new DIP Note shall be substantially in the form of Exhibit A and shall be dated and bear interest from the date to which interest shall have been paid on the surrendered DIP Note.

19.2 Replacement of DIP Notes

Upon receipt by the Issuer of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any DIP Note, and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to the Issuer, or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Issuer at its own expense, within five (5) Business Days thereafter, shall execute and deliver in lieu thereof, a new DIP Note (representing the same, continuing obligation as the lost, stolen, destroyed or mutilated DIP Note), dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated DIP Note.

19.3 DIP Notes Held by Issuer, etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of DIP Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or under any documents related thereto, or have directed the taking of any action provided herein or in any of the documents related thereto to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of DIP Notes then outstanding, DIP Notes directly or indirectly owned by the Issuer or any of its Affiliates shall be deemed not to be outstanding.

20. MISCELLANEOUS

20.1 Further Assurances

The Issuer and Guarantors shall at their expense, from time to time do, execute and deliver, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the Purchasers may request for the purpose of giving effect to this Agreement, perfecting, protecting and maintaining the Liens created by the Security establishing compliance with the representations, warranties and conditions of this Agreement or any other document delivered in connection herewith.

20.2 Unrestricted Purchasers

The Issuer and the Purchasers agree that any item required to be delivered to a Purchaser hereunder shall be satisfied by delivery to such Purchaser~~'~~'s legal advisor, Goodmans, in the event such Purchaser is unrestricted and unable to receive confidential information from the Issuer and the Guarantors.

20.3 Disclosure

No press release or other public disclosure concerning the transactions contemplated herein shall be made by the Issuer or Guarantors without the prior consent of the Purchasers (such consent not to be unreasonably withheld); *provided*, however, that the Issuer and Guarantors shall, after providing the Purchasers and their Advisors with copies of all related documents and an opportunity to consult with the Purchasers and their Advisors as to the contents, make prompt disclosure of the material terms of this Agreement and make such disclosure as may be required by applicable law, by any regulatory authority having jurisdiction over the Issuer and Guarantors, or by any court of competent jurisdiction. Notwithstanding the foregoing, no information with respect to the specific holdings of DIP Notes (or any other security of the Issuer or any of its affiliates) held by any Purchaser shall be disclosed by the Issuer or any Guarantor except as may be required by applicable law, by any regulatory authority having jurisdiction over the Issuer or the Guarantors, or by any court of competent jurisdiction.

20.4 Conflict

To the extent that there is any inconsistency between this Agreement and any of the other DIP Documents (other than the ~~Initial~~DIP Order or any other order of the CCAA Court that is a DIP Document), this Agreement shall govern.

20.5 Amendments and Waivers

This Agreement shall only be amended or waived with the consent of the Purchasers, in accordance with Article 5, and the Issuer and the Guarantors. Where any matter under this Agreement or the other DIP Documents requires the agreement, waiver, consent or approval by the Purchasers, confirmation of such agreement, waiver, consent or approval may be provided by Goodmans in writing on behalf of the Purchasers and the Issuer and the Guarantors may rely on such written confirmation from Goodmans on behalf of the Purchasers as conclusive evidence that the Purchasers have agreed, waived, consented to or approved a particular matter.

20.6 Assignments

Each Purchaser may assign and/or grant participations in its Commitment and any portion or all of its DIP Notes without the consent of any other party. No Issuer or Guarantor may assign its rights hereunder without the consent of the Purchasers.

20.7 Governing Law

(a) This Agreement, the other DIP Documents or any other documents executed in connection therewith and each of the documents contemplated herein shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) The Issuer and each Guarantor hereby consents and agrees that the CCAA Court shall have exclusive jurisdiction to hear and determine any claims or disputes between the Issuer, the Guarantors, the Collateral Agent and the Purchasers pertaining to this Agreement or any of the other documents related thereto or to any matter arising out of or relating to this Agreement or any of the other documents related thereto. The Issuer and each Guarantor expressly submits and consents in advance to such jurisdiction in any action or suit commenced in the CCAA Court, and the Issuer and each Guarantor hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue or *forum non conveniens* and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by the CCAA Court. The Issuer and each Guarantor hereby waives personal service of the summons, complaint and other process issued in any such action or suit and agree that service of such summons, complaints and other process may be made by registered mail (return receipt requested) addressed to it at the address set forth in Section 20.15 of this Agreement and that service so made shall be deemed completed upon the earlier of its actual receipt thereof or three (3) Business Days after deposit with Canada post, proper postage paid.

20.8 Currency

All dollar amounts referred to in this Agreement are in Canadian Dollars unless otherwise indicated.

20.9 Exclusivity

Upon entering into this Agreement, the Issuer and each Guarantor agrees that it will not enter into bilateral arrangements with any party to provide any debt facility of any kind or similar financing arrangement, in each case for any purpose contemplated by this Agreement or any other similar purpose unless the consent of the Purchasers has been obtained.

20.10 Counterparts and Facsimile; Signatures

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures provided by electronic transmission or facsimile shall be valid and binding.

20.11 Indemnity

The Issuer and the Guarantors shall indemnify and hold harmless each of the Collateral Agent, the Purchasers and their respective Affiliates, and each such Person's respective officers, directors, shareholders, employees, legal counsel, agents and representatives (each, an "**Indemnified Person**"), from and against any and all suits, actions, proceedings, orders, claims, damages, losses, liabilities and expenses (including reasonable and documented legal fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted against or incurred by any such Indemnified Person as a result of or in connection with (i) the breach by the Issuer of its obligations in connection with or arising out of the transactions contemplated under this Agreement and the other documents related thereto and any actions or failures to act in connection therewith including the taking of any enforcement actions by the Collateral Agent, and (ii) all reasonable legal costs and expenses arising out of or incurred in connection with disputes between or among the Purchasers, the Issuer, the Guarantors and/or any other party or parties to any of the documents related thereto (excluding any such legal costs and expenses incurred by any Purchaser or the Collateral Agent in connection with disputes solely between such Purchasers, or as between a Purchaser or Purchasers and the Collateral Agent (except to the extent that the Issuer and the Guarantors are required to reimburse the Collateral Agent for such costs and expenses under the Collateral Agency Agreement)) (collectively, "**Indemnified Liabilities**"); provided that the Issuer and the Guarantors shall not be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results from that Indemnified Person's gross negligence or wilful misconduct. No Indemnified Person shall be responsible or liable to any other party to any document related thereto, any successor, assignee or third party beneficiary of such Person or any other Person asserting claims derivatively through such party, for indirect, punitive, exemplary or consequential damages which may be alleged as a result of the purchase of the DIP Notes or as a result of any other transaction contemplated hereunder or under any of the documents related thereto.

20.12 No Waiver

The Collateral Agent's or any Purchaser's failure, at any time or times, to require strict performance by the Issuer or the Guarantors of any provision of this Agreement or any other document related thereto shall not waive, affect or diminish any right of the Collateral Agent or such Purchaser thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of an Event of Default shall not suspend, waive or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. Except as otherwise provided for herein, none of the undertakings, agreements, warranties, covenants and representations of the Issuer and the Guarantors contained in this Agreement or any of the other documents related thereto and no Default or Event of Default by the Issuer or any Guarantor shall be deemed to have been suspended or waived by the Collateral Agent or any Purchaser, as applicable, unless such waiver or suspension is by an instrument in writing from the Collateral Agent and/or the applicable Purchasers and directed to the Issuer or any Guarantor specifying such suspension or waiver.

20.13 Remedies

The Purchasers' rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that the Collateral Agent or any Purchaser may have under any other agreement, including the other documents related thereto, by operation of law or otherwise. Recourse to the Collateral shall not be required.

20.14 Severability

Wherever possible, each provision of this Agreement and the other documents related thereto shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement or any other document related thereto shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or such other document related thereto.

20.15 Notices

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered:

(a) upon the earlier of actual receipt and three (3) Business Days after deposit with Canada Post, registered mail, return receipt requested, with proper postage prepaid,

(b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or with Canada Post as otherwise provided in this Section 20.15),

(c) upon receipt, when sent by electronic mail (with such electronic mail promptly confirmed by delivery of a copy by personal delivery or Canada Post as otherwise provided in this Section 20.15) and such notice, demand, request, consent, approval, declaration or other communication shall be in "pdf" format and shall include the actual signature of the party sending such communication if that signature would be required or customary if the communication was delivered by telecopier,

(d) one (1) Business Day after deposit with a reputable courier for overnight delivery with all charges prepaid, or

(e) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated Schedule B hereto or to such other address (or facsimile number) as may be substituted by notice given as herein provided.

The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than the Issuer or Collateral Agent) designated on Schedule B to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

20.16 Section Titles

The Section titles and Table of Contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

20.17 Reinstatement

This Agreement shall remain in full force and effect and continue to be effective should any petition or other proceeding be filed by or against the Issuer or any Guarantor for liquidation or reorganization, should the Issuer make an assignment for the benefit of any creditor or creditors or should an interim receiver, receiver, receiver and manager or trustee be appointed for all or any significant part of the Issuer's or Guarantors' assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the obligations under the DIP Notes, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the DIP Notes, whether as a fraudulent preference, reviewable transaction or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the obligations under the DIP Notes shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

20.18 No Strict Construction

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.

20.19 Permitted Liens

~~Except as otherwise expressly provided in this Agreement with respect to Liens granted in favour of the Senior Agent as security for the Senior Notes or with respect to the charges granted by the CCAA Court in the CCAA Proceedings in accordance with the rankings set out in Article 7, the~~The designation of any Lien as a Permitted Lien or a SpectrumCo Permitted Lien is not, and shall not be deemed to be, an acknowledgment by the Collateral Agent or any of the Purchasers that the Lien shall have priority over the security interests granted to the Collateral Agent for the benefit of itself and the Purchasers in the Collateral pursuant to the Security Documents.

20.20 Signing Authority

Each Signatory has delivered a letter to the Issuer dated as of the date hereof (each a "**Signing Authority Letter**") confirming its authority to sign this Agreement and all other DIP Documents for and on behalf of the Purchasers listed on Schedule A to such Signatory~~'~~'s Signing Authority Letter.

20.21 Collateral Agent

The Collateral Agent is a party to this Agreement solely in its capacity as collateral agent pursuant to the terms the Collateral Agency Agreement, and has not, by entering into this Agreement, assumed any obligations or liabilities other than those contained in the Collateral Agency Agreement. To the extent that there is any inconsistency between any term of this Agreement and the Collateral Agency Agreement, insofar as such inconsistency affects the Collateral Agent, the Collateral Agency Agreement shall govern.

20.22 Principles of Construction

(a) Unless otherwise specified, references in this Agreement or any of the Exhibits, Annexes, Schedules or Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in this Agreement. The words "herein," "hereof~~,~~" and "hereunder" and other words of similar import refer to this Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in this Agreement or any such Annex, Exhibit or Schedule.

(b) Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; the word "or" is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the agreement) or, in the case of Governmental Entities, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Whenever any provision in any agreement refers to the knowledge (or an analogous phrase) of the Issuer or any Guarantor, such words are intended to signify that the Issuer or such Guarantor has actual knowledge or awareness of a particular fact or circumstance or that the Issuer or such Guarantor, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

(c) All Annexes, Schedules, Exhibits and other attachments (collectively, "**Appendices**") hereto, or expressly identified to this Agreement, are incorporated herein by reference, and taken together with this Agreement, shall constitute one single agreement.

20.23 Purchaser Identity and Holdings

The Issuer and the Guarantors agree, on their own behalf and on behalf of their Representatives, to maintain the confidentiality of the identity and, to the extent known, specific holdings of the Purchasers; provided, however, that such information may be disclosed: (a) to the Issuer's and Guarantors' respective directors, trustees, executives, officers, auditors, and employees and financial and legal advisors or other agents (collectively referred to herein as the "**Representatives**" and individually as a "**Representative**") and provided further that each such Representative is informed of, and agrees to abide by, this confidentiality provision; and (b) to Persons in response to, and to the extent required by, (i) any subpoena, or other legal process, including, without limitation, by a court of competent jurisdiction or applicable rules, regulations or procedures of such court, (ii) any Governmental Entity, or (iii) applicable Law. If the Issuer, the Guarantors or their Representatives are required to disclose the identity or specific holdings of a Purchaser in the manner set out in the preceding sentence, the Issuer and/or the Guarantors shall provide such Purchaser with prompt written notice of any such requirement, to the extent permissible and practicable under the circumstances, so that such Purchaser may (at the Issuer's expense) seek a protective order or other appropriate remedy or waiver of compliance with the provisions of this Agreement. Notwithstanding the provisions in this Section or elsewhere in this Agreement: (x) the Issuer and/or the Guarantors may disclose the identity of a Purchaser if necessary in connection with any action to enforce this Agreement against such Purchaser (and only to the extent necessary to enforce this Agreement against such Purchaser), (y) the Issuer and/or the Guarantors may disclose the identity or a Purchaser's specific holdings to the extent consented to in writing by a Purchaser (or by such Purchaser's duly authorised advisor) and (z) the Issuer and/or the Guarantors may disclose the identity of a Signatory.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC., as Issuer

Per: ______________________________

Name:
Title:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC., as a Guarantor

Per: ______________________________

Name:
Title:

8440522 Canada Inc., as a Guarantor

Per: ______________________________

Name:
Title:

[Mobilicity SpectrumCo], as a Guarantor

Per: ______________________________

Name:
Title:

Schedule B
Notices

If to the Issuer or any Guarantor

Data & Audio-Visual Enterprises Wireless Inc.
101 Exchange Ave
Vaughan, Ontario, L4K 5R6

Attn: William Aziz
Fax: 416.650.9706
E-mail: baziz@bluetreeadvisors.com

and a copy to:

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, ON
M5J 2Z4

Attn: Walied Soliman
Fax: 416.216.3930
E-mail: walied.soliman@nortonrosefulbright.com

If to any Purchaser:

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario, M5H 2S7

Attn: Rob Chadwick/~~Dan Dedic~~Caroline Descours
Fax: 416.979.1234
E-mail: rchadwick@goodmans.ca/~~ddedic~~cdescours@goodmans.ca

Schedule C
DEFINITIONS

Defined Term	**Section Number**
Advisor Retainers	12(f)
Affiliate Payments	12(p)
Agreement	Preamble
Appendices	20.22(c)
~~Approved Transaction~~	~~13(f)~~
~~Business Day~~	~~10.1~~
CCAA	Preamble
CCAA Court	Preamble
CCAA Proceeding	Preamble
Closing Date	2.2
Collateral	12(v)
Collateral Agent	Parties
Commitment	3.1
Company Permits	12(t)(i)
Criminal Code interest	10.3(a)
criminal rate	10.3(a)
CRTC	12(t)(i)
Default	13(~~h~~k)(ix)
Deposit	Preamble
DIP Funding Fee	3.4
DIP Notes	2.1
Event of Default	14.1
Excess Amount	10.3(a)
~~Final DIP Notes~~	~~11.2~~
~~Fourth Tranche DIP Notes~~	~~11.2~~
Guarantors	Parties
Indemnified Liabilities	20.11
Indemnified Person	20.11
~~Initial Closing Date~~	~~2.2~~
~~Initial DIP Funding Fee~~	~~3.4~~
Initial Sub-Tranche	11.1
Interest Rate	3.3
Issuer	Parties
~~Lien~~	~~6.2~~
Maturity Date	8.1
Mobilicity SpectrumCo	Preamble
Permitted Liens	11.1(~~e~~g)
Purchase Price	2.1
Representative(s)	20.23
~~Second Tranche DIP Notes~~	~~11.2~~
Security	6.~~1~~
Security Documents	11.1(e)

Defined Term	Section Number
Signing Authority Letter	20.20
~~Subsequent DIP Funding Fee~~	~~3.4~~
~~Subsequent Tranche Closing Date~~	~~2.2~~
~~Subsequent Sub-Tranche~~	~~11.2~~
~~Subsequent Tranche of DIP Notes~~SpectrumCo Permitted Liens	11.~~2~~1(g)
Taxes	18
~~Third Tranche DIP Notes~~	~~11.2~~
Total Commitment	3.1
Wireless	Parties
Withholding Taxes	18

In addition, the following terms used in this Agreement shall have the following meanings:

"**Administration Charge**" means the CCAA Court ordered administration charge granted in the Initial Order~~ in an~~, the amount ~~to be agreed upon by the Issuer and~~and ranking of which may be amended with the consent of the Purchasers.

"**Advisors**" means the legal and financial advisors to the Purchasers.

"**Affiliate**" means (a) any Person which, directly or indirectly, Controls, is Controlled by or is under common Control with any other Person; (b) any Person which beneficially owns or holds, directly or indirectly, 10% or more of any class of voting stock or equity interest (including partnership interests) of any other Person; (c) any Person, 10% or more of any class of the voting stock (or if such Person is not a corporation, 10% or more of the equity interest, including partnership interests) of which is beneficially owned or held, directly or indirectly, by any other Person; or (d) any Person related within the meaning of the *Income Tax Act* (Canada) to any such Person and includes any "Affiliate" within the meaning specified in the CBCA on the date hereof.

"~~**Amdocs Agreement**" means the Master Services Agreement between Data & Audio-Visual Enterprises Wireless Inc., Amdocs Canadian Manages Services, Inc. and Amdocs Software Systems Limited dated October 15, 2009, as amended.~~**AWS-3 Auction Rules**" means the Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3) issued by Industry Canada in December 2014, and all related documents and materials, as each may be amended, modified and/or supplemented.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985, c. B-3, as amended.

"**Bridge Notes**" means the senior secured second lien notes issued under the Bridge Notes NPA, plus all interest and fees thereon owed pursuant to the Bridge Notes NPA.

"**Bridge Notes Agent**" means Equity Financial Trust Company as collateral agent under the Bridge Notes NPA.

"**Bridge Notes NPA**" means the note purchase, guarantee and backstop agreement dated as of February 6, 2013, as amended, restated, supplemented or otherwise modified from time to time.

"**Bridge Notes Purchasers**" means the Purchasers under the Bridge Notes NPA.

"**Bridge Notes Security**" means the security interests granted by the Issuer and each Guarantor in all of the property, assets and undertaking of the Issuer and the Guarantors to the Collateral Agent for the benefit of itself and the Bridge Note Purchasers in connection with the Bridge Notes NPA, the Bridge Notes and the Transaction Documents (as such term is defined in the Bridge Notes NPA).

"**Bridge Obligations**" means any and all amounts now or hereafter owing by the Issuer and/or the Guarantors to the Bridge Notes Purchasers pursuant to the Bridge Notes NPA or any other Transaction Document (as such term is defined in the Bridge Notes NPA) (including all principal, interest, fees, expenses, the Liquidity Payment (as such term is defined in the Bridge Notes NPA), indemnities and any other amounts).

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

"**Capital Lease**" means any lease of property that, in accordance with GAAP, is required to be capitalized on the consolidated balance sheet of the Issuer or Guarantors.

"**Capital Lease Obligations**" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as Capital Leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"**Cash Flow Forecast**" means the weekly cash flow forecast for the Issuer and the Guarantors for the first 13 weeks after the ~~Initial~~ Closing Date, as the same shall be updated pursuant to Section 13(~~h~~k), and in each case approved by the Purchasers, which cash flow forecast shall contain, among all other items, a specific delineation of all anticipated Professional Fees, presented on a weekly basis for each advisor.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended.

"**Change of Control**" means any change in the legal or beneficial ownership of more than fifty percent (50%) of the voting Equity Securities of the Issuer or any Guarantor in one or more related transactions.

"**Collateral Agency Agreement**" means the collateral agency agreement dated as of the date hereof by and among the Purchasers, the Collateral Agent, the Issuer and the Guarantors.

"**Contracts**" means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a

Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

“**Control**” (including the terms “controlled by” and “under common control with”), means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question.

“**Convertible Debentures**” means any debentures or other similar debt instruments issued to Quadrangle or its affiliates by Holdings, including any debentures issued under the Quadrangle Commitment.

“**Convertible Securities**” means warrants, options or other securities of a Person convertible into Equity Securities of such Person.

“**CRO**” means Blue Tree Advisors II Inc. (or such other persons appointed to be the Chief Restructuring Officers of the Issuer and the Guarantors as may be acceptable to the Purchasers, acting reasonably).

“**Current Cash Flow Period**” means, at any time, the 13-week period covered by the most recently delivered Cash Flow Forecast.

“**DIP Charge**” means the CCAA Court ordered charge to be granted in the ~~Initial~~DIP Order to secure payment of the Obligations.

“**DIP Documents**” means this Agreement, the DIP Notes, the Security Documents, the Collateral Agency Agreement, the Perfection Certificate, the Disclosure Letter, the ~~Initial~~DIP Order and any other order of the CCAA Court with respect to this Agreement and/or the DIP Notes, and all other documents or instruments delivered pursuant to the terms of this Agreement and/or the DIP Notes or in connection with this Agreement and/or the DIP Notes.

“**DIP Order**” means an order granted by the CCAA Court pursuant to which, *inter alia*, the Issuer and the Guarantors shall be authorized to enter into this Agreement and perform their obligations hereunder, and the DIP Charge shall be approved, *in form and substance satisfactory to the Purchasers*, as the same may be amended by the CCAA Court with the consent of the Purchasers.

“**Directors~~”~~’ Charge**” means the CCAA Court ordered directors~~”~~’ charge granted in the Initial Order~~ in an~~, the amount ~~to be agreed upon by the Issuer~~ and ranking of which may be amended with the consent of the Purchasers.

“**Disclosure Letter**” means a letter from the Issuer and the Guarantors to the Purchaser~~”~~’s counsel, Goodmans dated the date hereof and attached as Schedule F hereto, all or any portion of which Goodmans shall be entitled to share with one or more Purchasers.

“**Distribution**” means the retirement, redemption, retraction, purchase, repayment or other acquisition of any Equity Securities or Indebtedness of any Person; the declaration or payment of any dividend, return of capital or other distribution of, on or in respect of Equity Securities of any Person; or any other payment or distribution (in cash, securities or other property or otherwise) of, on or in respect of any Equity Securities or Indebtedness of any Person or any of its subsidiaries.

"**Equity Securities**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person~~'~~’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

~~"**Ericsson Agreement**" means the Master Services Agreement between Ericsson Canada Inc. and Data & Audio-Visual Enterprises Wireless Inc., effective March 31, 2010, as amended.~~

"**Excluded Taxes**" means Taxes based upon or measured by a Purchaser~~'~~’s overall net income, capital, net receipts or net profits or franchise taxes imposed in lieu thereof, and imposed by a taxing authority in a jurisdiction in which such Purchaser is organized, its principal office is located or it has its lending office in respect of which payments under the Agreement are made.

~~"**Final Order**" means, in respect of any order of the CCAA Court, that said order is in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect (except as may be acceptable to the Purchasers), and any applicable appeal period in respect thereof shall have expired or, if an appeal was filed, that such appeal shall have been dismissed on a final basis without further appeal.~~

"**Financial Statements**" means (a) the ~~audited~~ consolidated balance sheet of the Issuer and the Guarantors as at December 31, 201~~2~~3 and the related ~~audited~~ consolidated statement of operations and comprehensive loss, consolidated statement of cash flows for each of the fiscal years then ended, together with the report thereon of independent certified public accountants, each prepared in accordance with GAAP consistently applied throughout the periods covered, and (b) an unaudited consolidated balance sheet of the Issuer and the Guarantors as of ~~March~~December 31, 201~~3~~4, and the related unaudited consolidated statement of operations and comprehensive loss and consolidated statement of cash flows for such period, each prepared in accordance with GAAP consistently applied throughout the periods covered.

"**GAAP**" means International Financial Reporting Standards as in effect from time to time.

"**Goodmans**" means Goodmans LLP, solely in its capacity as legal counsel to the Purchasers in respect of this Agreement.

"**Governmental Entity**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Guarantee**" of or by any Person (in this definition, the "**guarantor**") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (in this definition, the "primary credit party") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Indebtedness or other obligation, (d) as an account party in respect of any letter of credit or letter of guarantee issued to support such Indebtedness or other obligation, or (e) to purchase, sell or lease (as lessor or lessee) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Indebtedness or to assure the holder of such Indebtedness against loss.

"**Holdings**" means Data & Audio-Visual Enterprises Holdings Inc.

"**Indebtedness**" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, DIP Notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guarantee, (j) all obligations, contingent or otherwise, of such Person in respect of bankers~~'~~' acceptances, (k) all negative marked-to-market exposure of such Person under Swap Agreements, and (l) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value (other than for other Equity Securities) any Equity Securities in the capital of such Person, valued, in the case of redeemable Equity Securities, at the greater of voluntary or involuntary liquidation preference, plus accrued and unpaid dividends.

"~~**Ingram Agreement**~~**Initial DIP NPA**" means the ~~letter~~DIP note purchase and guarantee agreement ~~entered into as of March 1, 2013 by and between Ingram Micro Inc. and Data & Audio-Visual Enterprises Wireless Inc.~~dated as of September 30, 2013, as amended, restated, supplemented or otherwise modified from time to time.

~~"**Initial DIP Notes**" means the first tranche of DIP Notes to be issued pursuant to Section 11.1 of this Agreement in an aggregate principal amount equal to $3,200,000.~~

"**Initial Order**" means an initial order granted by the CCAA Court on September 30, 2013 in respect of the Issuer and the Guarantors~~, *in form and substance satisfactory to the Purchasers*~~, as the same may be amended by the CCAA Court or the Issuer and the Guarantors with the consent of the Purchasers.

"**Investment**" means, as applied to any Person (the "investor"), any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person, including any exchange of Equity Securities for Indebtedness, or any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by the investor to any other Person, including all Indebtedness and accounts owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor~~'~~'s business, or any direct or indirect purchase or other acquisition of bonds, DIP Notes, debentures or other debt securities of, any other Person.

"**KERP Charge**" means the CCAA Court ordered key employee retention charge granted in the Initial Order~~ in an~~, the amount ~~to be agreed upon by the Issuer and~~and ranking of which may be amended with the consent of the Purchasers.

"**Liability**" or "**Liabilities**" means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any type, whether accrued, absolute, contingent, matured, unmatured liquidated, unliquidated, known or unknown.

*"**Lien**" means any mortgage, charge, hypothec, lien and security interest of any kind or nature whatsoever.*

"**Material**" means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Issuer and the Guarantors (taken as a whole).

"**Material Adverse Effect**" means an event, change or occurrence that, individually or together with any other event, change or occurrence, has a material adverse impact on (a) the financial condition, business or results of operations of the Issuer and the Guarantors (taken as a whole) and shall include, without limitation, the disposition by the Issuer or any Guarantor of any material asset without the prior consent of the Purchasers, (b) the ability of the Issuer or any of the Guarantors to perform their payment obligations under this Agreement, or (c) the rights and remedies of the Purchasers under this Agreement or any of the DIP Documents; provided, however, that a Material Adverse Effect shall not include, and shall be deemed to exclude the impact of: (A) changes in laws of general applicability or interpretations thereof by courts or governmental or regulatory authorities, (B) actions and omissions of the Issuer or any Guarantor taken with the prior written consent of the Purchasers, (C) the effects of compliance with this Agreement, including on the operating performance of the Issuer and the Guarantors, (D) the negotiation, execution, delivery, performance, consummation, potential consummation or public announcement of this Agreement or the transactions contemplated by this Agreement, including any litigation resulting therefrom or with respect thereto, and any adverse change in customer, distributor, employee, supplier, financing source, licensor, licensee, sub-licensee, shareholder, collaboration or joint venture partner or similar relationships resulting therefrom or with respect thereto, (E) any change or development in Canadian financial, credit or securities markets, general economic or business conditions, or political conditions, (E) any act of war, armed hostilities or terrorism or any worsening thereof, (F) any failure by the Issuer or any Guarantor to meet internal projections or forecasts or third party revenue or earnings predictions for any period (it being understood that any cause of any such failure may be taken into consideration when determining whether a Material Adverse Effect has occurred or is reasonably expected to occur), or (G) the terms of Industry Canada's Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licenses for Commercial Mobile Spectrum (June 2013).

"**Material Contract**" means (a) the contracts, licences and agreements listed and described in the Disclosure Letter and (b) any other contract, licence or agreement (i) to which the Issuer or any Guarantor is a party or is bound, (ii) which is material to, or necessary in, the operation of the business of the Issuer or any Guarantor, and (iii) which ~~a~~ the Issuer or any Guarantor cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

"**Monitor**" means the monitor appointed pursuant to the Initial Order in respect of the Issuer and the Guarantors.

"**Noteholder Confidentiality Agreement**" means a confidentiality agreement entered into or binding upon a Purchaser and one or more of the Issuer and the Guarantors.

"**Obligations**" means any and all amounts now or hereafter owing by the Issuer and/or the Guarantors to the Purchasers pursuant to this Agreement or any other DIP Document (including all principal, interest, fees, expenses, the DIP Funding Fee, indemnities and any other amounts).

"**Pari Passu Convertible Debentures**" means the Initial Convertible Debentures as such term is defined in the Quadrangle Commitment.

"**Perfection Certificate**" means the perfection certificate delivered by the Issuer and the Guarantors to the Purchasers and the Collateral Agent dated as of the date hereof.

"**Person**" means any natural person, corporation, company, limited liability company, unlimited liability company, trust, joint venture, association, incorporated organization, partnership, Governmental Entity or other entity.

"**Plan**" means any plan of compromise, arrangement or reorganization filed pursuant to the CBCA, the CCAA or any other statute, in respect of any of the Issuer or any of the Guarantors.

"**Potential Transaction**" means a transaction that may or could reasonably be expected to result in a financing, refinancing, Sale Transaction, Change of Control or Plan.

"**Professional Fees**" means the fees and expenses of the legal and financial advisors to the Issuer and the Guarantors, the CRO, legal counsel to the CRO, the Monitor and legal counsel to the Monitor.

"**Purchasers**" means, collectively, the funds that are managed or administered by each Signatory and listed on Schedule A to such Signatory's Signing Authority Letter.

"**Quadrangle**" means QCP CW S.a.r.l.

"**Quadrangle Commitment**" means the Second Amended and Restated Commitment Agreement dated as of April 29, 2011 by and among Holdings, Quadrangle and Data & Audio-Visual Enterprises Investments Inc., as it exists on the date hereof.

"**Restructuring Alternative**" means any restructuring, plan of arrangement or compromise, other transaction or any other alternative steps taken with respect to the Issuer and the Guarantors including, without limitation, any auction procedure or process, in each case in respect of all of the assets and property of the Issuer and the Guarantors (or any material portion or combination of such property and assets), a disposition of material assets, warehousing of the Spectrum Licenses, a suspension or termination of the Issuer~~'~~'s business and operations, liquidation, winding-up, bankruptcy or other proceeding (including any other insolvency proceeding) in respect of the Issuer and the Guarantors, in each case as approved in advance by the Purchasers.

"**Sale Transaction**" means a sale by the Issuer or any Guarantors of all or substantially all of its assets or ongoing business operations.

"**Senior Agent**" means Equity Financial Trust Company, as trustee and collateral agent under the Senior Indenture.

"**Senior Indenture**" means the first lien secured indenture dated as of April 29, 2011 by and among the Issuer, as issuer, the guarantors party thereto and Equity Financial Trust Company, as trustee, as amended from time to time and as may be further amended, restated, supplemented or otherwise modified from time to time.

"**Senior Notes**" means the ~~DIP Notes~~notes issued under the Senior Indenture.

"**Senior Obligations**" means all obligations of the Issuer and the Guarantors under the Senior Indenture and the Senior Notes.

"**Senior Security**" means the security interests granted by the Issuer and each Guarantor in all of the property, assets and undertaking of the Issuer and the Guarantors to the Senior Agent in connection with the Senior Indenture and the Senior Notes.

"**Senior Unsecured Debentures**" means the debentures issued under the Senior Unsecured Indenture.

"**Senior Unsecured Indenture**" means the trust indenture amended and restated as of April 29, 2011 between Holdings, as issuer and Equity Financial Trust Company, as trustee, ~~,~~as amended from time to time and as may be further amended, restated, supplemented or otherwise modified from time to time.

"**Shareholders**" means each of the shareholders of Holdings, including each of Quadrangle and Data & Audio-Visual Enterprises Investments Inc.

"**Shareholders Agreement**" means the Second Amended and Restated Shareholders Agreement made as of May 14, 2010 between Data & Audio-Visual Enterprises Investments Inc., Quadrangle, Holdings and the Issuer.

"**Signatory**" means each party listed on the signature pages to this Agreement that is signing for and on behalf of the Purchasers that it manages or administers that are listed on Schedule A to such party's Signing Authority Letter.

"**Spectrum Licenses**" means the spectrum licences issued to the Issuer for spectrum in the 1730-1735, 2130-2135, 1735-1740 and 2135-2140 MHz frequency bands, and any other spectrum or radio licences held by the Issuer or any Guarantor and issued pursuant to the *Radiocommunication Act* (Canada) and the regulations made thereunder.

~~"**Spectrum Transfer Restrictions**" means the prohibitions set forth in section 2 (License Transfer and Divisibility) of the Spectrum Licenses, and any other similar prohibitions, that prohibit any transfer of the Spectrum Licenses to, or acquisition of ownership or control of the Issuer by, a company that does not meet the criteria of a new entrant prior to February 11, 2014.~~

"**Swap Agreement**" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

"**Third Party L/C Charges**" means, to the extent the Deposit for the AWS-3 Auction is submitted by way of a letter of credit, any third party charges or fees incurred in connection with the provision of a letter of credit in connection with the Deposit for the AWS-3 Auction.

SCHEDULE E
PERMITTED LIENS

Nil.

SCHEDULE F
DISCLOSURE LETTER

See attached.

EXHIBIT A – FORM OF DIP NOTE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [•], 20135 AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY".

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW AND MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE ACT, (C) WITHIN THE UNITED STATES IN COMPLIANCE WITH (I) RULE 144 UNDER THE ACT, OR (II) RULE 144A UNDER THE ACT, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE ISSUER AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER.

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. AT ANY TIME THAT THE ISSUER IS A "FOREIGN ISSUER" (AS DEFINED IN RULE 902 UNDER THE ACT), A NEW CERTIFICATE, BEARING NO LEGEND, THE DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY" MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE ISSUER UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRANSFER AGENT AND THE ISSUER, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE ACT AND, IF REQUESTED BY THE ISSUER OR ITS TRANSFER AGENT, AN OPINION OF COUNSEL OF RECOGNIZED STANDING, EACH IN A FORM SATISFACTORY TO THE TRANSFER AGENT OF THE ISSUER AND THE ISSUER, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE ACT.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

(A corporation incorporated under the laws of Ontario)

~~15.5% Second Lien~~Senior Secured DIP Note

~~●~~●, 20~~13~~5

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. (the "**Company**"), for value received hereby acknowledges itself indebted and, subject to the provisions of a note purchase and guarantee agreement (as from time to time amended, restated, replaced or modified, the

"**DIP Note Purchase Agreement**") dated as of ~~September 30~~●, 201~~3~~5 between, *inter alia*, the Company, Equity Financial Trust Company and the Purchasers named therein promises to pay to ~~●~~●, the registered holder hereof, or its successors or permitted assigns, on the Maturity Date or on such earlier date as the principal amount hereof may become due in accordance with the terms of the DIP Note Purchase Agreement, the principal sum of ~~●~~● CANADIAN DOLLARS (CDN$ ~~●~~●) with interest (a) on the unpaid balance thereof at the Interest Rate from the date hereof, calculated daily and payable ~~monthly~~at the time of repayment of the Note and compounded monthly (to the extent not paid when due) in arrears on the first Business Day of each month and on the Maturity Date in accordance with the terms of the DIP Note Purchase Agreement, commencing on ~~●~~●, 201~~3~~5, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal or any overdue payment of interest, calculated and payable in accordance with the terms of the DIP Note Purchase Agreement (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to 2% above the Interest Rate. Capitalized terms used and not defined herein shall have the meaning assigned thereto in the DIP Note Purchase Agreement.

All interest payable by the Company hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment in accordance with the provisions of the DIP Note Purchase Agreement.

Payments of principal or interest on this Note are to be made in lawful money of Canada to the holder of this Note or at such other place as the holder of this Note shall have designated by written notice to the Company as provided in the DIP Note Purchase Agreement.

Upon surrender of this Note for transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder~~'~~'s attorney duly authorized in writing, a new Note for a like principal amount will be issued to and in the name of, the transferee. Prior to due presentment for transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional and/or mandatory prepayment, in whole or from time to time in part, at the times and on the terms specified in the DIP Note Purchase Agreement. In addition to payments of principal and interest required to be paid by the Company, the Company promises to pay the holder of this Note all fees required to be paid in respect of this Note pursuant to the terms of the DIP Note Purchase Agreement.

If an Event of Default, as defined in the DIP Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner and with the effect provided in the DIP Note Purchase Agreement.

This Note is secured by the Security.

Reference is hereby expressly made to the DIP Note Purchase Agreement for a description of the terms and conditions upon which the DIP Notes are issued and held and the rights and remedies of the holders of the DIP Notes and of the Company, all to the same effect as if the provisions of the DIP Note Purchase Agreement were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents. To the extent that anything contained herein is inconsistent with or conflicts with the provisions of the DIP Note Purchase Agreement, the provisions of the DIP Note Purchase Agreement shall govern.

This Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Per: ______________________________

Name:
Title:

Exhibit "C"

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164514.76

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

FILE CURRENCY : 22JAN 2015

ENQUIRY NUMBER 20150123164514.76 CONTAINS 17 PAGE(S), 8 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

This is Exhibit C referred to in the affidavit of William E. Aziz sworn before me, this 26th day of January, 2015

V Riley
A COMMISSIONER FOR TAKING AFFIDAVITS

Victoria Juliette Riley, a Commissioner, etc.
Province of Ontario, while a Student-at-Law.
Expires April 10, 2016.

ESC REF: 2592788
ESC CORPORATE SERVICES LTD.
445 KING STREET WEST, SUITE 400
TORONTO ON M5V 1K4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

CONTINUED... 2

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
691341417

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20131025 1421 1862 7521	P PPSA	2

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

02 DEBTOR
03 NAME BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

05 DEBTOR
06 NAME BUSINESS NAME DATA & AUDIO VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
07 ADDRESS 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT NORTON ROSE FULBRIGHT CANADA LLP (AR/HR)
17 ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164514.76

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(3718)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 691341426

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20131025 1421 1862 7522	P PPSA	2

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: DATA & AUDIO VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
07 ADDRESS: 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR VEHICLE — YEAR / MAKE / MODEL / V.I.N.
12

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: NORTON ROSE FULBRIGHT CANADA LLP (AR/HR)
17 ADDRESS: 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
684332757

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20130125 1652 1862 7436	P PPSA	2

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.
ONTARIO CORPORATION NO.
07 ADDRESS: 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR VEHICLE — YEAR / MAKE / MODEL / V.I.N.
12

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: NORTON ROSE CANADA LLP (AR/HR)
17 ADDRESS: 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		002		20130517 1200 1862 5728	

21 RECORD REFERENCED FILE NUMBER 684332757

PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD

22 X A AMENDMENT

23 REFERENCE DEBTOR/ TRANSFEROR — FIRST GIVEN NAME | INITIAL | SURNAME

24 BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.

25 OTHER CHANGE
26 REASON/ DESCRIPTION DEBTOR NAME CHANGE AS A RESULT OF THE AMALGAMATION OF DATA &
27 AUDIO-VISUAL ENTERPRISES WIRELESS INC. AND DATA & AUDIO-VISUAL
28 ENTERPRISES LEASING INC. TO CONTINUE AS ONE COMPANY UNDER THE NAME

02/ 05 DEBTOR/ TRANSFEREE — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

03/ 06 BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.

04/07 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

29 ASSIGNOR
08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE CANADA LLP (AR/HR)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		002		002		20130517 1200 1862 5728	

21 RECORD REFERENCED FILE NUMBER 684332757

22 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS CORRECT PERIOD

23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
24 DEBTOR/ TRANSFEROR BUSINESS NAME

25 OTHER CHANGE
26 REASON/ OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. AS EVIDENCED BY THE
27 DESCRIPTION CERTIFICATE OF AMALGAMATION DATED MAY 15, 2013.
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR
17 SECURED PARTY/ ADDRESS
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20141202 1458 6083 9835	

21 RECORD REFERENCED FILE NUMBER 684332757

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	2	

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
TRANSFEROR

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE FULBRIGHT CANADA LLP (AR/JS)
17 SECURED PARTY/ ADDRESS 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(cr)2fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
684332766

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20130125 1652 1862 7437	P PPSA	2

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
07 ADDRESS: 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: NORTON ROSE CANADA LLP (AR/HR)
17 ADDRESS: 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164514.76

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 9
(3724)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20141202 1500 6083 9836	

21 RECORD REFERENCED FILE NUMBER 684332766

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	2	

FIRST GIVEN NAME INITIAL SURNAME
23
24 REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE FULBRIGHT CANADA LLP (AR/JS)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164514.76

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 10
(3725)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
684332775

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20130125 1652 1862 7438	P PPSA	2

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
07 ADDRESS 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

YEAR | MAKE | MODEL | V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT NORTON ROSE CANADA LLP (AR/HR)
17 ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164514.76

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(3726)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20141202 1501 6083 9837	

21 RECORD REFERENCE FILE NUMBER 684332775

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	2	

FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10
YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE FULBRIGHT CANADA LLP (AR/JS)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164514.76

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
669398067

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20110427 1723 1590 0758	P PPSA	10

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR
12 VEHICLE
YEAR MAKE MODEL V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS: 5300 - COMMERCE COURT WEST 199 BAY STRE TORONTO ON M5L 1B9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
669398076

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20110427 1723 1590 0759	P PPSA	10

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

11 MOTOR VEHICLE — YEAR MAKE / MODEL / V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION
14
15

16 REGISTERING AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS: 5300 - COMMERCE COURT WEST 199 BAY STRE TORONTO ON M5L 1B9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
669398085

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 1 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20110427 1724 1590 0760 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 10

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

11 MOTOR VEHICLE — YEAR MAKE MODEL V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION
14
15

16 REGISTERING AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS: 5300 - COMMERCE COURT WEST 199 BAY STRE TORONTO ON M5L 1B9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER

01 001 002 20130517 1200 1862 5727

21 RECORD REFERENCED FILE NUMBER 669398085

PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD

22 X A AMENDMENT

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.

25 OTHER CHANGE
26 REASON/ DEBTOR NAME CHANGE AS A RESULT OF THE AMALGAMATION OF DATA &
27 DESCRIPTION AUDIO-VISUAL ENTERPRISES WIRELESS INC. AND DATA & AUDIO-VISUAL
28 ENTERPRISES LEASING INC. TO CONTINUE AS ONE COMPANY UNDER THE NAME
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE

10

YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE CANADA LLP (AR/HR)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		002	002		20130517 1200 1862 5727	

21 RECORD REFERENCED FILE NUMBER 669398085

PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS CORRECT PERIOD

22

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME

25 OTHER CHANGE
26 REASON/ OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. AS EVIDENCED BY THE
27 DESCRIPTION CERTIFICATE OF AMALGAMATION DATED MAY 15, 2013.
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR
17 SECURED PARTY/ ADDRESS
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fs 09/2013)

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
FILE CURRENCY : 22JAN 2015

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
691341417	20131025 1421 1862 7521			
691341426	20131025 1421 1862 7522			
684332757	20130125 1652 1862 7436	20130517 1200 1862 5728	20141202 1458 6083 9835	
684332766	20130125 1652 1862 7437	20141202 1500 6083 9836		
684332775	20130125 1652 1862 7438	20141202 1501 6083 9837		
669398067	20110427 1723 1590 0758			
669398076	20110427 1723 1590 0759			
669398085	20110427 1724 1590 0760	20130517 1200 1862 5727		

13 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

FILE CURRENCY : 22JAN 2015

ENQUIRY NUMBER 20150123164613.41 CONTAINS 17 PAGE(S), 8 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

ESC REF: 2592788
ESC CORPORATE SERVICES LTD.
445 KING STREET WEST, SUITE 400
TORONTO ON M5V 1K4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

CONTINUED... 2

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164613.41

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
691341417

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		001		20131025 1421 1862 7521	P PPSA	2

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
02	DEBTOR							
03	NAME	BUSINESS NAME	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.			ONTARIO CORPORATION NO.		
04		ADDRESS	161 BAY STREET, SUITE 2300		TORONTO		ON	M5J 2S1

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME			
05	DEBTOR							
06	NAME	BUSINESS NAME	DATA & AUDIO VISUAL ENTERPRISES HOLDINGS INC.			ONTARIO CORPORATION NO.		
07		ADDRESS	101 EXCHANGE AVENUE		VAUGHAN		ON	L4K 5R6

08	SECURED PARTY / LIEN CLAIMANT		EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT			
09		ADDRESS	200 UNIVERSITY AVENUE, SUITE 400	TORONTO	ON	M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16	REGISTERING AGENT		NORTON ROSE FULBRIGHT CANADA LLP (AR/HR)			
17		ADDRESS	200 BAY ST., SUITE 3800, SOUTH TOWER	TORONTO	ON	M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164613.41

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(3735)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
691341426

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20131025 1421 1862 7522	P PPSA	2

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: DATA & AUDIO VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
07 ADDRESS: 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR — YEAR MAKE / MODEL / V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: NORTON ROSE FULBRIGHT CANADA LLP (AR/HR)
17 ADDRESS: 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164613.41

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(3736)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
684332757

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20130125 1652 1862 7436	P PPSA	2

02 DEBTOR — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 NAME — BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 NAME — BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. — ONTARIO CORPORATION NO.
07 ADDRESS: 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

11 MOTOR — YEAR — MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: NORTON ROSE CANADA LLP (AR/HR)
17 ADDRESS: 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164613.41

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(3737)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		002		20130517 1200 1862 5728	

21 RECORD REFERENCED FILE NUMBER 684332757

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		X	A AMENDMENT		

FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.

25 OTHER CHANGE
26 REASON/ DEBTOR NAME CHANGE AS A RESULT OF THE AMALGAMATION OF DATA &
27 DESCRIPTION AUDIO-VISUAL ENTERPRISES WIRELESS INC. AND DATA & AUDIO-VISUAL
28 ENTERPRISES LEASING INC. TO CONTINUE AS ONE COMPANY UNDER THE NAME
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR				
12 VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE CANADA LLP (AR/HR)
17 SECURED PARTY/ ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		002		002		20130517 1200 1862 5728	

21 RECORD REFERENCED FILE NUMBER 684332757
PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS CORRECT PERIOD
22
FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ BUSINESS NAME
TRANSFEROR

25 OTHER CHANGE
26 REASON/ OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. AS EVIDENCED BY THE
27 DESCRIPTION CERTIFICATE OF AMALGAMATION DATED MAY 15, 2013.
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10
YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR
17 SECURED PARTY/ ADDRESS
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001	1		20141202 1458 6083 9835	

21 RECORD REFERENCED FILE NUMBER 684332757

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	2	

23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
24 DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE FULBRIGHT CANADA LLP (AR/JS)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... B

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
684332766

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20130125 1652 1862 7437	P PPSA	2

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
07 ADDRESS 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT NORTON ROSE CANADA LLP (AR/HR)
17 ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20141202 1500 6083 9836	

21 RECORD REFERENCED — FILE NUMBER 684332766

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	2	

FIRST GIVEN NAME — INITIAL — SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR — BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
05 DEBTOR/
03/ TRANSFEREE — BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

	YEAR	MAKE	MODEL	V.I.N.
11 MOTOR				
12 VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR — NORTON ROSE FULBRIGHT CANADA LLP (AR/JS)
17 SECURED PARTY/ LIEN CLAIMANT — ADDRESS 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
684332775

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	001		20130125 1652 1862 7438	P PPSA	2

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR NAME
03 BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
04 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR NAME
06 BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
ONTARIO CORPORATION NO.
07 ADDRESS 101 EXCHANGE AVENUE VAUGHAN ON L4K 5R6

08 SECURED PARTY / LIEN CLAIMANT EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT NORTON ROSE CANADA LLP (AR/HR)
17 ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164613.41

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(3743)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20141202 1501 6083 9837	

21 RECORD REFERENCED FILE NUMBER 684332775

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	2	

FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE FULBRIGHT CANADA LLP (AR/JS)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY STREET, SUITE 3800 TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj2fs 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164613.41

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 12
(3744)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
669398067

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		1		20110427 1723 1590 0758	P PPSA	10

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. — ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME — ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10		X	X	X	X	X			

11 MOTOR — YEAR — MAKE — MODEL — V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS: 5300 COMMERCE COURT WEST 199 BAY STRE TORONTO ON M5L 1B9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
669398076

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	1		20110427 1723 1590 0759	P PPSA	10

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02	DEBTOR NAME				

03 BUSINESS NAME: DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.
ONTARIO CORPORATION NO.
04 ADDRESS: 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05	DEBTOR NAME				

06 BUSINESS NAME:
ONTARIO CORPORATION NO.
07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS: 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: STIKEMAN ELLIOTT LLP
17 ADDRESS: 5300 - COMMERCE COURT WEST 199 BAY STRE TORONTO ON M5L 1B9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 14

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
669398085

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		1		20110427 1724 1590 0760	P PPSA	10

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

02 DEBTOR
03 NAME BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.
ONTARIO CORPORATION NO.
04 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME

05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
09 ADDRESS 200 UNIVERSITY AVENUE, SUITE 400 TORONTO ON M5H 4H1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT STIKEMAN ELLIOTT LLP
17 ADDRESS 5300 - COMMERCE COURT WEST 199 BAY STRE TORONTO ON M5L 1B9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fs 09/2013)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		002		20130517 1200 1862 5727	

21 RECORD REFERENCED FILE NUMBER 669398085
PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD
22 | X | A AMENDMENT
FIRST GIVEN NAME | INITIAL | SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.

25 OTHER CHANGE
26 REASON/ DEBTOR NAME CHANGE AS A RESULT OF THE AMALGAMATION OF DATA &
27 DESCRIPTION AUDIO-VISUAL ENTERPRISES WIRELESS INC. AND DATA & AUDIO-VISUAL
28 ENTERPRISES LEASING INC. TO CONTINUE AS ONE COMPANY UNDER THE NAME
02/ DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS 161 BAY STREET, SUITE 2300 TORONTO ON M5J 2S1

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR NORTON ROSE CANADA LLP (AR/HR)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 200 BAY ST., SUITE 3800, SOUTH TOWER TORONTO ON M5J 2Z4

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		002		002		20130517 1200 1862 5727	

21 RECORD REFERENCED FILE NUMBER 669398085
PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL YEARS CORRECT PERIOD
22
FIRST GIVEN NAME INITIAL SURNAME
23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME

25 OTHER CHANGE
26 REASON/ OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. AS EVIDENCED BY THE
27 DESCRIPTION CERTIFICATE OF AMALGAMATION DATED MAY 15, 2013.
28
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS
COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10
YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR
17 SECURED PARTY/ ADDRESS
LIEN CLAIMANT

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2fs 09/2013)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
FILE CURRENCY : 22JAN 2015

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
691341417	20131025 1421 1862 7521			
691341426	20131025 1421 1862 7522			
684332757	20130125 1652 1862 7436	20130517 1200 1862 5728	20141202 1458 6083 9835	
684332766	20130125 1652 1862 7437	20141202 1500 6083 9836		
684332775	20130125 1652 1862 7438	20141202 1501 6083 9837		
669398067	20110427 1723 1590 0758			
669398076	20110427 1723 1590 0759			
669398085	20110427 1724 1590 0760	20130517 1200 1862 5727		

13 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

Ontario

RUN NUMBER : 023
RUN DATE : 2015/01/23
ID : 20150123164651.25

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(3750)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 8440522 CANADA INC.

FILE CURRENCY : 22JAN 2015

ENQUIRY NUMBER 20150123164651.25 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

ESC REF: 2592788
ESC CORPORATE SERVICES LTD.
445 KING STREET WEST, SUITE 400
TORONTO ON M5V 1K4

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj3 09/2013)

Ontario

Government of Alberta ■

Personal Property Registry Search Results Report

Search ID#: Z06415039

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

29 10015 103 AVENUE
EDMONTON, AB T5J 0H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #: ESCWEBONS0089618

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 11042802985 Registration Type: SECURITY AGREEMENT
Registration Date: 2011-Apr-28 Registration Status: Current
Expiry Date: 2021-Apr-28 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 Bay Street, Suite 2300 Toronto, ON M5J 2S1	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Particulars

Block	Additional Information	Status
1	The complete address and name for secured party number 1 is as follows: Equity Financial Trust Company, as Collateral Agent Attention: Corporate Trust 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Personal Property Registry
Search Results Report

Search ID#: Z06415039

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 11042803005 Registration Type: SECURITY AGREEMENT

Registration Date: 2011-Apr-28 Registration Status: Current

Expiry Date: 2021-Apr-28 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 161 Bay Street, Suite 2300 Toronto, ON M5J 2S1	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Particulars

Block	Additional Information	Status
1	The complete address and name for secured party number 1 is as follows: Equity Financial Trust Company, as Collateral Agent Attention: Corporate Trust 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 11042803023 Registration Type: SECURITY AGREEMENT

Registration Date: 2011-Apr-28 Registration Status: Current

Expiry Date: 2021-Apr-28 23:59:59

Inexact Match on: Debtor No: 2

Amendments to Registration

13051716132	Amendment	2013-May-17

Debtor(s)

Block **Status**

1 DATA & AUDIO-VISUAL ENTERPRISES LEASING INC.
161 Bay Street, Suite 2300
Toronto, ON M5J 2S1
Deleted by 13051716132

Block **Status**

2 DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.
161 Bay Street, Suite 2300
Toronto, ON M5J 2S1
Current by 13051716132

Secured Party / Parties

Block **Status**

1 EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT
200 University Avenue, Suite 400
Toronto, ON M5H 4H1
Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Particulars

Block	Additional Information	Status
1	The complete address and name for secured party number 1 is as follows: Equity Financial Trust Company, as Collateral Agent Attention: Corporate Trust 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 13012526927 Registration Type: SECURITY AGREEMENT
Registration Date: 2013-Jan-25 Registration Status: Current
Expiry Date: 2017-Jan-25 23:59:59

Inexact Match on:	Debtor	No: 1
Inexact Match on:	Debtor	No: 2

Amendments to Registration

14120226658	Renewal	2014-Dec-02

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 13012526958 Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Jan-25 Registration Status: Current

Expiry Date: 2017-Jan-25 23:59:59

Inexact Match on: Debtor No: 3

Inexact Match on: Debtor No: 4

Amendments to Registration

13051716097	Amendment	2013-May-17
14120226726	Renewal	2014-Dec-02

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Deleted by 13051716097

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Deleted by 13051716097

Block		Status
3	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current by 13051716097

Block		Status
4	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current by 13051716097

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 13012526995 Registration Type: SECURITY AGREEMENT
Registration Date: 2013-Jan-25 Registration Status: Current
Expiry Date: 2017-Jan-25 23:59:59

Exact Match on: Debtor No: 1
Exact Match on: Debtor No: 2

Amendments to Registration

14120226746	Renewal	2014-Dec-02

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 13102537374
Registration Date: 2013-Oct-25

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2015-Oct-25 23:59:59

Inexact Match on: Debtor No: 1
Inexact Match on: Debtor No: 2

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

Search ID #: Z06415039 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:00:48

Registration Number: 13102537587 Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Oct-25 Registration Status: Current

Expiry Date: 2015-Oct-25 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Result Complete

BC OnLine: PPRS SEARCH RESULT 2015/01/26
Lterm: XPSP0050 For: PJ51555 ESC CORPORATE SERVICES LTD 07:00:42

Index: BUSINESS DEBTOR
Search Criteria: DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC.

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

Reg. Date: APR 27, 2011 Reg. Length: 10 YEARS
Reg. Time: 14:12:42 Expiry Date: APR 27, 2021
Base Reg. #: 116220G Control #: D0531127

Block#

S0001 Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
COLLATERAL AGENT
200 UNIVERSITY AVE., SUITE 400
TORONTO ON M5H 4H1

=D0001 Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
(Business) HOLDINGS INC.
161 BAY STREET, SUITE 2300
TORONTO ON M5J 2S1

General Collateral:
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Registering
Party: STIKEMAN ELLIOTT LLP
1700 - 666 BURRARD STREET
VANCOUVER BC V6C 2X8

**************** P P S A S E C U R I T Y A G R E E M E N T ****************

Reg. Date: JAN 25, 2013 Reg. Length: 2 YEARS
Reg. Time: 14:31:06 Expiry Date: JAN 25, 2017
Base Reg. #: 162544H Control #: D1605380
*** Expiry date includes subsequent registered renewal(s).

Block#

S0001 Secured Party: EQUITY FINANCIAL TRUST COMPANY
200 UNIVERSITY AVE., STE. 400
TORONTO ON M5H 4H1

S0002 Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
COLLATERAL AGENT
200 UNIVERSITY AVE., STE. 400
TORONTO ON M5H 4H1

=D0001 Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
(Business) HOLDINGS INC
161 BAY STREET, STE. 2300
TORONTO ON M5J 2S1

D0002 Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
HOLDINGS INC
101 EXCHANGE AVENUE
VAUGHAN ON L4K 5R6

Continued on Page 2

General Collateral:
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

------------------------------- R E N E W A L -------------------------------

Reg. #: 323475I Reg. Date: DEC 03, 2014
Reg. Life: 2 YEARS Reg. Time: 14:55:23
Control #: D2795634
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 162544H Base Reg. Date: JAN 25, 2013

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

*************** P P S A S E C U R I T Y A G R E E M E N T ***************

Reg. Date: OCT 25, 2013 Reg. Length: 2 YEARS
Reg. Time: 11:55:37 Expiry Date: OCT 25, 2015
Base Reg. #: 629379H Control #: D1988261

Block#

S0001 Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
COLLATERAL AGENT
200 UNIVERSITY AVE., SUITE 400
TORONTO ON M5H 4H1

=D0001 Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
(Business) HOLDINGS INC.
161 BAY STREET, SUITE 2300
TORONTO ON M5J 2S1

D0002 Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
HOLDINGS INC.
101 EXCHANGE AVENUE
VAUGHAN ON L4K 5R6

General Collateral:
ALL PRESENT AND AFTER-ACQUIRED PERSONAL
PROPERTY OF THE DEBTOR

Registering
Party: LAWSON LUNDELL LLP
1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

Continued on Page 3

****

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF SEARCH <<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

Government of Alberta ■

Personal Property Registry
Search Results Report

Search ID#: Z06415041

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

29 10015 103 AVENUE
EDMONTON, AB T5J 0H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #: ESCWEBONS0089619

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Government of Alberta ■

Personal Property Registry Search Results Report

Search ID#: Z06415041

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 11042802985 Registration Type: SECURITY AGREEMENT

Registration Date: 2011-Apr-28 Registration Status: Current

Expiry Date: 2021-Apr-28 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 Bay Street, Suite 2300 Toronto, ON M5J 2S1	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Particulars

Block	Additional Information	Status
1	The complete address and name for secured party number 1 is as follows: Equity Financial Trust Company, as Collateral Agent Attention: Corporate Trust 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 11042803005
Registration Date: 2011-Apr-28

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2021-Apr-28 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 161 Bay Street, Suite 2300 Toronto, ON M5J 2S1	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Particulars

Block	Additional Information	Status
1	The complete address and name for secured party number 1 is as follows: Equity Financial Trust Company, as Collateral Agent Attention: Corporate Trust 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 11042803023 Registration Type: SECURITY AGREEMENT
Registration Date: 2011-Apr-28 Registration Status: Current
Expiry Date: 2021-Apr-28 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

13051716132	Amendment	2013-May-17

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. 161 Bay Street, Suite 2300 Toronto, ON M5J 2S1	Deleted by 13051716132

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 Bay Street, Suite 2300 Toronto, ON M5J 2S1	Current by 13051716132

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Particulars

Block	Additional Information	Status
1	The complete address and name for secured party number 1 is as follows: Equity Financial Trust Company, as Collateral Agent Attention: Corporate Trust 200 University Avenue, Suite 400 Toronto, ON M5H 4H1	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 13012526927
Registration Date: 2013-Jan-25

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2017-Jan-25 23:59:59

Exact Match on:	Debtor	No: 1
Exact Match on:	Debtor	No: 2

Amendments to Registration

14120226658	Renewal	2014-Dec-02

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 13012526958 Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Jan-25 Registration Status: Current

Expiry Date: 2017-Jan-25 23:59:59

Exact Match on:	Debtor	No: 3
Exact Match on:	Debtor	No: 4

Amendments to Registration

13051716097	Amendment	2013-May-17
14120226726	Renewal	2014-Dec-02

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Deleted by 13051716097

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES LEASING INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Deleted by 13051716097

Block		Status
3	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current by 13051716097

Block		Status
4	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current by 13051716097

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 13012526995 Registration Type: SECURITY AGREEMENT
Registration Date: 2013-Jan-25 Registration Status: Current
Expiry Date: 2017-Jan-25 23:59:59

Inexact Match on: Debtor No: 1
Inexact Match on: Debtor No: 2

Amendments to Registration

14120226746	Renewal	2014-Dec-02

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Personal Property Registry Search Results Report

Search ID#: Z06415041

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 13102537374 Registration Type: SECURITY AGREEMENT

Registration Date: 2013-Oct-25 Registration Status: Current

Expiry Date: 2015-Oct-25 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Personal Property Registry
Search Results Report

Search ID#: Z06415041

Business Debtor Search For:

DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

Search ID #: Z06415041 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:02:08

Registration Number: 13102537587 Registration Type: SECURITY AGREEMENT
Registration Date: 2013-Oct-25 Registration Status: Current
Expiry Date: 2015-Oct-25 23:59:59

Inexact Match on: Debtor No: 1
Inexact Match on: Debtor No: 2

Debtor(s)

Block		Status
1	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 161 BAY STREET, SUITE 2300 TORONTO, ON M5J 2S1	Current

Block		Status
2	DATA & AUDIO-VISUAL ENTERPRISES HOLDINGS INC. 101 EXCHANGE AVENUE VAUGHAN, ON L4K 5R6	Current

Secured Party / Parties

Block		Status
1	EQUITY FINANCIAL TRUST COMPANY, AS COLLATERAL AGENT 200 UNIVERSITY AVENUE, SUITE 400 TORONTO, ON M5H 4H1	Current

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Result Complete

BC OnLine: PPRS SEARCH RESULT 2015/01/26
Lterm: XPSP0050 For: PJ51555 ESC CORPORATE SERVICES LTD 07:01:45

Index: BUSINESS DEBTOR
Search Criteria: DATA & AUDIO-VISUAL ENTERPRISES WIRELESS INC.

```
**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

           Reg. Date: APR 27, 2011          Reg. Length: 10 YEARS
           Reg. Time: 14:12:06              Expiry Date: APR 27, 2021
         Base Reg. #: 116217G                 Control #: D0531108
Block#

 S0001  Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
                       COLLATERAL AGENT
                       200 UNIVERSITY AVE., SUITE 400
                       TORONTO ON  M5H 4H1

=D0001    Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
           (Business) WIRELESS INC.
                       161 BAY STREET, SUITE 2300
                       TORONTO ON  M5J 2S1

        General Collateral:
         ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

          Registering
                Party: STIKEMAN ELLIOTT LLP
                       1700 - 666 BURRARD STREET
                       VANCOUVER BC  V6C 2X8

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

           Reg. Date: JAN 25, 2013          Reg. Length: 2 YEARS
           Reg. Time: 14:27:56              Expiry Date: JAN 25, 2017
         Base Reg. #: 162535H                 Control #: D1605354
   *** Expiry date includes subsequent registered renewal(s).
Block#

 S0001  Secured Party: EQUITY FINANCIAL TRUST COMPANY
                       200 UNIVERSITY AVE., STE. 400
                       TORONTO ON  M5H 4H1

 S0002  Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
                       COLLATERAL AGENT
                       200 UNIVERSITY AVE., STE. 400
                       TORONTO ON  M5H 4H1

=D0001    Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
           (Business) WIRELESS INC
                       161 BAY STREET, STE. 2300
                       TORONTO ON  M5J 2S1

 D0002    Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
                       WIRELESS INC
                       101 EXCHANGE AVENUE
                       VAUGHAN ON  L4K 5R6
```

Continued on Page 2

General Collateral:
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

---------------------------------- R E N E W A L ----------------------------------

Reg. #: 323465I   Reg. Date: DEC 03, 2014
Reg. Life: 2 YEARS   Reg. Time: 14:52:13
Control #: D2795624
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 162535H   Base Reg. Date: JAN 25, 2013

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

**************** P P S A   S E C U R I T Y   A G R E E M E N T ****************

Reg. Date: APR 27, 2011   Reg. Length: 10 YEARS
Reg. Time: 14:13:30   Expiry Date: APR 27, 2021
Base Reg. #: 116223G   Control #: D0531130

Block#

S0001 Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
COLLATERAL AGENT
200 UNIVERSITY AVE., SUITE 400
TORONTO ON M5H 4H1

+++ Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
(Business) LEASING INC.
161 BAY STREET, SUITE 2300
TORONTO ON M5J 2S1

General Collateral:
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Registering
Party: STIKEMAN ELLIOTT LLP
1700 - 666 BURRARD STREET
VANCOUVER BC V6C 2X8

---------------- A M E N D M E N T / O T H E R   C H A N G E ----------------

Reg. #: 352521H   Reg. Date: MAY 17, 2013
Reg. Time: 09:10:22
Control #: D1796317

Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 116223G   Base Reg. Date: APR 27, 2011

Details Description:
DEBTOR TRANSFER/DEBTOR NAME CHANGE AS A RESULT OF
THE AMALGAMATION OF DATA & AUDIO-VISUAL ENTERPRISES
WIRELESS INC. AND DATA & AUDIO-WIRELESS ENTERPRISES

Continued on Page 3

LEASING INC. TO CONTINUE AS ONE COMPANY UNDER THE
NAME OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS
INC. (INCORPORATION NO. 1895830) AS EVIDENCED BY
THE CERTIFICATE OF AMALGAMATION ISSUED BY THE REGISTRAR
OF COMPANIES, ONTARIO, DATED MAY 15, 2013.

Block#

** DELETED **

+++ Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
LEASING INC.
161 BAY STREET, SUITE 2300
TORONTO ON M5J 2S1

*** ADDED ***

=D0002 Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
WIRELESS INC
161 BAY STREET, STE. 2300
TORONTO ON M5J 2S1

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

*************** P P S A   S E C U R I T Y   A G R E E M E N T ***************

Reg. Date: JAN 25, 2013   Reg. Length: 2 YEARS
Reg. Time: 14:29:46   Expiry Date: JAN 25, 2017
Base Reg. #: 162542H   Control #: D1605369

*** Expiry date includes subsequent registered renewal(s).

Block#

S0001 Secured Party: EQUITY FINANCIAL TRUST COMPANY
200 UNIVERSITY AVE., STE. 400
TORONTO ON M5H 4H1

S0002 Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
COLLATERAL AGENT
200 UNIVERSITY AVE., STE. 400
TORONTO ON M5H 4H1

+++ Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
(Business) LEASING INC
161 BAY STREET, STE. 2300
TORONTO ON M5J 2S1

```
+++      Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
                      LEASING INC
                      101 EXCHANGE AVENUE
                      VAUGHAN ON  L4K 5R6

        General Collateral:
         ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

          Registering
                Party: LAWSON LUNDELL LLP
                       1600 925 WEST GEORGIA STREET
                       VANCOUVER BC  V6C 3L2
```

Continued on Page 4

---------------- A M E N D M E N T / O T H E R C H A N G E ---------------

```
                    Reg. #: 352525H            Reg. Date: MAY 17, 2013
                                               Reg. Time: 09:11:28
                                               Control #: D1796400
             Base Reg. Type: PPSA SECURITY AGREEMENT
                Base Reg. #: 162542H       Base Reg. Date: JAN 25, 2013

        Details Description:
         DEBTOR TRANSFER/DEBTOR NAME CHANGE AS A RESULT OF
         THE AMALGAMATION OF DATA & AUDIO-VISUAL ENTERPRISES
         WIRELESS INC. AND DATA & AUDIO-WIRELESS ENTERPRISES
         LEASING INC. TO CONTINUE AS ONE COMPANY UNDER THE
         NAME OF DATA & AUDIO-VISUAL ENTERPRISES WIRELESS
         INC. (INCORPORATION NO. 1895830) AS EVIDENCED BY
         THE CERTIFICATE OF AMALGAMATION ISSUED BY THE REGISTRAR
         OF COMPANIES, ONTARIO, DATED MAY 15, 2013.
Block#

        ** DELETED **
  +++     Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
                       LEASING INC
                       161 BAY STREET, STE. 2300
                       TORONTO ON  M5J 2S1

        ** DELETED **
  +++     Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
                       LEASING INC
                       101 EXCHANGE AVENUE
                       VAUGHAN ON  L4K 5R6

        *** ADDED ***
=D0003    Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
                       WIRELESS INC
                       161 BAY STREET, STE. 2300
                       TORONTO ON  M5J 2S1

        *** ADDED ***
 D0004    Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
```

WIRELESS INC
101 EXCHANGE AVENUE
VAUGHAN ON L4K 5R6

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

------------------------------ R E N E W A L ------------------------------

Reg. #: 323470I   Reg. Date: DEC 03, 2014
Reg. Life: 2 YEARS   Reg. Time: 14:53:32
Control #: D2795630
Base Reg. Type: PPSA SECURITY AGREEMENT
Base Reg. #: 162542H   Base Reg. Date: JAN 25, 2013

Continued on Page 5

Registering
Party: LAWSON LUNDELL LLP
1600 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

*************** P P S A   S E C U R I T Y   A G R E E M E N T ***************

Reg. Date: OCT 25, 2013   Reg. Length: 2 YEARS
Reg. Time: 11:49:26   Expiry Date: OCT 25, 2015
Base Reg. #: 629368H   Control #: D1988254

Block#

S0001 Secured Party: EQUITY FINANCIAL TRUST COMPANY, AS
COLLATERAL AGENT
200 UNIVERSITY AVE., SUITE 400
TORONTO ON M5H 4H1

=D0001 Base Debtor: DATA & AUDIO-VISUAL ENTERPRISES
(Business) WIRELESS INC.
161 BAY STREET, SUITE 2300
TORONTO ON M5J 2S1

D0002 Bus. Debtor: DATA & AUDIO-VISUAL ENTERPRISES
WIRELESS INC.
101 EXCHANGE AVENUE
VAUGHAN ON L4K 5R6

General Collateral:
ALL PRESENT AND AFTER-ACQUIRED PERSONAL
PROPERTY OF THE DEBTOR

Registering
Party: LAWSON LUNDELL LLP

1600 - 925 WEST GEORGIA STREET
VANCOUVER BC V6C 3L2

****

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF SEARCH <<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

Government of Alberta ■

Personal Property Registry
Search Results Report

Search ID#: Z06415043

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

29 10015 103 AVENUE
EDMONTON, AB T5J 0H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #: ESCWEBONS0089620

Search ID #: Z06415043 **Date of Search:** 2015-Jan-26 **Time of Search:** 08:03:09

Business Debtor Search For:

8440522 CANADA INC.

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete

BC OnLine: PPRS SEARCH RESULT 2015/01/26
Lterm: XPSP0050 For: PJ51555 ESC CORPORATE SERVICES LTD 07:02:36

Index: BUSINESS DEBTOR
Search Criteria: 8440522 CANADA INC.

No registered liens or encumbrances have been found on file that match to the search criteria listed above.

****

Some, but not all, tax liens and other Crown claims are registered at the Personal Property Registry (PPR) and if registered, will be displayed on this search result. HOWEVER, it is possible that a particular chattel is subject to a Crown claim that is not registered at the PPR. Please consult the Miscellaneous Registrations Act, 1992 for more details. If you are concerned that a particular chattel may be subject to a Crown claim not registered at the PPR, please consult the agency administering the type of Crown claim.

>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> END OF SEARCH <<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<<

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 26, 2015)

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-2419
Email: Alexander.Schmitt@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants

Tab 3

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

AFFIDAVIT OF WILLIAM E. AZIZ
(sworn January 21, 2015)

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

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

2. My engagement was ratified and confirmed by Order of this Court on September 30, 2013 (as amended, the "**Initial Order**"), a copy of which is attached as **Exhibit "A"** to this Affidavit.

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

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

4. This Affidavit is sworn in support of a motion by the Mobilicity Group to, amongst other things, extend the Stay Period, as such term is defined in the Initial Order, to May 8, 2015 (the "**Stay Extension**").

Background

5. The Mobilicity Group commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and obtained the Initial Order in these proceedings on September 30, 2013.

6. Starting in November 2013, the Mobilicity Group engaged in a comprehensive court-supervised sale process (the "**Sale Process**").

7. On April 1, 2014, the Mobilicity Group agreed to a sale transaction with TELUS Corporation (the "**TELUS Transaction**") and filed with Industry Canada a request for a confidential preliminary assessment of the proposed transfer of the Mobilicity Group's spectrum licences under the TELUS Transaction.

8. On or about April 17, 2014, the Mobilicity Group filed a motion (the "**Meeting Order Motion**") with the Ontario Superior Court of Justice (Commercial List) (the "**Court**") seeking an Order authorizing it to (i) file a plan of compromise or arrangement (the "**Plan**") to implement the TELUS Transaction; and (ii) call and conduct a meeting of its affected unsecured creditors to consider and approve the Plan.

9. On the return date for the Meeting Order Motion, the Court ordered the parties to attend a mediation before the former Chief Justice of the Ontario Superior Court of Justice, the Honourable Justice Winkler, to mediate any outstanding issues (the "**Mediation**").

10. In my affidavit sworn in connection with the Sixth Stay Extension period, I confirmed that part way through the Mediation process, the contractual arrangements in respect of the TELUS Transaction had been terminated.

11. On September 14, 2014, the Honourable Justice Winkler declared the Mediation to be terminated.

12. On November 27, 2014, an Order was made to extend the Stay Period (the "**Eighth Stay Extension Order**"), as such term is defined in the Initial Order, to January 30, 2015.

Updates and developments since the previous extension of the Stay Period

13. The Applicants sought an extension of the Stay Period to January 30, 2015 to:

(a) allow for additional time to review, consider and develop any alternatives that may be available to them,

(b) consult with their stakeholders on available alternatives,

(c) allow discussions to progress amongst the Applicants' principal stakeholders, and

(d) report back to this Court.

14. The Applicants have diligently undertaken the above steps.

(a) Transaction Options

15. As noted in my Affidavit sworn November 24, 2014, a number of parties had expressed interest in pursuing various transaction structures with the Applicants and/or their stakeholders.

16. Following the Eighth Stay Extension Order, the Applicants, their financial advisors (Canaccord Genuity and National Bank), the Monitor and representatives of the *ad hoc* committee of the Applicants' noteholders (the "**Ad Hoc Committee**") continued discussions with interested parties to seek to advance any value-maximizing transactions and financing arrangements that may be executable and in the best interests of the Mobilicity Group.

17. Following the Eighth Stay Extension Order, discussions also continued with one of the Applicants' noteholders that is not part of the Ad Hoc Committee with respect to potential transaction structures and financing arrangements and various possible transaction structures have been discussed and exchanged on a "without prejudice" basis.

18. Discussions have also continued with Industry Canada to seek guidance on the acceptability of certain transaction structures and the applicable rules for the upcoming AWS-3 auction of additional set-aside spectrum.

19. The Applicants have also continued discussions with parties that have proposed various merger, acquisition or alternative arrangements. None of these arrangements have been concluded at this time.

20. No transaction or financing option has been finalized at this time. For the reasons set out below, the Applicants believe that such a transaction or financing option is still possible if given sufficient time.

(b) Upcoming Spectrum Auctions

21. Following the Eighth Stay Extension Order, Industry Canada published various materials and confirmed key dates in connection with the AWS – 3 spectrum auction (the "**AWS-3 Auction**"), including the *Technical, Policy and Licensing Framework for Advanced Wireless Services In the Bands 1755-1780 MHz and 2155-2180 MHz* (the "**AWS-3 Auction Framework**"). A copy of the AWS-3 Auction Framework is attached hereto as **Exhibit "B"**.

22. The AWS-3 Auction provides for a "set aside" of certain AWS-3 spectrum for so-called "operating new entrants". The Mobilicity Group is one of two wireless carriers (the other one being Wind Mobile) that would satisfy the criteria of an "operating new entrant" in certain regions including Southern Ontario.

23. Key dates associated with the AWS-3 Auction are as follows:

(a) deadline for receipt of applications to participate in the auction and for auction deposits: January 30, 2015;

(b) deadline for sealed bids: March 3, 2015;

(c) announcement and publication of provisional license winners: March 6, 2015; and

(d) deadline for final payment: March 20, 2015.

24. Participation in the AWS-3 Auction for spectrum in all regions where the Applicants currently conduct business would require the posting of a refundable deposit in the amount of approximately $62,000,000 either in cash or by an irrevocable standby letter of credit and would also require compliance with all application requirements on or before the prescribed deadline of January 30, 2015.

25. The Applicants, with the assistance of their financial and legal advisors, have sought and considered a number of potential options to obtain the funding necessary to participate in the AWS-3 Auction from both existing creditors of the Applicants and from third party funding sources. At this time, the Applicants have not completed an agreement to obtain funding for participation in the AWS-3 Auction, but the Applicants are continuing to consider funding options. The Applicants will provide a further update to the Court and to the Service List as soon as possible.

26. The Applicants have also considered, with the assistance and advice of Canaccord Genuity, the benefits of purchasing additional spectrum in the AWS-3 Auction in the event that the Applicants are able to secure financing on acceptable terms. This consideration involved, among other things, the following factors:

(a) whether the acquisition of more spectrum by the Mobilicity Group at this time would increase the value of the business for the benefit of all stakeholders;

(b) whether the acquisition of more spectrum by the Mobilicity Group at this time would preserve the value of existing owned AWS – 1 spectrum;

(c) whether the Mobilicity Group or a third party would be able to build out any additional spectrum that may be acquired in the AWS-3 Auction;

(d) the terms of the AWS-3 Auction Framework, which state, among other things, "any discussions involving two bidders or any of their affiliates or associates regarding an addition or a significant change of beneficial ownership of a bidder, from the receipt deadline for applications until the public announcement of provisional license winners by Industry Canada, would fall into the area of prohibited discussions and would be considered contrary to the auction rules"; and

(e) whether such acquisition would put the Mobilicity Group in a position to have additional transactional alternatives before or after the AWS-3 Auction.

27. The Applicants have also sought and received certain clarifications from Industry Canada regarding the AWS-3 Auction Framework and participation requirements.

28. At this time, no final decision has been made regarding the purchase of additional spectrum through the AWS-3 Auction. However, as noted above, the Applicants are still considering funding options that may be available to allow the Applicants to participate in the AWS-3 Auction.

29. As noted in my prior affidavits, Industry Canada has also announced an auction of 2500 MHz spectrum (the "**2500 MHz Auction**"). This auction will not include a set aside of any spectrum for so-called "operating new entrants". The key dates for the 2500 MHz Auction are as follows:

(a) Deadline for receipt of applications to participate and auction deposits: January 30, 2015;

(b) Auction start – opening of bidding: April 14, 2015; and

(c) Cessation of bidding: Unknown, but estimated to be by the end of April 2015.

30. The Applicants have, in the past, reviewed the terms of the 2500 MHz Auction and have determined, in consultation with their advisors, that participation in that auction is not a viable or beneficial option.

31. It remains clear to me that the 700 MHz auction previously completed, and the upcoming 2500 MHz and AWS-3 auctions, have increased, and will further dramatically increase, the amount of spectrum available in the Canadian marketplace. The consequence of this is that, following the auctions, the concept of "undue concentration of spectrum" asserted by Industry Canada, when considering previous transactions presented by the Mobilicity Group, has or will soon become far less meaningful in the context of AWS-1 (the current spectrum owned by the Mobilicity Group) following these auctions.

(d) Operations Update

32. The Applicants currently operate on a cash flow breakeven basis and their business operations and customer base remain stable. The Applicants' consolidated cash balance as of the end of the 2014 calendar year was slightly higher than the Applicants' consolidated cash balance as of the end of the prior year. In my view, no creditor of the Applicants will suffer prejudice as a result of the proposed Stay Extension.

33. The Applicants continue to maintain the stability of their business and their focus on providing the best available services to their customers.

34. Both new customer acquisition and current customer retention trends remain ahead of projections. Consistent with the third fiscal quarter, the Applicants experienced positive net customer growth for the fourth fiscal quarter of 2014.

35. Overall customer performance was better than expected as the Applicants' ending active customer base as of December 31, 2014 was 158,637.

36. The Applicants continue to receive the services they require from all of their major suppliers and the payment arrangements that were previously negotiated or determined by the Court continue, uninterrupted.

37. Since the last extension of the Stay Period, the Applicants have operated well within their cash flow forecast (as last filed with the Court under cover of the Ninth Report of the Monitor dated November 25, 2014) and honoured their post-filing commitments as they came due.

Request for a Further Stay Extension

38. The Applicants continue to evaluate all options available to them to enter into a value maximizing transaction for the benefit of all stakeholders. The timing of the Applicants' negotiation and implementation of any such value maximizing transaction is, in part, linked to the progress and the outcome of the AWS-3 Auction and the 2500 MHz Auction.

39. I believe that upon completion of the AWS-3 Auction and the 2500 MHz Auction, the wireless spectrum landscape will have materially changed and the Applicants' transaction options may be materially different than they are today.

40. Further, during the period of the AWS-3 Auction and the 2500 MHz Auction, I believe that the Applicants' strategic options to complete a value maximizing transaction will be limited as potential transaction counterparties will be focused upon those auctions and, in certain circumstances, the rules surrounding those auctions may prevent certain discussions on potential transactions from occurring.

41. If the Mobilicity Group participates in the AWS-3 Auction, the Mobilicity Group will require time to complete the AWS-3 Auction process and then evaluate its options based upon the outcome of that process.

42. The Stay Extension is necessary to continue to provide the Applicants with a stable environment in which to negotiate a value maximizing transaction and to evaluate available options to the limited extent possible during the AWS-3 Auction and the 2500 MHz Auction and to re-evaluate potential options once the AWS-3 Auction and the 2500 MHz Auction are completed. Based upon available information it does not appear that those auctions will be completed before the second half of April, 2015.

43. The Stay Extension is also necessary to maintain current customer levels and stability in the operations of the business generally.

44. As such, the Applicants are requesting an extension of the Stay Period up to and including May 8, 2015.

45. The Applicants, with the assistance of the Monitor, have prepared updated cash flow projections for the period between the week ended January 23, 2015 and the week ending May 8, 2015 (the "**Updated Cash Flow Statement**"), which cover the period of the Stay Extension. I understand that the Updated Cash Flow Statement will be attached as an Appendix to the Tenth Report of the Monitor to be served in connection with the Applicants' motion for the Stay Extension.

46. The Updated Cash Flow Statement shows that the Applicants have sufficient resources during the Stay Extension period to meet their post-filing obligations during that same period.

47. The Updated Cash Flow Statement also shows that the Applicants are operating on a cash flow breakeven basis. As such, I believe that no creditor of the Applicants will be prejudiced by the Stay Extension.

48. I am advised that the Ad Hoc Committee and the Bridge Lenders (as those terms are referred to herein or in the Initial Order) all support the Stay Extension.

SWORN BEFORE ME at the City of Toronto, Province of Ontario, on January 21, 2015.	
Commissioner for Taking Affidavits	WILLIAM E. AZIZ

Exhibit "A"

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 30TH
	)	
JUSTICE NEWBOULD	)	DAY OF SEPTEMBER, 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

SUPERIOR COURT OF JUSTICE · COUR SUPÉRIEURE DE JUSTICE

INITIAL ORDER

THIS APPLICATION, made by Data & Audio-Visual Enterprises Holdings Inc., Data & Audio-Visual Enterprises Wireless Inc. and 8440522 Canada Inc. (collectively, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of William E. Aziz sworn September 29, 2013 and the Exhibits thereto (the "Aziz Affidavit"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, Ernst & Young Inc. (as the proposed Monitor), the Ad Hoc Committee of Noteholders (as defined in the Aziz Affidavit), the DIP Lenders (as defined in the Aziz Affidavit), The Catalyst Capital Group Inc., and Equity Financial Trust Company, no one else appearing although duly served as appears from the affidavit of service of Evan Cobb sworn September 30, 2013 and on reading the consent of Ernst & Young Inc. to act as the Monitor,

, QCP CW S.A.R.L.

This is Exhibit "A" referred to in the affidavit of WILLIAM E. AZIZ sworn before me, this 21st day of JANUARY 2015

A COMMISSIONER FOR TAKING AFFIDAVITS

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel, including counsel to any board of directors of the Applicants, and such other persons (collectively "Assistants") currently retained or employed by any of them, with liberty to retain, subject to the prior approval of the Chief Restructuring Officer, such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the cash management systems currently in place with, among others, National Bank, TIO Networks Corp., and Chase Paymentech Solutions ("Paymentech") as described in the Aziz Affidavit or, with the consent of the DIP Lenders, replace those systems with other substantially similar central cash management systems (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation

whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that, subject to the terms and conditions of the DIP Loan Agreement, including the applicable terms therein that refer to the cash flow forecast approved by the DIP Lenders pursuant to the DIP Loan Agreement (the "Cash Flow Forecast"), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, commissions, employee benefits, vacation pay (excluding any severance or termination payments without the consent of the Chief Restructuring Officer (as defined below) and the DIP Lenders) and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) any amounts owing to Dealers (as such term is defined in the Aziz Affidavit) and incurred in the ordinary course of business and consistent with existing Dealer compensation policies and arrangements, subject to the prior approval of the Chief Restructuring Officer; and

(c) the reasonable fees and disbursements of any Assistants retained or employed by an Applicant in respect of these proceedings, at their standard rates and charges, subject to the prior approval of the Chief Restructuring Officer.

7. THIS COURT ORDERS that the Applicants shall be authorized but not required to continue to perform and provide services for which customers of any of the Applicants prepaid prior to the date of this Order in the ordinary course.

8. THIS COURT ORDERS that, subject to the terms and conditions of and availability under the DIP Loan Agreement, including the applicable terms therein that refer to the Cash Flow Forecast, and except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services, subject to the prior approval of the Chief Restructuring Officer; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the

Applicants, subject to the prior approval of the Chief Restructuring Officer.

10. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, monthly in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by any of the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their respective Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding $500,000 in any one transaction or $2,000,000 in the aggregate, subject to the prior approval of the Chief Restructuring Officer.

(b) terminate the employment of such of their employees as they deem appropriate, subject to the prior approval of the Chief Restructuring Officer;

(c) disclaim, in whole or in part, with prior consent of the Monitor and the DIP Lenders or further Order of the Court, such of their arrangements or agreements, whether oral or written, as the Applicants deem appropriate, in accordance with Section 32 of the CCAA, with such disclaimers to be on such terms as may be agreed upon between the Applicants and such counter-parties, or failing such agreement, with the consequences thereof to be dealt with in the Plan; and

(d) pursue all avenues of refinancing and offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or sale,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

13. THIS COURT ORDERS that an Applicant shall provide each of the relevant landlords with notice of that Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the applicable Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If an Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to that Applicant's claim to the fixtures in dispute.

14. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against an Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. THIS COURT ORDERS that until and including October 30, 2013, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of any of the Applicants, the Monitor, the DIP Lenders, the holders of the Bridge Notes (in such capacities, the "Bridge Lenders") or Equity Financial Trust Company (in its capacity as Trustee and Collateral Agent under the Bridge Notes, the DIP Facility and the First Lien Notes (as such term is defined in the Aziz Affidavit)) (in such capacity, the "Trustee") or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. This Paragraph 15 shall apply to Proceedings commenced or continued against or in respect of the Trustee, DIP Lenders or the Bridge Lenders solely to the extent that such Proceedings relate to the DIP Lenders' or the Bridge Lenders' lending arrangements with the Applicants.

NO EXERCISE OF RIGHTS OR REMEDIES

16. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Applicants, except with

the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any of the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, including without limitation National Bank and Paymentech, TIO Networks Corp., payroll services, insurance, transportation services, utility or other services to the Business or any of the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by any of the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable Applicant in accordance with normal payment practices of that Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. THIS COURT ORDERS that each Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of that Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

22. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of $550,000, as security for the Indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 53 and 55 herein.

23. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) an Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

24. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and

obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants, to the extent required by the Applicants, in its dissemination, to the DIP Lenders and its counsel at the times required under the DIP Loan Agreement (as such term is defined in the Aziz Affidavit) of financial and other information as agreed to between the Applicants and the DIP Lenders which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lenders;

(d) advise the Applicants in its preparation of the Applicants' cash flow statements and reporting required by the DIP Lenders, which information shall be reviewed with the Monitor and delivered to the DIP Lenders and their counsel on a periodic basis at the times required in the DIP Loan Agreement, or as otherwise agreed to by the DIP Lenders;

(e) advise the Applicants in their development of the Plan and any amendments to the Plan;

(f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(h) assist the Applicants, to the extent required by the Applicants, with their restructuring activities and/or any sale of the Property and the Business or any part thereof;

(i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

26. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. THIS COURT ORDERS that the Monitor shall provide any creditor of an Applicant and the DIP Lenders with information provided by that Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by any of the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

30. THIS COURT ORDERS that, subject to the terms and conditions of and availability under the DIP Loan Agreement, including the applicable terms therein that refer to the Cash Flow Forecast, and the prior approval of the Chief Restructuring Officer (i) the Monitor, counsel to the Monitor, counsel to the Applicants, counsel to the DIP Lenders and the Ad Hoc Committee of Noteholders, and the Trustee shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings; and (ii) the Financial Advisors and the Chief Restructuring Officer (each as defined in the Aziz Affidavit) shall be paid their reasonable fees and disbursements, in each case in accordance with the terms of the Engagement Letters (as defined in the Aziz Affidavit). The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicants and counsel for the DIP Lenders and the Ad Hoc Committee of Noteholders on a weekly basis, or on such basis as otherwise agreed by the Applicants and the applicable payee. The Applicants are hereby authorized and directed to pay amounts owing to the Chief Restructuring Officer in accordance with the terms of its Engagement Letter monthly in advance.

31. THIS COURT ORDERS that if requested by the Applicants, the DIP Lenders, or this Court, the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, the Applicants' counsel, counsel for the DIP Lenders and the Ad Hoc Committee of Noteholders, the Financial Advisors, the Chief Restructuring Officer and counsel to any board of directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of $10,000,000, as security for their professional fees and disbursements incurred (i) at the standard rates and charges of the Monitor and such counsel both before and after the making of this Order in respect of these proceedings; or (ii) as prescribed in the Engagement Letters in the case of the Financial Advisors and the Chief Restructuring Officer. The Administration Charge shall have

the priority set out in paragraphs 53 and 55 hereof.

APPROVAL OF FINANCIAL ADVISORS' ENGAGEMENT

33. THIS COURT ORDERS that the Applicants are authorized to continue the engagement of the Financial Advisors on the terms and conditions set out in the FA Engagement Letters (as such term is defined in the Aziz Affidavit).

34. THIS COURT ORDERS that the FA Engagement Letters be and are hereby ratified and confirmed and the Applicants are authorized to perform their obligations thereunder.

35. THIS COURT ORDERS that any obligations of the Applicants under the FA Engagement Letters, whether for payment of fees, expenses, indemnities or otherwise, shall be entitled to the benefit of the Administration Charge.

36. THIS COURT ORDERS that any claims of the Financial Advisors under the FA Engagement Letters shall be treated as unaffected in any Plan.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

37. THIS COURT ORDERS that the Applicants are authorized to continue the engagement of BlueTree Advisors II Inc. as Chief Restructuring Officer (in such capacity, the "Chief Restructuring Officer") on the terms and conditions set out in the CRO Engagement Letter (as such term is defined in the Aziz Affidavit).

38. THIS COURT ORDERS that the CRO Engagement Letter be and is hereby ratified and confirmed and the Applicants are authorized to perform their obligations thereunder.

39. THIS COURT ORDERS that any obligations of the Applicants under the CRO Engagement Letter, whether for payment of fees, expenses, indemnities or otherwise, shall be entitled to the benefit of the Administration Charge.

40. THIS COURT ORDERS that any claims of the Chief Restructuring Officer under the CRO Engagement Letter shall be treated as unaffected in any Plan.

DIP FINANCING

41. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to

obtain and borrow under a credit facility (the "DIP Facility") from the DIP Lenders in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under the DIP Facility shall not exceed the amounts prescribed in the DIP Loan Agreement.

42. THIS COURT ORDERS that the DIP Facility shall be on the terms and subject to the conditions set forth in the DIP Loan Agreement.

43. THIS COURT ORDERS that the DIP Facility and the DIP Loan Agreement be and are hereby approved.

44. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the DIP Loan Agreement or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the DIP Loan Agreement and the other Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

45. THIS COURT ORDERS that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lenders' Charge**") on the Property as security for any and all obligations of the Applicants under the DIP Loan Agreement and the Definitive Documents (including on account of principle, interest, fees, expenses and other liabilities) (the aggregate of all such obligations being the "**DIP Indebtedness**"), which DIP Lenders' Charge shall be in the aggregate amount of the DIP Indebtedness outstanding at any given time. The DIP Lenders' Charge shall not secure an obligation that exists before this Order is made. The DIP Lenders' Charge shall have the priority set out in paragraphs 53 and 55 hereof.

46. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

(a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the DIP Loan Agreement, the Definitive Documents or the DIP Lenders' Charge (A) the DIP Lenders may cease making advances to the Applicants, (B) the DIP Lenders may (i) set off and/or consolidate any amounts owing by the DIP Lenders to the Applicants against the obligations of the Applicants to the DIP Lenders under the DIP Loan Agreement, the Definitive Documents, or the DIP Lenders' Charge and make demand, accelerate payment and give other notices, and (ii) following an Order of the Court, granted on 5 days' notice to the Applicants and the Monitor, exercise any and all of their respective rights and remedies against the Applicants or the Property under or pursuant to the DIP Loan Agreement, the Definitive Documents, the DIP Lenders' Charge, or the *Personal Property Security Act* of Ontario or any other applicable jurisdiction, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants;

(c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property; and

(d) notwithstanding any other provision hereof, the DIP Lenders shall not take any steps to enforce their security granted in connection with DIP Loan Agreement or the Definitive Documents without prior approval of the Court.

47. THIS COURT ORDERS AND DECLARES that the DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by any of the Applicants under the CCAA, or any proposal (the "Proposal") filed by any of the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

48. THIS COURT ORDERS that the obligations under ~~the Bridge Notes,~~ the DIP Loan Agreement and the Definitive Documents shall be treated as unaffected by any Plan or any Proposal and the Applicants shall not file a Plan in these proceedings or any Proposal that does not provide for the indefeasible payment in full in cash of the obligations outstanding in respect of ~~the Bridge Notes,~~ the DIP Loan Agreement and the Definitive Documents as a pre-condition

to the implementation of any such Plan.

49. THIS COURT ORDERS that, subject to the terms of this Order, including without limitation paragraph 11, the Applicants are hereby authorized and empowered to take all steps and actions in respect of, and comply with all of their obligations pursuant to, the Bridge Notes and such other agreements, security documents, guarantees and other definitive documents as executed in connection with the Bridge Notes.

KEY EMPLOYEE RETENTION PLAN

50. THIS COURT ORDERS that the payments to be made pursuant to the Key Employee Retention Plan (as such terms are defined in the Aziz Affidavit) as described in the supplemental employment agreements of the Key Employees (as such term is defined in the Aziz Affidavit), which are attached as confidential exhibits to the Aziz Affidavit, are hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of such supplemental employment agreements.

51. THIS COURT ORDERS that the Key Employees shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property, which charge shall not exceed an aggregate amount of $600,000, to secure the amounts payable to the Key Employees pursuant to paragraph 50 of this Order.

52. THIS COURT ORDERS that the KERP Charge shall have the priority set forth in paragraphs 53 and 55.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

53. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge, the DIP Lenders' Charge, and the KERP Charge as among them and relative to the liens securing the obligations under the First Lien Notes and the Bridge Notes, shall be as follows:

(a) First, liens securing obligations under the First Lien Notes and the First Lien Notes Indenture (as defined in the Aziz Affidavit) (collectively, the "First Lien Notes Liens");

(b) Second, the Administration Charge and the KERP Charge on a *pari passu* basis;

(c) Third, the Directors' Charge;

(d) Fourth, the DIP Lenders' Charge and the liens securing the obligations under the Bridge Notes, on a *pari passu* basis.

54. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the KERP Charge or the DIP Lenders' Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

55. THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge, the KERP Charge and the DIP Lenders' Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person with the exception of the First Lien Notes Liens and the Encumbrances ranking in priority to the First Lien Notes Liens.

56. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge or the DIP Lenders' Charge, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lenders and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

57. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the KERP Charge, the Definitive Documents and the DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lenders thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of

Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Loan Agreement or the Definitive Documents shall create or be deemed to constitute a breach by an Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from an Applicant entering into the DIP Loan Agreement, the creation of the Charges, or the execution, delivery or performance of the other Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Loan Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

58. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in an Applicant's interest in such real property leases.

59. THIS COURT ORDERS that the deposit accounts held by Paymentech and containing cash collateral pledged to Paymentech in an amount not to exceed $1,200,000 shall be excluded from the DIP Lenders' Charge, the Administration Charge, the KERP Charge and the Directors' Charge and shall be held as security for any Chargebacks (as such term is defined in the Select Merchant Application and Agreement dated as of April 16, 2010 between Wireless and Paymentech) arising after the date of this Order.

SERVICE AND NOTICE

60. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner

prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against an Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder. The list included in subparagraph (C) above shall not include the names, addresses or estimated amounts of the claims of those creditors who are individuals or any personal information in respect of an individual.

61. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

62. THIS COURT ORDERS that the Applicants, the Monitor, the DIP Lenders, the Ad Hoc Committee of Noteholders and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.ey.com/ca/mobilicity.

SEALING OF CONFIDENTIAL EXHIBITS

63. THIS COURT ORDERS that Confidential Exhibits "K", "L" and "W" through "DD" be and are hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

64. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

65. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting

as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of an Applicant, the Business or the Property.

66. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

67. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

68. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order; provided, however, that the DIP Lenders shall be entitled to rely on this Order as issued for all advances made under the DIP Loan Agreement and Definitive Documents up to and including the date this Order may be varied or amended.

69. THIS COURT ORDERS that, notwithstanding the immediately preceding paragraph, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the DIP Loan Agreement and the Definitive Documents, including, without limitation, Paragraphs 42 to 49, and 53 to 58, inclusive, unless notice of a motion is served on the Monitor, the Applicants and the DIP Lenders, returnable no later than October ~~9~~, 2013.

17

70. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 3 0 2013

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

Court File No:

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

INITIAL ORDER

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Robert Frank LSUC#: 35456F
TEL: (416) 202-6741
Email: Robert.Frank@nortnorosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Evan Cobb LSUC#: 55787N
Tel: (416) 216-1929 / Fax: (416) 216-3930

Email: Evan.Cobb@nortonrosefulbright.com

Lawyers for the Applicants

45

DOCSTOR: 2824745\1

Exhibit "B"

46

Industry Canada Industrie Canada

SLPB-007-14
December 2014

Spectrum Management and Telecommunications

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

This is Exhibit "B" referred to in the affidavit of WILLIAM E. AZIZ sworn before me, this 21st day of JANUARY, 2015

A COMMISSIONER FOR TAKING AFFIDAVITS

Aussi disponible en français – SLPB-007-14

Canada

Contents

48

1. Intent

1. Through the release of this document, Industry Canada hereby announces the decisions resulting from the consultation process undertaken in *Canada Gazette* notice SLPB-004-14, *Consultation on the Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3)*, hereinafter referred to as the Consultation.

2. All comments and reply comments received on this consultation are available on Industry Canada's website at http://www.ic.gc.ca/spectrum. Comments and/or reply comments were received from ABC Communications, Bell Mobility Inc. (Bell), Bragg Communications Inc. (Eastlink), Cogeco Cable Inc., First Mile Connectivity Consortium (FMCC), Globalive Wireless Management Corp. (WIND), Independent Telecommunications Providers Association (ITPA), K-Net Services (K-Net), McNally, McNally/Taylor/Middleton (McNally et.al.), MTS Allstream (MTS), Niagara Networks Incorporated (Niagara Networks), Public Interest Advocacy Centre (PIAC), Québecor Media Inc. (Québecor), Rogers Communications Partnership (Rogers), SaskTel, SSi Group of Companies (SSi), Tbaytel, TELUS Communications Company (TELUS), and Xplornet.

3. The following document (hereinafter referred to as the Framework) sets out the technical, policy and licensing framework for the advanced wireless service (AWS) bands 1755-1780 MHz and 2155-2180 MHz (hereinafter referred to as AWS-3). The decision includes: a new band plan; pro-competitive measures for the band; the auction process and rules for the AWS-3 auction; conditions of licence for the licences assigned through this process; and the interim technical requirements for the band.

2. Background

4. 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 *Telecommunications Act*, is responsible for spectrum management in Canada. As such, the Minister is responsible for developing goals and national policies for the use of spectrum resources and for ensuring effective management of the radio frequency spectrum resource.

5. As discussed in the Consultation, Canadians have experienced many benefits since steps were taken in 2008 to increase wireless competition. New entrants have made substantial investments to deploy wireless networks in many markets across Canada and to provide wireless services to Canadians. More spectrum would allow these providers to increase network capacity in order to meet the traffic demands of a growing subscribership, and support the provision of next-generation wireless services, such as long-term evolution (LTE). Meanwhile, larger national and regional service providers would also benefit from an opportunity to access additional spectrum, allowing them to increase capacity to better serve their substantial subscriber bases.

6. In developing a policy and licensing framework to make additional spectrum available, the Department has been guided by the policy objectives of the *Telecommunications Act* and the *Spectrum Policy Framework for Canada* (SPFC), which maximize the economic and social benefits that

Canadians derive from the use of the radio frequency spectrum resource, and by Industry Canada's policy objectives outlined in SMSE-002-12, *Policy and Technical Framework: Mobile Broadband Services (MBS) — 700 MHz Band, Broadband Radio Service (BRS) — 2500 MHz Band*, as follows:

- sustained competition in the wireless telecommunications services market so that consumers and businesses benefit from competitive pricing and choice in service offerings;
- robust investment and innovation by wireless telecommunications carriers so that Canadians benefit from world-class networks and the latest technologies; and
- availability of these benefits to Canadians across the country, including those in rural areas, in a timely fashion.

7. To support Industry Canada's telecommunications policy objectives for sustained competition, investment, and availability, the key decisions are:

- this spectrum is to be made available via an auction process using Tier 2 service areas with a 30 MHz block set aside for operating new entrants in order to facilitate sustained competition and two 10 MHz blocks open to all bidders, to make more commercial mobile spectrum available;
- licences will have a 20-year licence term with deployment requirements at year eight, to provide for more timely deployment and provision of services to Canadians and to deter speculation; and
- a sealed-bid, second-price auction process is to be held in March 2015 to make the spectrum available in a timely manner.

8. Industry Canada was also guided by the general approaches and processes outlined in the *Framework for Spectrum Auctions in Canada* (FSAC).

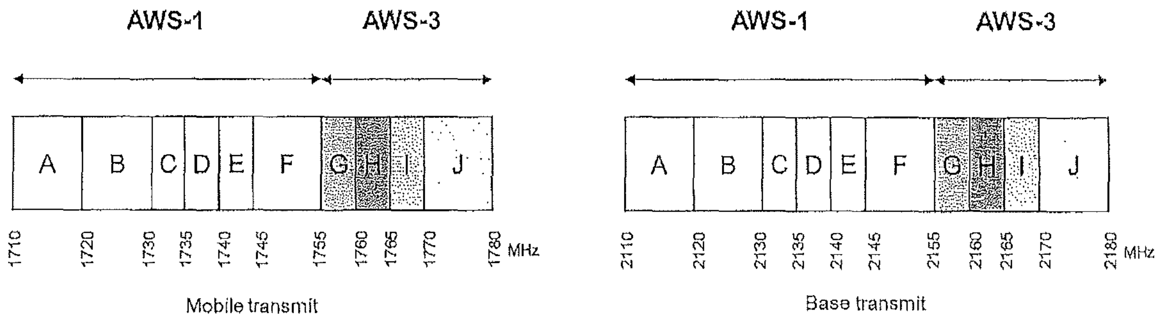
9. **Industry Canada makes no representation or warranties about the use of this spectrum for particular services. Applicants should be aware that this auction represents an opportunity to become a licensee, subject to certain conditions and regulations. An Industry Canada auction does not constitute an endorsement by the Department of any particular service, technology or product, nor does a spectrum licence constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding as they would with any new business venture.**

3. Band Plan and Block Sizes

10. The AWS bands (AWS-1[1] and AWS-3) are expected to be key bands for the deployment of LTE technology for North American wireless networks. It is also expected that the 3rd Generation Partnership Project (3GPP) standard for the AWS-3 spectrum will support 5 + 5 MHz, 10 + 10 MHz and 15 + 15 MHz block sizes, since LTE currently supports these block sizes and allows for the combining of adjacent blocks within the same band up to 20 + 20 MHz.

11. Industry Canada proposed to use the same band plan (uplink at 1755-1780 MHz and downlink at 2155-2180 MHz) as currently used in the United States (Figure 1). However, the Department proposed that the three 5 MHz blocks, (G, H and I) be combined into one 15 + 15 MHz block, in addition to the 10 + 10 MHz block J. The Department proposed large blocks because they would allow licensees to benefit from increased throughput, capacity and network efficiencies. In addition, large blocks will allow service providers to aggregate more efficiently the AWS-3 blocks with their other spectrum holdings across the AWS-1 and other bands. Furthermore, combining the G, H and I blocks into one GHI block would still align sufficiently with the U.S. band plan to simplify coordination and minimize the risk of an incompatible equipment ecosystem.

Figure 1: U.S. Band Plan



Summary of Comments

12. Many of the proposals for the band plan were related to Industry Canada's proposal to set-aside 30 MHz of spectrum and make 20 MHz available to all bidders; see Section 6 for the decisions regarding these issues.

13. Eastlink, K-Net, Niagara Networks, Québecor, Rogers, SaskTel, SSi, Tbaytel and WIND all supported the band plan and block structure as proposed with no modifications.

14. PIAC supported the band plan but proposed disaggregating the blocks into three 5 + 5 MHz blocks or one 10 + 10 MHz and one 5 + 5 MHz block to allow for more than one operating new entrant

[1] AWS-1 refers to the bands 1710-1755 MHz and 2110-2155 MHz.

to access the set-aside spectrum. They argued that combining smaller blocks across different bands using carrier aggregation technology could achieve the same result with respect to throughput and number of users served as would be achieved by licensing one large 15 + 15 MHz block to the new entrants.

15. Bell and TELUS both suggested changes to the proposed band plan. Bell proposed to split the open block into two 5 + 5 MHz blocks to allow for more potential auction winners, and swap the open and set-aside blocks such that the two open blocks would be adjacent to the AWS-1 band in order to allow for contiguity of open and AWS-1 spectrum. TELUS proposed to reduce the set-aside spectrum to 20 MHz and highlighted that in the coming years, the AWS-1 and AWS-3 spectrum will be one homogeneous band; therefore, TELUS supported a band plan consisting of five equal blocks of 5 + 5 MHz. TELUS stated that technology will support block sizes of 5 + 5 MHz or 10 + 10 MHz. TELUS also proposed to swap the open and set-aside blocks. Bell supported TELUS's proposal for five equal blocks of 5 + 5 MHz.

16. In the reply comments, Eastlink, Rogers and Québecor urged the Department to reject Bell's and TELUS's proposal to swap open and set-aside blocks because blocks G, H and I are already included in 3GPP band class 10; therefore, an equipment ecosystem may develop first for these blocks. Québecor underscored that swapping the set-aside and open blocks would result in Canadian and U.S. block structures being out of sync, which would complicate cross-border coordination and increase the risk of incompatible equipment ecosystems.

17. Rogers also urged the Department to reject the proposals put forward by Bell and TELUS for splitting the open-bidding block into two blocks on the grounds that large blocks enable faster broadband speeds and more efficient use of spectrum.

18. Both Québecor and WIND recommended that the Department not accept the proposals of Bell, TELUS and PIAC with respect to disaggregating the set-aside block. WIND stated that PIAC's proposal would hinder the effectiveness of the set-aside spectrum, which is dependent on the availability of one large contiguous block of spectrum.

19. Although initially supporting the band plan proposed in the consultation, Xplornet indicated in its reply comments that it is more sensible to auction five blocks of 5 + 5 MHz, rather than a single block of 15 + 15 MHz and one block of 10 + 10 MHz. Xplornet argued further that new entrants do not have the customer base to justify an additional 30 MHz of AWS spectrum; therefore, auctioning five 5 + 5 MHz blocks could make this spectrum available to a larger number of carriers.

20. TELUS also proposed to align with the U.S. AWS-3 auction and include the 1695-1710 MHz band in the auction.

Discussion

21. All respondents supported the pairing proposed by the Department on the grounds that harmonizing Canadian and U.S. band plans maximizes economies of scale and equipment availability, simplifies cross-border coordination and facilitates roaming.

22. The majority of respondents also supported the proposed block structure, with Bell, TELUS, PIAC and Xplornet proposing modifications. The proposed changes can be grouped into three categories: placement of the blocks; number of blocks available for open bidding; and disaggregating the set-aside block.

23. ***Placement of the blocks:*** Bell and TELUS's proposal to switch the set-aside and open blocks to ensure the contiguity of the open-bidding block with the AWS-1 band was not supported by other stakeholders. The Department notes that carrier aggregation (CA) technology will, in the near future, allow for blocks to be combined across different bands to form a larger virtual channel. This technological development will reduce the requirement for contiguous blocks of spectrum.

24. Some parties opposed the switch on the basis that J block is not yet included in the 3GPP standard for the AWS-3 band.[2] However, U.S. service providers and numerous manufacturers have begun work in 3GPP on the AWS-3 extension band for LTE. Therefore, the lack of band class for the full band will likely be short-lived. Once work is completed on the band class within 3GPP, the Department expects that LTE devices that are operable across both AWS-1 and AWS-3 bands will become available.

25. In light of the variety of views put forward by stakeholders and the above considerations, the Department sees no clear justification for switching the set-aside and open bidding blocks.

26. ***Number of blocks available for open bidding:*** Bell, TELUS and Xplornet proposed dividing the open bidding spectrum from one 10 + 10 MHz block (as initially proposed by Industry Canada) into two blocks of 5 +5 MHz to enable a second bidder to access the spectrum. None of the commenters raised any technical or cost concerns regarding dividing the open bidding block. However, it is important to note that one contiguous 10 + 10 MHz block affords greater efficiency than two separate 5 + 5 MHz blocks; hence, bidders may value a contiguous 10 + 10 MHz block at more than twice the value of a single 5 + 5 MHz block. Package bidding would provide the ability to express this value (see Section 7.1).

27. Since no technical concerns were raised, the Department will divide the proposed J block into two 10 MHz blocks (blocks J1 and J2) as shown in Figure 2 and allow package bidding for these two blocks to provide an opportunity for bidders to express their value for the both open bidding blocks.

28. ***Disaggregating the set-aside block***: Some respondents advocated that the proposed 15 + 15 MHz block, GHI, be divided into multiple blocks. New entrants need access to more spectrum to grow their customer bases and offer innovative services. Larger block sizes, as supported by LTE, will allow new entrants to deploy such services more efficiently and improve their customer service. Disaggregating the set-aside block into three 5 + 5 MHz blocks, or into a combination of one 5 + 5 MHz block and one 10 + 10 MHz block, or reducing the amount of spectrum available to new entrants, would undermine such efforts and would not support sustained competition.

---

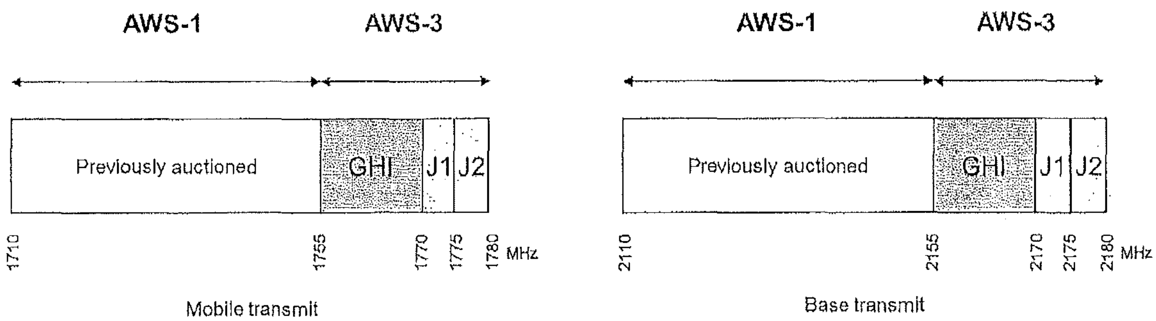
2 The current band classes -- 4 and 10 – only extend to 1755/2155 MHz and 1770/2170 MHz, respectively.

29. In light of the above, the Department will maintain the proposed block GHI as one block of 30 MHz.

Decision

D1 – The band plan shown in Figure 2 below will be adopted for the AWS-3 auction, with the J block subdivided into two separate blocks, namely J1 and J2.

Figure 2: Canadian Band Plan for the bands 1755-1780 MHz and 2155-2180 MHz



The following paired frequency blocks will be available for the AWS-3 auction:

Table 1 – AWS-3 Frequency Blocks

Block	Frequency	MHz
GHI	1755-1770 MHz/2155-2170 MHz	15 + 15 MHz
J1	1770-1775 MHz/2170-2175 MHz	5 + 5 MHz
J2	1775-1780 MHz/2175-2180 MHz	5 + 5 MHz

4. International Coordination

30. Both Canadian and U.S. licensees in the AWS-3 band are subject to conditions of licence crafted to ensure that cross border spectrum sharing arrangements and treaties are implemented. In particular, under the terms of Treaty Series 1962 No. 15 — *Coordination and Use of Radio Frequencies — Exchange of Notes between Canada and the United States of America*, each country has a legal obligation to protect the other country's previously coordinated stations from potential interference from – and accept any interference that these stations may cause to – new users of this spectrum.

31. Specific coordination rules and procedures for the sharing of the bands 1755-1780 MHz and 2155-2180 MHz between Canadian and U.S. licensees are under negotiation between Industry Canada, the Federal Communications Commission (FCC) and the National Telecommunications & Information

Administration (NTIA). The Department anticipates that the resulting coordination procedures will include transitional measures for protection of U.S. government incumbents, as well as licensee-to-licensee coordination between AWS-3 licensees in both countries, similar to how coordination in the AWS-1 band is already carried out.[3]

32. Through their conditions of licence, AWS-3 licensees will be required to abide by certain technical requirements and to coordinate with U.S. licensees in accordance with the conditions of any international arrangements or agreements into which Canada enters.

33. ***U.S. government licensees in the band 1755-1780 MHz***: The 1962 Treaty includes incumbent U.S. government licensees in the band 1755-1850 MHz, many of which operate near the Canada-United States border. Although most of these operations will move to other spectrum between now and mid-2020, some systems will remain in the AWS-3 band indefinitely. Since these U.S. government incumbents have been coordinated with Canada, the Department may require Canadian AWS-3 licensees to protect these stations from interference and/or to accept any interference that they may cause as long as they continue to operate in this band.

34. Detailed information on U.S. incumbent use of the 1755-1780 MHz band and the transition plan for these systems, including the types of systems, their locations and transition times, can be found on the NTIA's website at http://www.ntia.doc.gov/.[4]

35. Prior to the auction, licensees are strongly encouraged to consult the NTIA's transition plan and to undertake their own analyses of the potential impacts of U.S. incumbent operations on Canadian operations in the 1755-1780 MHz portion of the AWS-3 band. Industry Canada has provided an analysis in Annex A, but makes no representation or warranties about the accuracy and completeness of this analysis.

5. Licence Areas

36. The document *Service Areas for Competitive Licensing* outlines the general service areas that are used by Industry Canada for the purposes of issuing spectrum licences. The defined geographic areas have been categorized under "service area tiers" that are based on Statistics Canada's Census Divisions and Subdivisions.

37. As different wireless services and applications are best suited to different sizes of service areas, four tiers of service areas have been established. Tier 1 is a single national service area. Tier 2 consists of 14 large service areas covering all of Canada. There are eight Tier 2 service areas that have

---

3 See Arrangement I, http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf08961.html

4 See also http://www.ntia.doc.gov/category/500-mhz-initiative and http://www.ntia.doc.gov/category/aws-3-transition.

provincial/territorial boundaries, and six that are sub-provincial within Ontario and Quebec. Tier 3 contains 59 smaller regional service areas and Tier 4 comprises 172 localized service areas. The population associated with each service area is based on Statistics Canada's census information.

38. In the Consultation, Industry Canada proposed the use of Tier 2 service areas. Larger geographic areas were proposed since they require less coordination between licensees, allow more effective use of radio spectrum, and enable deployment of large-scale networks that can be more efficient due to economies of scale.

Summary of Comments

39. Tbaytel, Xplornet, ITPA and K-Net proposed the use of smaller Tier 3 areas. Tbaytel indicated it did not support a Tier 2 service area for Northern Ontario because of its vast area and sparse population. Xplornet, IPTA and K-Net argued that the use of Tier 2 areas will prevent smaller players, such as themselves, from bidding, which runs contrary to the goal of making spectrum available for smaller players and is not compatible with business models that focus on providing service in rural areas. ABC Communications proposed the use of Tier 4 service areas to increase the use of the auctioned spectrum and foster competitive regional markets across Canada.

40. MTS, Niagara Networks, PIAC, Québecor, Rogers, SaskTel, TELUS and WIND supported the use of Tier 2 service areas. In its reply comments, PIAC underlined that while it still supports Tier 2 licence areas, the Department should consider whether Tier 3 licensing may be better suited to achieving stated policy objectives as it would allow smaller players to acquire spectrum.

41. Bell proposed that the set-aside spectrum be licensed on a Tier 3 basis, which more closely mirrors an urban-rural split, and that the set-aside only apply to the urban part of the spectrum. Bell suggested that doing so would provide new entrants with immediate access to urban spectrum, which they actually desire and are more likely to deploy in a timely manner. Bell argued that licensing the set-aside spectrum on a Tier 3 basis would make the rural spectrum available to a larger group of potential bidders. Québecor and WIND opposed this proposal indicating that the assumption that they only want to serve urban areas is false and that it would limit deployment along transportation corridors.

42. SaskTel also recommended changes to Tier 2-12 at the Saskatchewan-Alberta border to remove any deviation from the provincial borders for spectrum licences around the City of Lloydminster, proposing that the city should be included in Tier 2-11. TELUS opposed this proposal and noted the arguments provided by Industry Canada in SLPB-001-14, *Licensing Framework for Broadband Radio Service (BRS) – 2500 MHz Band*, for keeping Lloydminster in Tier 2-12.

43. Similarly, WIND recommended changes to the Eastern Ontario and Outaouais Tier 2 area such that the Outaouais portion of the existing 2-06 licence area should be merged with the Southern Quebec service area 2-05. WIND argued that network design and optimization practices can effectively minimize interference concerns should the boundary be redrawn as proposed. Québecor opposed this, stating that the Ottawa/Outaouais market should be preserved because it is one economic region.

Discussion

44. ***Tier size:*** Licensing spectrum based on larger geographic areas for mobile services generally results in less coordination being required between licensees and more effective use of radio spectrum. However, several commenters argued that licensing spectrum in large tiers does not provide flexibility or opportunity for service providers who want to obtain spectrum in smaller local or regional geographic markets to obtain spectrum corresponding to their business needs.

45. Industry Canada considers the specific technical characteristics of a band to determine the appropriate tier size. For example, given the long-distance propagation inherent in the 700 MHz band, Industry Canada chose to use Tier 2 licences. Based on the propagation characteristics of the 2500 MHz band, the Department concluded that coordination issues would be more manageable than with lower frequency bands and chose to use Tier 3 licences. Given that the AWS-3 band is between the 700 MHz and 2500 MHz bands, propagation is not a decisive consideration, which was also reflected in the decision to offer both Tier 2 and Tier 3 licences for the 2008 AWS-1 auction.

46. The 2008 AWS-1 auction resulted in most of the Tier 3 licences being assigned to the same licensee within each Tier 2 area. Since AWS-1 is adjacent to AWS-3, Tier 2 area licences in AWS-3 will align with the AWS-1 licence areas, which will reduce geographic fragmentation and would enable deployment of large-scale networks, which can be more efficient due to economies of scale.

47. ***Tier boundaries:*** The tier service areas were introduced in 1998 following a public consultation that stemmed from the amendments to the *Radiocommunication Act*, which introduced a new approach to spectrum licensing in 1996. At the time of consultation, there was general agreement among stakeholders regarding the spectrum licensing approach and, to reduce possible interference issues and keep economic areas intact, some deviations were made around provincial borders.

48. The deviations occur in five areas of the country where the use of provincial borders would divide a contiguous economic zone in two. These are comprised of one large population area (Gatineau-Ottawa) and four smaller areas, including the City of Lloydminster, which straddles the border between Saskatchewan (35% of the population) and Alberta (65% of the population). These decisions were based on the population distribution and economic markets in 1998. Industry Canada has seen no evidence that there has been a significant change in population distribution in these areas that would warrant a change in the tier areas.

49. Although some have noted that new technologies help reduce the potential for interference between systems in close proximity, redrawing the tier area boundary to follow the provincial border could still result in increased interference, reduced spectral efficiency and lower quality of service to subscribers. This goes against the principles of the tier areas and of keeping a contiguous economic area intact.

50. Based on the discussion above, Industry Canada will not be changing the boundaries of the tier areas at this time and will license the AWS-3 frequency blocks on a Tier 2 basis (see Annex B).

Decision

D2 – Tier 2 service areas, as defined by the document *Service Areas for Competitive Licensing*, will be used to license all frequency blocks for the auction of AWS-3 spectrum licences.

6. Licensing Process and Pro-competitive Measures

51. Industry Canada anticipates that the AWS-3 spectrum will be highly desirable to wireless service providers and demand is likely to exceed supply for these licences. Consequently, Industry Canada proposed in the Consultation to use an auction process to assign spectrum licences in the AWS-3 band. Auctions are a transparent, fair and efficient spectrum assignment mechanism.

52. It is likely that large wireless service providers (LWSP) have the means to prevent new entrants from acquiring spectrum licences in an open auction[5], and there is a risk that competition in the post-auction marketplace could suffer without measures to facilitate new entrants' access to spectrum. Industry Canada proposed that competitive measures should apply to this band, and sought comments on the use of a competitive measure to prohibit certain entities from bidding on specific blocks of spectrum, specifically a 30 MHz spectrum set-aside.[6]

53. When applying competitive measures in the past, Industry Canada has used specific definitions to distinguish between established providers and new entrant providers for the purposes of determining bidding eligibility. In SMSE-002-12, *Policy and Technical Framework: Mobile Broadband Services (MBS) — 700 MHz Band, Broadband Radio Service (BRS) — 2500 MHz Band*, LWSP are defined as "*companies with 10% or more of national wireless subscriber market share, or 20% or more wireless subscriber market share in the province of the relevant licence area.*"[7] In the Consultation, the

5 The Competition Bureau has stated that "incumbent service providers do have market power in the provision of retail mobile wireless services" in its *Submission by the Commissioner of Competition Before the Canadian Radio-television and Telecommunications Commission — Telecom Notice of Consultation CRTC 2013-685 — Wholesale mobile wireless roaming in Canada — Unjust discrimination/undue preference.* (*http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03648.html*).

6 As noted in the FSAC, there are various measures available in an auction to promote a competitive marketplace if required, notably set asides and spectrum caps. These measures can address issues of market power and competition. The factors that Industry Canada may consider when deciding upon use of a competitive measure are set out in the FSAC. A spectrum set-aside prohibits certain entities from bidding on specific blocks of spectrum.

7 The subscriber market share for Ontario will apply for the licence area 2-06, Eastern Ontario and Outaouais. For the Tier 2-14 licence area (Yukon, Northwest Territories and Nunavut), only the national market share criteria will apply. Definition from 700/2500 MHz Policy Framework Decision B3-2 (http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10121.html). The reference data for the evaluations will rely on the most recently available CRTC *Communications Monitoring Report*.

Department proposed that new entrants be defined as service providers that are not LWSP. Industry Canada also proposed that bidding for the spectrum set-aside be limited to new entrants.

54. Industry Canada proposed to limit the eligibility to bid on set-aside spectrum to operating new entrants, since new entrants that are already offering wireless services benefit from an existing network and subscribers, and will be able to add set-aside spectrum to improve their mobile networks. The Department also proposed that the active provision of commercial wireless services, including a minimum coverage within each Tier 2 licence area, would be assessed when determining an applicant's eligibility to bid on the set-aside spectrum.

55. Industry Canada also recognized that AWS-3 spectrum could allow other wireless service providers to enhance their service offerings to Canadians, and proposed that the remaining 20 MHz of spectrum be available for open bidding.

Summary of Comments

56. There was general support for the use of an auction process to assign spectrum licences in the AWS-3 band and for having spectrum open to all bidders.

57. The majority of respondents did not comment on the definition of LWSP. Niagara Networks supported the definition. PIAC noted that the definition would preclude large regional service providers from bidding on the set-aside spectrum and that it would require these smaller entities to compete with the large national service providers for the spectrum open to all bidders.

58. ABC Communications, Eastlink, K-Net, Niagara Networks, PIAC, Québecor, SSi, Tbaytel and WIND supported the proposal to set aside 30 MHz. MTS had no objection to the proposal. Bell, TELUS and Rogers all indicated that in principle they did not agree with the use of set-asides. As an alternative, TELUS argued that a spectrum cap mechanism would produce fairer spectrum prices. TELUS also proposed that if a set-aside were to be implemented it should be reduced to 20 MHz as it would be less disruptive to the industry as a whole; this proposal was also supported by Bell, Rogers and Xplornet. SaskTel did not support the proposal for set-aside spectrum. WIND urged the Department to reject TELUS's proposal to reduce the amount of set-aside spectrum to 20 MHz from 30 MHz, stressing that new entrants need access to more than one 5 + 5 MHz or 10 + 10 MHz block to effectively deploy LTE offerings.

59. The majority of commenters indicated general support for the proposal to restrict set-aside eligibility to operating new entrants, including Bell, Eastlink, MTS, Québecor, Rogers, SaskTel, TELUS, and WIND. Some noted that the rule would have the effect of limiting the set-aside to those more likely to deploy, and prevent speculative participation. SaskTel argued that the eligibility should also apply to the open bidding block.

60. Stakeholders that proposed an entirely different approach included Xplornet, ABC Communications, K-Net and PIAC. These parties suggested that entirely new market participants should be eligible to bid on the set-aside and given an opportunity to enter the market. Xplornet argued that disallowing new market participants limits the potential for competition, and excludes other types of

carriers such as fixed wireless access providers who may be well placed to use AWS-3 spectrum to provide services to Canadians. ABC Communications, PIAC and K-Net similarly argued that rural carriers or other carriers who may be able to serve certain licensing areas are unnecessarily excluded, thereby potentially limiting competition. Niagara Networks suggested that those who are successful in acquiring the set-aside licence be obligated to share it with other competitors.

61. On the subject of the minimum population coverage level, TELUS and Rogers viewed coverage based on 50% of the AWS-1 targets to be a low threshold. Rogers proposed that the coverage requirements be increased to 100% of the AWS-1 targets, arguing that new entrants who acquired set-aside spectrum should meet their full AWS-1 deployment requirements before being eligible to bid on additional set-aside spectrum in the AWS-3 auction.

62. Stakeholders also commented on whether network sharing arrangements between operating new entrants and LWSP should count towards the coverage requirement. WIND proposed that shared networks should not count towards the coverage requirement, noting that doing so would undermine Industry Canada's goals of creating more competition. PIAC supported WIND's position. Québecor submitted that partnerships with LWSP should count towards deployment when assessing eligibility.

63. WIND proposed that the assessment for the active provision of service should include higher thresholds: a retail/distribution network with more than a nominal number of retail locations (i.e. more than 10); and that there should be a "meaningful" level of subscribership in the service area (i.e. more than 1% of the population within the licence area). Both Eastlink and Québecor opposed WIND's proposal. Eastlink argued that WIND's proposal would have a disproportionate impact on rural operating new entrants, and those still in the process of expansion to new areas. Québecor argued that taking into account subscribership is counter-productive, unjust and intrinsically arbitrary.

64. On assessing the subject of active provision of services, Eastlink proposed that subscribership should not be included among the criteria. Eastlink identified hurdles to deployment and technical limitations which operating new entrants have faced that have slowed initial growth in subscribership. Eastlink argued that such limitations do not indicate a lack of commitment to servicing the licence area, indicating that in some areas it has made significant investments in fiber and tower sites to support advanced wireless services in the long term. Bell opposed Eastlink's proposal, arguing that it weakens the operating assessment criteria.

Discussion

65. ***Set-aside spectrum***: Operating new entrants that are already offering wireless services benefit from an existing network and subscribers, and will be able to add set-aside spectrum to improve their mobile networks. While others advocated for wider access to set-aside spectrum in consultation, Industry Canada notes that licensing AWS-3 spectrum to an operating new entrant that possesses a wireless network is more likely to result in the provision of robust advanced wireless services, allowing for more effective and sustained competition in the post-auction marketplace. Most stakeholders broadly supported Industry Canada's proposal to limit eligibility to bid on the set-aside spectrum to operating new entrants, with some noting that the rule would limit the set-aside to those more likely to deploy, and prevent speculative participation.

66. Industry Canada is of the view that setting aside 30 MHz of AWS-3 spectrum for operating new entrants will support the objectives of sustained competition, robust investment, and timely availability of advanced services.

67. *Coverage requirements*: Consistent with the approach used in licensing spectrum to operating new entrants, there was also general support for requiring minimum population coverage and the active provision of services.

68. Requiring minimum population coverage based on 50% of the AWS-1 targets was generally well-supported by stakeholders. A network meeting the minimum population coverage would require a substantial investment, and provide an operating new entrant with a strong platform to build upon with set-aside AWS-3 spectrum. At the same time, the required minimum population coverage should take into account that new entrants holding AWS-1 spectrum are now, at most, six years into their 10-year AWS-1 licence terms, leaving another four years to meet 100% of their 10-year deployment targets.

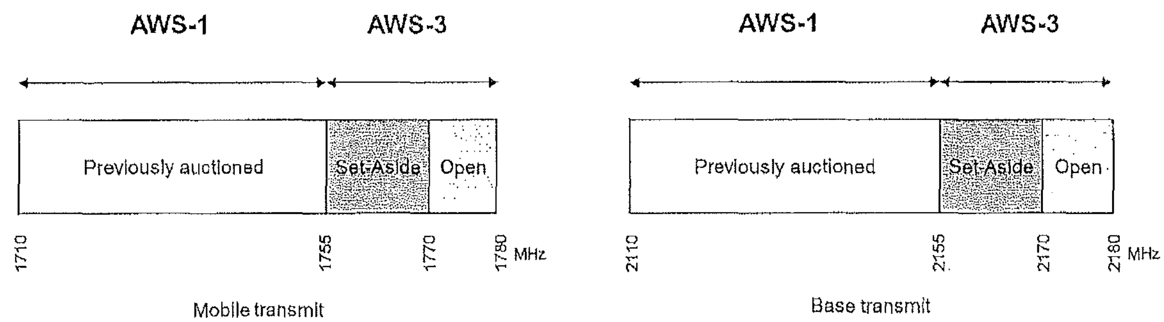
69. Some stakeholders sought clarity as to whether joint or shared networks between new entrants and LWSP would count towards the assessment of minimum population coverage. Coverage provided by a new entrant using its licensed spectrum may count towards the assessment of minimum population coverage in the applicable licence area to determine eligibility to bid on the set-aside spectrum. This coverage can be achieved through different types of network deployments, including stand-alone, shared or joint networks.

70. *Assessment of active provision of commercial mobile services*: Requiring operating new entrants to demonstrate the active provision of commercial mobile services based on the proposed criteria was also generally well-supported by stakeholders. However, some raised concerns regarding the specific criteria and threshold that would be assessed by Industry Canada. The Department recognizes that the level of activity in the provision of commercial mobile services is multi-faceted and will not define specific criteria. When assessing the eligibility to bid on the set-aside spectrum, Industry Canada will take all of the requested information into account.

71. Given the overall approach and the consideration of alternative proposals, Industry Canada is of the view that the proposed criteria for the assessment of minimum population coverage and active provision of commercial wireless services are appropriate. A similar approach for assessing the active provision of services is used when assessing licence renewal at the end of a licence term and when determining if associated entities are eligible to bid separately in this and other auctions. In each process, Industry Canada examines all aspects that demonstrate the active provision of services.

72. Based on the discussions above, Industry Canada will auction the AWS-3 spectrum with a 30 MHz set-aside for operating new entrants and 20 MHz open to all bidders, as shown in Figure 3. The eligibility will be assessed as outlined below.

Figure 3: Availability of AWS-3 Spectrum



Decision

D3 – The blocks of spectrum available for the auction are as follows:

- **15 +15 MHz of paired spectrum (Block GHI) will be set aside for eligible entities in every Tier 2 licence area; and**
- **Two 5 + 5 MHz of paired spectrum (Blocks J1 and J2) will be open to all bidders in every Tier 2 licence area.**

D4 – LWSP are defined as companies with 10% or more of national wireless subscriber market share, or 20% or more of wireless subscriber market share in the province of the relevant licence area.[8] New entrants are defined as service providers that are not LWSP.

D5 – Bidding on set-aside spectrum licences in each Tier 2 region is restricted to new entrant bidders that are:

i. **actively providing commercial mobile wireless services using licensed spectrum in the Cellular, PCS, AWS, BRS, MBS or WCS bands to the general public; and**
ii. **operating a terrestrial wireless network[9] in the Tier 2 service area, with the minimum population coverage levels shown in Table 2, effective as of the date of application to participate in the AWS-3 auction.**

---

8 The subscriber market share for Ontario will apply for the licence area 2-06, Eastern Ontario and Outaouais. For the Tier 2-14 licence area (Yukon, Northwest Territories and Nunavut), only the national market share criteria will apply. Definition from *Policy and Technical Framework: Mobile Broadband Services (MBS) — 700 MHz Band, Broadband Radio Service (BRS) — 2500 MHz Band* (http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10121.html). The reference data for the evaluations will rely on the most recently available CRTC *Communications Monitoring Report* at http://www.crtc.gc.ca/eng/publications1.htm

9 Refers to terrestrial wireless networks. Coverage areas (for the purposes of verifying coverage) are those areas where devices being offered to support service can successfully connect to the bidder's existing network.

Table 2 – Minimum Population Coverage Levels to be Eligible to Bid on the Set-Aside Spectrum

Tier 2	Service Area Name	Minimum Population Coverage
2-01	Newfoundland & Labrador	15%
2-02	Nova Scotia & Prince Edward Island	15%
2-03	New Brunswick	20%
2-04	Eastern Quebec	25%
2-05	Southern Quebec	25%
2-06	Eastern Ontario & Outaouais	25%
2-07	Northern Quebec	15%
2-08	Southern Ontario	25%
2-09	Northern Ontario	25%
2-10	Manitoba	25%
2-11	Saskatchewan	20%
2-12	Alberta	25%
2-13	British Columbia	25%
2-14	Yukon, Northwest Territories & Nunavut	10%

D6 – Industry Canada adopts the process for assessing a bidder's eligibility to bid on the set-aside spectrum as outlined in paragraphs 73 to 75 below.

73. *Assessing minimum coverage:* Industry Canada will assess the deployment level of service against the required coverage level for the tier. Therefore, applicants are required to provide site data and detailed coverage maps based on spectrum licensed to the applicant in the service area with their applications.

74. In addition to reviewing the site data and coverage maps, Industry Canada may verify coverage, through testing, to confirm that wireless services can be accessed throughout the coverage area indicated by the applicant. Applicants should declare where minimum population coverage is met through a joint network, and documentation outlining the partnership, control of the spectrum, and respective contributions towards the joint network should be provided. Industry Canada could also request further documents or other information to verify this or any other information during the application process.

75. *Assessing the active provision of commercial wireless services*: Industry Canada will determine whether commercial wireless services are actively being provided to the general public in the coverage area. Applicants must demonstrate this by providing relevant documentation with their application. Such documentation will include, but not be limited to, details outlining:

- the services being offered in the service area;
- the retail/distribution network;
- the devices that are offered to customers to provide the service;

- how subscribers access services; and
- the subscribership in each service area (including the level of national subscribership).

7. Auction Format and Rules

7.1 Auction Format and Timing

76. As stated in the FSAC, Industry Canada's objective is to select an auction design that is optimal for the spectrum being offered and the circumstances that exist at the time. The auction format should be simple, fair and transparent for bidders and lead to an efficient assignment of spectrum. In the selection of an auction format and related rules, consideration is given to the characteristics of the spectrum being auctioned; for example, the quantity and size of the blocks, as well as the similarities and complementarities that may exist among the blocks. In past auctions, Industry Canada has used a simultaneous multiple round ascending (SMRA) auction, a combinatorial clock auction (CCA) or a sealed-bid auction format.

77. A sealed-bid auction requires applicants to submit their bids to the Department in a sealed envelope prior to the receipt deadline for bids in order to apply for each licence. Following the receipt deadline for bids, departmental officials will open the bids, rank them and provisionally award a licence or licences to the highest bidder(s). If the highest bidder for a particular licence is found eligible to be the licensee, that bidder would be awarded the licence.

78. Industry Canada sought comments on its proposal to use a sealed-bid auction format for the AWS-3 auction. In addition, the Department proposed that the AWS-3 auction take place in March 2015, and that the deadline for receipt of applications be January 30, 2015.

Summary of Comments

79. MTS, Niagara Networks, Québecor, SaskTel, SSi, Tbaytel, WIND and Xplornet all supported the use of a sealed-bid auction format for the AWS-3 auction.

80. Rogers and TELUS proposed changes to the auction format. Rogers recommended that the Department use an SMRA format. TELUS proposed a CCA format. Both TELUS and Rogers argue that the sealed-bid format does not provide for price discovery and that it increases aggregation risk in that bidders may not be successful in assembling the geographic footprint that they require to support their business case.

81. Bell proposed that the Department postpone auctioning the open block for a period of one to two years so that large national and regional wireless service providers can focus capital resources in the near term on the planned deployment of network upgrades and on accommodating their participation in the 2500 MHz auction. SaskTel proposed that Industry Canada wait until after the Canadian Radio-television and Telecommunications Commission (CRTC) ruling on roaming, which SaskTel stated is expected at the end of 2014, before setting the final rules for the auction. As part of their reply comments, SaskTel and PIAC proposed postponing the auction for one to two years. SaskTel supported

Bell's proposal for a two-stage auction with an auction for the set-aside block first, followed by an auction for the open block and unsold set-aside blocks if Industry Canada wanted to go ahead with the auction for the set-aside. In their reply comments, WIND reiterated its support for the auction to take place in March 2015 and Rogers opposed postponing the auction.

Discussion

82. ***Auction format***: When proposing an auction format, Industry Canada considers the benefits of an auction format and the complexity of, and time required, to run the auction. Some respondents proposed that a CCA or an SMRA format should be used for the AWS-3 auction. Although both CCA and SMRA formats provide stakeholders with the benefit of price discovery through the multiple rounds, these formats are more time consuming to implement. However, the decisions for Tier 2 licence areas, a set-aside block and two open bidding blocks means that a simplified auction can be held for this spectrum. Therefore, Industry Canada believes that sealed-bid format is the most appropriate auction format for the AWS-3 auction.

83. ***Package bidding***: Given Industry Canada's decision to divide the open-bidding block in each service area into two blocks, J1 and J2, allowing package bidding for the two open-bidding blocks within a service area would allow bidders to express their value for both blocks in addition to their value for the individual blocks. If bidders were only able to bid on J1 and J2 individually there would be an aggregation risk for bidders that are trying to acquire both blocks. Package bidding will reduce this risk. Therefore, Industry Canada will allow bidders to submit bids for J1 and J2 individually as well as a package bid for both J1 and J2.

84. ***Auction timing***: The *Commercial Mobile Spectrum Outlook* published in 2013 identified AWS-3 as a band under consideration for commercial mobile services, and noted that AWS-3 could be available for licensing in Canada as early as 2015. Some stakeholders advocated postponing the AWS-3 auction while others supported moving forward with the process, citing a need for more spectrum. Industry Canada is of the view that providers seeking additional spectrum to support investment and expansion of wireless networks would benefit from a timely licensing process, as it will allow them to plan their deployments and provide services to Canadians using the spectrum as soon as possible. To make this spectrum available in a timely manner, Industry Canada will hold the AWS-3 auction in March 2015, with the deadline for receipt of applications on January 30, 2015.

85. The schedule for the auction process, *Table of Key Dates*, is available on Industry Canada's Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrum. Items and time frames included in the schedule may be updated from time to time. Interested parties are advised to check the website regularly for any updates to the schedule of events.

Decision

D7 – Industry Canada will proceed with an auction process for AWS-3 in March 2015, with the deadline for the receipt of applications on January 30, 2015.

D8 – Industry Canada will use a sealed-bid auction format for the AWS-3 auction and will allow package bids for the open-bidding blocks within each Tier 2 area. Further information on the determination of provisional licence winners can be found in Section 10.9.

7.2 Second-price Rule

86. Industry Canada sought comments on the proposal to use a second-price rule to determine the price that winning bidders would be required to pay. A second-price rule requires winning bidders to pay an amount that is sufficient to ensure that no other bidder, or group of bidders, is prepared to pay more for the licence(s) in question.

Summary of Comments

87. ABC Communications, Bell, Eastlink, MTS Allstream, Niagara Networks, PIAC, Québecor, SaskTel, SSi, Tbaytel, TELUS and WIND supported the proposal to use a second-price rule. Xplornet stated that it opposed the second-price rule and suggested that winning bidders pay the full amount of their bid. Rogers stated that it does not support the use of a second-price rule combined with a sealed-bid format because it believes that with this combination, along with the relatively low opening bids and eligibility limits, there will be limited bidding on the set-aside spectrum in every geographic area.

Discussion

88. A second-price rule requires each winning bidder to pay an amount that is sufficient to ensure that no other bidder, or group of bidders, is prepared to pay more than the winning bidder for the licence(s) in question.

89. Industry Canada proposed a second-price rule since it promotes a more efficient outcome by increasing the incentive for bidders to bid in a way that is consistent with how they truly value the licences. Bidders, knowing that they will only be required to pay the amount determined by the second-price rule, will have a greater incentive to bid truthfully. This promotes an efficient auction outcome.

90. Given the decisions to have two open-bidding blocks and to allow bidders to submit a package bid for the two open-bidding blocks within a service area, the price(s) for the open bidding blocks could depend on package bids and/or bids for the individual licences.

91. With package bidding, in some cases, the second price may not be high enough to ensure that there is no alternative bidder or group of bidders prepared to pay more for the licences in question. To

address this, Industry Canada could require an additional payment above the second price to ensure that the winning bidder(s) pay an amount that is sufficient to ensure that no other bidder or group of bidders is prepared to pay more for the licence(s) in question. More specifically, Industry Canada could apply bidder-optimal core prices and use the "nearest Vickrey" approach (see Annex C). This approach was used to determine prices for the recent 700 MHz auction and will be used in the forthcoming 2500 MHz auction.

Decision

D9 – Industry Canada will implement a second-price rule, including bidder-optimal core prices and use of the "nearest Vickrey" approach. Prices for the open-bidding blocks and the set-aside block in each service area will be determined separately. Further information on the determination of prices can be found in Annex C.

7.3 Opening Bids

92. For a sealed-bid auction, opening bids are the minimum amount that will be accepted for each licence.

93. Industry Canada proposed opening bid prices for the AWS-3 spectrum auction that are comparable to the opening bid prices for the forthcoming 2500 MHz auction.

Summary of Comments

94. Eastlink, PIAC, Québecor, SaskTel, SSi, and WIND supported the proposed opening bids.

95. MTS, TELUS and Xplornet did not object to the proposed opening bids. However, TELUS noted the proposed opening bids are low compared to the opening bid prices being used in the U.S. AWS-3 auction.

96. Bell agreed with the proposed opening bids but recommended that in the event that there is only one bidder for the set-aside licence in a particular service area, the amount paid for the licence should be equivalent to the present value of the foregone annual licence fees ($0.035/MHz/pop) over the 20-year term of the licence. These prices would be approximately 3 times higher than proposed in the Consultation. Eastlink, Québecor and WIND opposed Bell's proposal.

97. Xplornet agreed with the proposed opening bids in the range of $0.05 to $0.14 per MHz/pop but it questioned why the opening bid is lower in Toronto in comparison to Montreal and lower in Saskatchewan in comparison to Manitoba and Alberta. It stated that such differences are not justified by the demand for spectrum in the respective areas.

98. Rogers considered the level of the proposed opening bids too low. It noted that the proposed opening bids are lower than the U.S. reserve bids for the AWS-3 spectrum. Rogers also pointed out that

the proposed opening bids are lower than the opening bids in the AWS-1 auction. It suggested that opening bids for the set-aside spectrum should be set at the average price of winning bids in the AWS-1 auction, which it calculated as being approximately 12 times higher than the proposed AWS-3 opening bids. Rogers argued that for most service areas, there would be only one eligible bidder for the set-aside spectrum; therefore, the AWS-1 results could serve as a proxy for the market value for this spectrum.

Discussion

99. As with all opening bids in recent Canadian spectrum auctions, those proposed in the Consultation were set on the conservative side to reduce the risk of discouraging participation from bidders with viable business plans. The determination of the proposed opening bids took into consideration transactions for 2500 MHz spectrum licences in the Canadian wireless market and the Canadian 2008 AWS-1 auction results.

100. The proposed bids were similar to those that will be used in the upcoming 2500 MHz auction since the AWS-3 and 2500 MHz bands are comparable in a number of ways. They both have similar propagation characteristics and recognition as commercial mobile frequencies. An equipment ecosystem is not expected to be available for the AWS-3 band for two to three years, and the 2500 MHz band also lacks a well-established device ecosystem. Also, in the case of AWS-3, there will be delays in the usability of this spectrum in certain areas due to temporary or permanent incumbent users in the United States.

101. Having considered the comments received, Industry Canada has decided that the opening bid prices should be as proposed in the Consultation as they are considered to reflect a conservative estimate of the market value of the spectrum in each service area, and are set high enough so that Canadians will receive a fair return for the use of the spectrum but not so high as to discourage participation in the auction.

69

Decision

D10 – The opening bids for the AWS-3 auction are listed in Table 3. The total amount of the proposed opening bids for all spectrum blocks is $162,450,000.

Table 3 – Opening Bids by Service Area

Service Area #	Service Area Name	Population	$/MHz/pop	10 MHz Open-bidding Blocks (J1 and J2) Opening bid ($)	30 MHz Set-aside Block (GHI) Opening bid ($)
2-01	Newfoundland & Labrador	514,641	0.06	$ 300,000	$ 900,000
2-02	Nova Scotia & P.E.I.	1,061,846	0.06	650,000	1,900,000
2-03	New Brunswick	749,942	0.06	450,000	1,300,000
2-04	Eastern Quebec	1,668,394	0.08	1,350,000	4,000,000
2-05	Southern Quebec	5,683,036	0.12	6,800,000	20,500,000
2-06	Eastern Ontario & Outaouais	2,347,808	0.08	1,900,000	5,600,000
2-07	Northern Quebec	190,605	0.05	100,000	300,000
2-08	Southern Ontario	10,090,766	0.11	11,100,000	33,300,000
2-09	Northern Ontario	774,775	0.05	400,000	1,200,000
2-10	Manitoba	1,206,968	0.09	1,100,000	3,300,000
2-11	Saskatchewan	1,029,812	0.06	600,000	1,900,000
2-12	Alberta	3,650,167	0.09	3,300,000	9,900,000
2-13	British Columbia	4,399,939	0.10	4,400,000	13,200,000
2-14	Yukon, Northwest Territories & Nunavut	107,215	0.05	50,000	150,000
	Total per block			$ 32,500,000	$ 97,450,000
	Total all blocks				$ 162,450,000

8. Bidder Participation

8.1 Affiliated Entities

102. In order to maintain auction integrity, as in past auctions, Industry Canada proposed that there be rules relating to the participation of affiliated and associated entities in order to ensure that each bidder is an independent bidder. The Department proposed a definition of affiliated entities and that affiliated entities not be allowed to participate separately in the auction. As in previous auctions, applicants will be required to disclose information about their companies, including affiliations and associations.

Summary of Comments

103. Eastlink, K-Net, Niagara Networks, PIAC, Québecor, SaskTel, SSi, Tbaytel, TELUS and WIND indicated that they supported the proposed definition of affiliated entities. MTS indicated that it had no objection to the definition.

Discussion

104. Given that the proposed definition for affiliated entities is consistent with other auction processes and that there were no comments proposing changes, the definition will be as proposed in the Consultation. Furthermore, there were no comments regarding the presumption of affiliate status or bidding eligibility for affiliated entities; therefore, these rules will apply as set out below.

Decision

D11 – Industry Canada adopts the definition and the bidding eligibility for affiliated entities as outlined in paragraphs 105 to 110 below.

105. ***Affiliated Entities (definition)***: An entity will be deemed to be affiliated with a bidder if it controls the bidder, is controlled by the bidder, or is controlled by any other entity that controls the bidder. "Control" means the ongoing power or ability, whether exercised or not, to determine or decide the strategic decision-making activities of an entity, or to manage or run its day-to-day operations.

106. ***Presumption of Affiliate Status***: If a person owns, directly or indirectly, at least 20% of the entity's voting shares (or where the entity is not a corporation, at least 20% of the beneficial ownership in such entity), Industry Canada will generally presume that the person can exercise a degree of control over the entity to establish a relation of affiliation. The ability to exercise control may also be demonstrated by other evidence. Under this rule, Industry Canada may, at any time, ask a prospective bidder for information in order to satisfy any question of affiliation.

107. Applicants may provide information to Industry Canada to rebut the presumption of affiliate status. Applicants must notify the Department in writing if they are rebutting the presumption and must file material that will enable Industry Canada to review the question and make that determination. It is the responsibility of the applicant to file the appropriate material. Such material may include: copies of the relevant corporate documentation relating to both entities; a description of their relationship; copies of any agreements and arrangements between the entities; and affidavits or declarations, signed by officers from the two entities, dealing with the control as outlined in the definition of "affiliate" above.

108. Upon receipt of this material, Industry Canada will either make a ruling based on the materials submitted or ask the applicant for further information and provide a timeline within which to do so.

109. Should the entities fail to provide the relevant information in a timely fashion in order to allow Industry Canada to complete its determination, the Department may make a ruling on eligibility, based on the above, that the entities in question are affiliated.

110. ***Bidding eligibility for affiliated entities***: Only one member of an affiliate relationship will be permitted to become a qualified bidder in the auction or the affiliated entities may apply to participate jointly as a single bidder. Affiliated entities must decide prior to the application deadline which entity will apply to participate in the auction. All affiliations must be disclosed at the time of the application. In

the cases where the entities participating jointly include an LWSP, the LWSP's eligibility to bid on set-aside spectrum would apply to all of the entities.

8.2 Associated Entities

111. In support of the stated policy objectives regarding competition and investment, and in light of the high demand for capacity (driven by the use of smart phones and tablets), the high cost of network deployment, particularly in rural areas, as well as the spectrum and network efficiencies that can be achieved through such arrangements, Industry Canada recognizes the need to provide increased flexibility in the treatment of a certain subset of associated entities, as long as this would not have an adverse impact on the integrity of the auction.

112. Industry Canada sought comments on a proposed definition of associated entities and proposed rules that would allow carriers to form a bidding consortium and to participate in the auction as a single bidder if they wish to coordinate their bids through a single bidder. Industry Canada also proposed that associated entities only be allowed to participate separately if, following a review of their application, Industry Canada is satisfied that their participation would not have an adverse impact on auction integrity. The Department further proposed that for associated entities participating jointly, the eligibility rules would apply jointly in each licence area, and in cases where the entities participating jointly include an LWSP, the LWSP's eligibility to bid on set-aside spectrum would apply to all of the entities bidding jointly with the LWSP.

Summary of Comments

113. Eastlink, K-Net, Niagara Networks, PIAC, Québecor, SaskTel, SSi, Tbaytel, TELUS and WIND indicated that they supported the proposed definition for associated entities. MTS indicated it they had no objection to the definition. Rogers proposed that the rules regarding associated entities be clarified so that prospective bidders are able to understand the extent to which their relationship with other bidders will or will not impact eligibility to bid for set-aside spectrum.

Discussion

114. Given that the proposed definition for associated entities is consistent with other auction processes and that there were no comments proposing specific changes, the definition will be as proposed in the Consultation. In addition, allowing associated entities to apply to bid separately in the AWS-3 auction would not have an adverse impact on the integrity of the auction given the rules in place to maintain the integrity of the auction. Therefore, as proposed, Industry Canada will allow associated entities to apply to bid separately in the AWS-3 auction. In the paragraphs below, the Department has also provided further clarification regarding associated entities' ability to bid on the set-aside spectrum.

Decision

D12 – Industry Canada adopts the definition and the process for associated entities to apply to bid separately in the AWS-3 auction as outlined in paragraphs 115 to 124 below.

115. ***Associated entities (definition)***: Any entities that enter into any partnerships, joint ventures, agreements to merge, consortia or any arrangements, agreements or understandings of any kind, either explicit or implicit, relating to the acquisition or use of any spectrum in the AWS-3 band, will be treated as associated entities. Typical roaming and tower sharing agreements would not cause entities to be deemed associated.

116. ***Eligibility for associated entities to participate separately in the auction***: Associated entities participating in this licensing process may apply to bid separately in the AWS-3 auction. Industry Canada is of the view that allowing associated entities that are competitors in the market to bid separately would not have an adverse impact on the integrity of the auction provided that auction participants comply with the information disclosure and anti-collusion rules discussed below (Section 8.3 — Prohibition of Collusion and Section 8.4 — Auction Integrity and Transparency).

117. To obtain approval to participate separately in the auction, entities will be required to demonstrate to Industry Canada's satisfaction that they intend to separately and actively provide services in the applicable licence area. Associated entities wishing to participate in the auction separately would be required to submit their application at least two weeks in advance of the final application deadline. This requirement would provide Industry Canada with the additional time necessary to assess the nature of the association between the entities. Should the request be denied, only one of the associated entities will be eligible to apply to participate in the auction.

118. Industry Canada's review will not extend to an overall assessment of the effects of the agreement between associated entities on competition in the marketplace.

119. ***Assessment factors***: Industry Canada will consider a broad range of criteria in order to determine the associated entities' intent and actions to actively and independently provide wireless services. Assessment criteria may include, but will not be limited to:

- the companies' intent and actions to provide services (coverage) in the area in which the sharing occurs;
- the level of investment, including in distribution, marketing and customer service, in order to acquire and serve customers; and
- the companies' demonstration of separate presences in the marketplace.

120. ***Documentation***: Associated entities will provide all relevant documentation to Industry Canada with regard to the above-noted assessment factors. These may include, but will not be limited to:

- all agreements relating to the transfer of, use of and access to the AWS-3 spectrum;
- business plans for the area in which the agreement(s) will provide access to spectrum; and
- business and financial results, including investments and customer acquisition.

121. Industry Canada may request additional documentation to complete its assessment and may require that documents be certified by an officer of the company.

122. Bidders are reminded that the provisions of the *Competition Act* apply independently of, and in addition to, the proposed policy.

123. All entities participating in the auction will be subject to the same prohibition of collusion rules, as stated below in Section 8.3.

124. ***Associated entities' ability to bid on the set-aside spectrum***: In cases where the associated entities participating jointly include an LWSP, the LWSP's eligibility to bid on set-aside spectrum would apply to all of the entities in each service area. For associated entities that are approved to bid separately in the auction, the eligibility to bid on set-aside spectrum would apply separately in each service area.

8.3 Prohibition of Collusion

125. In the Consultation, Industry Canada proposed the same prohibition of collusion rules as those for the 2500 MHz auction.

Summary of Comments

126. Eastlink, K-Net, PIAC, Québecor, SaskTel, SSi, TELUS, WIND and Xplornet supported the proposed prohibition-of-collusion rules. MTS indicated that it had no objection to the definition. Rogers suggested that the rules prohibiting collusion should be strengthened and clarified.

Discussion

127. Given that the proposed prohibition of collusion rules are consistent with other auction processes and that there were no comments proposing specific changes, the definition will remain as proposed in the Consultation.

Decision

D13 – In order to protect the integrity of the auction, the prohibition of collusion rules are as follows:

All applicants, including affiliated and associated entities, are prohibited from cooperating, collaborating, discussing or negotiating agreements with competitors, relating to the licences being auctioned or relating to the post-auction market structure, including frequency selection, bidding strategy and post-auction market strategy, until after the public announcement of provisional licence winners by Industry Canada.

Prospective bidders will note that the auction application forms contain a declaration that the applicant will be required to sign certifying that the applicant has not entered into and will not enter into any agreements or arrangements of any kind with any competitor regarding the amount to be bid, bidding strategies or the particular licence(s) on which the applicant or competitors will or will not bid. For the purposes of this certification, "competitor" means any entity, other than the applicant or its affiliates, which could potentially be a bidder in this auction based on its qualifications, abilities or experience.

Prospective bidders should note that the definition of "affiliate" for the purposes of this licensing process (defined by reference to "control in fact") differs from "affiliate" for the purposes of the *Competition Act*. The provisions of the *Competition Act* apply independently of, and in addition to, the policies contained in this Framework.

8.4 Auction Integrity and Transparency

128. The Consultation proposed that the following requirements and procedures be implemented regarding affiliated and associated disclosure, different types of communications and discussions between bidders, and the use of consulting services by bidders in order to ensure the integrity and transparency of the AWS-3 auction.

Summary of Comments

129. There were no comments regarding the requirements and procedures that Industry Canada proposed to maintain the integrity and transparency of the auction.

Discussion

130. Given that there were no comments and that these requirements and procedures are the same as those for the forthcoming 2500 MHz auction, Industry Canada will impose the measures proposed in the Consultation to maintain the integrity and transparency of the AWS-3 auction.

Decision

> **D14 – In order to protect the integrity of the auction, Industry Canada adopts the rules regarding affiliated and associated disclosure, different types of communications and discussions between bidders, and the use of consulting services by bidders as outlined in the paragraphs below.**

131. *Affiliated and associated entity disclosure requirements*: All entities wishing to participate in the auction process will be required to disclose in writing, as part of their application, the names of affiliated and associated entities. A narrative must also be submitted, describing all key elements and the nature of the affiliation or association in relation to the acquisition of the spectrum licences being auctioned and the post-auction relationships of the said entities. This narrative must include arrangements with another potential bidder that relate in any way to the future use of the AWS-3 spectrum directly or indirectly.

132. Some examples of arrangements that would require disclosure include, but are not limited to, agreements to establish a joint network using spectrum licences acquired by each of the entities and agreements with respect to a joint backhaul network. Agreements, such as significant joint equipment purchases must also be disclosed. Typical roaming and tower sharing agreements and other agreements, such as the purchase of backhaul capacity, would not cause entities to be deemed associated entities and hence need not be disclosed.

133. The submitted narrative will be made available to other bidders and to the public on Industry Canada's website prior to the auction in order to ensure transparency of the licensing process.

134. *Communications*: Any communications from an applicant, its affiliates, associates or beneficial owners or their representatives that discloses or comments on bidding strategies, including but not limited to the intent of bidding and post-auction market structures, shall be considered contrary to this Framework and may result in disqualification and/or forfeiture penalties. Statements that indicate national or particular licence areas of interest will generally be found to be in contravention of the rules on prohibition of collusion. This will include communications with or via the media. This prohibition of communication applies until the public announcement of provisional licence winners by Industry Canada.

135. Prior to the auction, an applicant who wishes to participate separately in the licensing process may approach another potential bidder to discuss a joint infrastructure build, a joint equipment purchasing agreement or a potential spectrum sharing agreement under the circumstances outlined in the following two paragraphs:

136. Once a consortium has been established and if the entities within that consortium have had communications that contravene the anti-collusion rules, these entities would no longer be eligible to participate separately in the auction. The same entities would therefore no longer be deemed competitors for the purpose of the auction, and discussions regarding issues such as bidding strategies could then take place. Should the consortium be dissolved prior to the auction, only one of the entities would be

eligible to participate in the auction, and all parties would continue to be subject to the prohibition of collusion rules. The same restrictions apply to entities that have had unsuccessful discussions regarding the formation of a consortium to bid as a single bidder.

137. Where communications that fall within the definition of associated entities have taken place, the nature of the association must be disclosed. Entities applying to participate separately are required to make a declaration that they have not entered into and will not enter into any agreements or arrangements of any kind with any competitor regarding the amount to be bid, bidding strategies or the particular licence(s) on which the applicant or competitor will or will not bid. In the case where discussions that contravene the prohibition of collusion rules have occurred, the entities would only be permitted to participate in the auction as one single bidder, or only one of the entities could participate.

138. ***Discussion regarding beneficial ownership***: Information regarding the beneficial ownership of each applicant will be made publicly available so that all bidders have knowledge of the identity of other bidders. Any discussions involving two bidders or any of their affiliates or associates regarding an addition or a significant change of beneficial ownership of a bidder, from the receipt deadline for applications until the public announcement of provisional licence winners by Industry Canada, would fall into the area of prohibited discussions and would be considered contrary to the auction rules.

139. However, an applicant may discuss changes in beneficial ownership with parties who are completely unrelated to other applicants, as long as:

- any change to the beneficial ownership of the applicant that provides a new party with a beneficial interest or which significantly alters the beneficial ownership structure is effected at least 10 days before the sealed bid deadline; and

- the applicant informs the Minister of Industry immediately in writing of any change in beneficial ownership, which will be reflected in its published qualified bidder information on Industry Canada's Spectrum Management and Telecommunications website (http://www.ic.gc.ca/spectrum).

140. Bidders must cease all such negotiations at least 10 days before the sealed bid deadline until the public announcement of provisional licence winners by Industry Canada.

141. ***Discussions on tower sharing***: The prohibition of communication includes discussions about tower and site sharing with respect to the licences that are the subject of this auction until the receipt deadline for payment of winning bids. Discussions concerning new arrangements or the expansion of existing sharing arrangements that relate to spectrum outside of the AWS-3 auction process are not prohibited.

142. ***Communication with Local Exchange Carriers***: The prohibition of communication includes discussions regarding interconnection services with a local exchange carrier (LEC) that is a qualified bidder (or one of its affiliates/associates) in this auction, where the services relate to spectrum in the AWS-3 band.

143. ***Consulting Services, Legal and Regulatory Advice***: Separate bidders may not receive consulting advice from the same auction consulting company. Separate bidders may receive legal and regulatory

advice from the same law firm provided that the law firm complies with the conflict of interest and confidential information requirements of the applicable law society and that the applicants otherwise comply with the provisions set forth in this document.

9. Conditions of Licence

144. Industry Canada sought comments on the standard conditions of licence that would apply to licences issued through the auction process for spectrum in the AWS-3 band.

9.1 Licence Term

145. The FSAC, states that Industry Canada has adopted a flexible approach in determining licence terms (up to 20 years) based on the specific spectrum being offered and subject to a public consultation preceding the specific auction or renewal process.

146. The AWS-3 band has the potential to facilitate the offering of high-capacity mobile broadband services to Canadians. Given that the use of this band for mobile services is globally harmonized, there is little risk that there will be any usage changes to or developments in technology that would result in a change that is incompatible with mobile services.

147. In light of the above, Industry Canada proposed that auctioned spectrum licences in the AWS-3 band have a licence term of 20 years.

Summary of Comments

148. Bell, Eastlink, K-Net, Niagara Networks, PIAC, MTS, Québecor, Rogers, SaskTel, Tbaytel, TELUS and WIND all supported the proposed 20-year licence term.

149. ABC Communications would prefer a 10-year licence term, with a 10-year renewal term that is contingent upon meeting the deployment requirements, since this provides business certainty required to support a substantial investment into the construction of a network.

150. Xplornet said it can appreciate that the certainty of a 20-year licence term would allow potential new entrants to make significant investment decisions with confidence; however, licences should be for a shorter term of 10 years due to the rapid change in technology and its implications.

151. McNally et.al. suggested that 20 years is too long a time for valuable spectrum to be reserved for private exclusive use, with little chance of reappraisal of the public value. They mentioned that the FCC has planned for 12-year licence terms. In the reply comments, McNally supported ABC Communications and Xplornet.

Discussion

152. The majority of respondents were supportive of the proposed 20-year licence term. Industry Canada remains of the view that the AWS-3 band has the potential to support high-capacity mobile broadband services for Canadians and there is little risk that there will be any usage changes to, or developments in, technology that would result in a change that is incompatible with mobile services. Therefore, the licence term for the AWS-3 licences will be 20 years.

Decision

D15 – The condition of licence relating to Licence Term is as follows:

The term of this licence is 20 years. At the end of this term, the licensee will have a high expectation that a new licence will be issued for a subsequent term through a renewal process, unless a breach of licence condition has occurred, a fundamental reallocation of spectrum to a new service is required, or an overriding policy need arises.

The process for issuing licences after this term and any issues relating to renewal, including the terms and conditions of the new licence, will be determined by the Minister of Industry following a public consultation.

9.2 Licence Transferability and Divisibility

153. Commercial mobile spectrum is an important resource to be managed for the economic and social benefit of Canadians. In general, spectrum licences may be transferred in whole or in part (either in geographic area or in bandwidth) subject to the approval of the Minister. All commercial mobile spectrum licence transfer requests are subject to review under the *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences of Commercial Mobile Spectrum*, (the Transfer Framework)[10] as provided for in the proposed condition of licence below.

154. As the AWS-3 band is commercial mobile spectrum, the Transfer Framework will apply to these licences. As noted in the policy objectives described in Section 2 and in the Consultation, Industry Canada views the licensing of AWS-3 spectrum as a key opportunity to support competition and to enable new entrants to improve their wireless networks.

155. Industry Canada proposed wording for the condition of licence on transferability and divisibility consistent with the Transfer Framework and with other commercial mobile licences.

---

[10] Transfers of commercial mobile spectrum are subject to review in accordance with CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, and take into consideration decisions released in the *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum*.

Summary of Comments

156. ABC Communications, Eastlink, K-Net, MTS, Niagara Networks, PIAC, SSi, Tbaytel, and WIND supported Industry Canada's wording for the condition of licence on transferability and divisibility.

157. Rogers does not support the current licence transfer regime since it believes that Industry Canada should eliminate restrictions on the transfer of mobile spectrum licences in the secondary market, that the Department's spectrum licence transfer policy might prevent mobile spectrum from being put to its highest use, and that Canadians will be better served by the unrestricted transfer of mobile spectrum. Bell agreed with Rogers' concerns with the current licence transfer regime, arguing that that there is a degree of uncertainty due to the fact that any transfer might not be permitted, and requested that Industry Canada confer the maximum amount of certainty and predictability into its review processes.

Discussion

158. Since the AWS-3 band is commercial mobile spectrum, the Transfer Framework will apply to these licences. The wording will be maintained as proposed in the Consultation, as shown below.

80

Decision

D16 – The condition of licence relating to Licence Transferability and Divisibility is as follows:

This licence is transferable in whole or in part (divisibility), in both bandwidth and geographic dimensions, subject to Industry Canada's approval. A Subordinate Licence may also be issued with regard to this licence. Industry Canada's approval is required for each proposed Subordinate Licence.

The licensee must make the Transfer Request in writing to Industry Canada. The Transfer Request will be treated as set out in Client Procedures Circular CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, as amended from time to time.

The licensee must apply in writing to Industry Canada for approval prior to implementing any Deemed Transfer, which will be treated as set out in CPC-2-1-23. The implementation of a Deemed Transfer without the prior approval of Industry Canada will be considered a breach of this condition of licence.

Should the licensee enter into any Agreement that provides for a Prospective Transfer with another holder of a Licence for commercial mobile spectrum (including any Affiliate, agent or representative of the other licence holder), it must apply in writing to Industry Canada for review of the Prospective Transfer within 15 days of entering into the Agreement, which will be treated as set out in CPC-2-1-23. Should Industry Canada issue a decision indicating that the Prospective Transfer is not approved; it will be a breach of this condition of licence for a licensee to remain in an Agreement that provides for the Prospective Transfer for a period of more than 90 days from the date of the decision.

In all cases, the licensee must follow the procedures as outlined in CPC-2-1-23.

All capitalized terms have the meaning ascribed to them in CPC-2-1-23.

9.3 Deployment Requirements

159. The objective of a deployment requirement is to ensure that the AWS-3 spectrum is deployed in a timely manner. Such a condition will serve to deter the acquisition of spectrum licences by speculators and those whose intent is to prevent access to the spectrum by their competitors.

160. Similar conditions of licence have been applied to previously auctioned spectrum licences. In the 2008 AWS auction, levels of deployment were set for each licence area based on the population of the major urban centres for that particular licence area for Tier 2 and Tier 3 service areas. These levels were also set out for the general deployment requirements for the 700 MHz and 2500 MHz auctions.

161. The Department proposed a 5-year deployment requirement based on the Tier 2 service area using the AWS-1 Tier 2 population coverage levels to encourage use of the spectrum in a timely

manner. The Department also proposed a 10-year deployment requirement such that in each Tier 2 licence area licensees would be required to meet the equivalent AWS-1 Tier 3 population coverage levels to encourage deployment to additional communities.

162. Industry Canada further proposed that where a licence is transferred during the initial 10 years, the requirement for the new licensee to deploy will continue to be based on the initial licence issuance date.

Summary of Comments

163. WIND, SSi, Eastlink, MTS, Telus and Niagara Network supported the proposed deployment requirements.

164. Rogers supported the proposed use of 5-year, Tier 2 deployment requirements for the open bidding block but suggested that the set-aside should have tougher deployment targets.

165. Tbaytel said that it finds the Tier 2 deployment requirements high for regional service providers to meet in low population areas and that the proposed levels will be a significant challenge; however, the company believes that it will be able to meet the proposed levels, even at the Tier 3 level.

166. K-Net and Québecor suggested that the requirements will be difficult to meet. K-Net notes that although the company serves a large percentage of the geography of Northern Ontario, it currently only serves 7% of the population. Québecor states that the timelines should be pushed back due to the possibility of equipment not being available.

167. McNally et.al., PIAC, SaskTel, Xplornet and Bell all suggested that the proposed deployment requirements are inadequate. They all suggested different ways to increase the levels. PIAC indicated that the minimum population levels for the 10-year deployment requirement should be increased by 2.0 times in urban areas, and 1.5 times in non-urban areas. Xplornet proposed that the first deployment requirements be at least 60% of the population at year 3 or 4, and 90% or more by year 7. SaskTel proposed that Industry Canada require that every major city centre with a population of more than 10,000 within each Tier 3 service area be covered within the first 10 years.

Discussion

168. Deployment requirements have been used in previous licensing processes to encourage the delivery of service in a timely manner. The recommendations for deployment proposed in the Consultation recognize Industry Canada's objective of ensuring that the spectrum be used for the economic and social benefit of Canadians. However, several respondents raised concerns regarding the timelines and the levels proposed.

169. Given the time required to clear incumbents from the AWS-3 band in the U.S. and the ongoing complexities of deploying within the band, the FCC has taken the exceptional approach of awarding licences for terms that are from 2 to 5 years longer than its typical licence term (depending on the impact on licensees) and has established interim deployment deadlines between years 6 and 9.

170. The Department similarly recognizes the unique circumstances in the AWS-3 band that could delay the development and availability of a suitable ecosystem for AWS 3 in Canada. Industry Canada is of the view that this combination of factors could make deployment to the proposed 5-year targets infeasible. In recognition of these uniquely challenging circumstances, Industry Canada will not adopt the proposed 5-year, Tier 2 deployment requirement.

171. However, the Department is still of the view that Canadians would benefit from a rapid and wide deployment, and that strong deployment requirements are appropriate given the growing demand for mobile data services across the country and the high value placed on spectrum resources. Absent the requirement to deploy within 5 years, Industry Canada will adopt a deployment requirement such that in each Tier 2 licence area, licensees will be required to meet the Tier 3 population coverage levels shown in Annex E at 8 years, rather than the 10 years proposed in the Consultation. Such a timeline responds to stakeholder concerns by providing licensees with more time and greater flexibility to deal with ecosystem delays, while ensuring timely deployment across Canada.

172. Several stakeholders also argued that the proposed deployment requirements could be modified to better support the Department's objective to see the benefits of the spectrum made available to Canadians across the country, including those in rural areas, in a timely fashion. Industry Canada considered the various proposals and has determined that an increase of 10% to the AWS-1 Tier 3 coverage levels in each service area will expedite deployment beyond large and medium population centres, resulting in more timely access to advanced wireless services in more rural areas and small communities. Compared to the proposed 10-year deployment requirements, in low population density tiers, the 10% increase will result in 1.5 to 2 times the population having access to AWS-3 services. In tiers with higher density populations, the 10% increase will require AWS-3 licensees to deploy beyond the urban core or to more communities within the tier. Overall, the 10% increase in minimum population requirement will result in service to more than three million more Canadians two years earlier than what was initially proposed.

173. In consideration of the above, the condition of licence for deployment is as shown below.

83

Decision

D17 – The condition of licence relating to Deployment Requirement is as follows:

Licensees will be required to demonstrate to the Minister of Industry that this spectrum has been put to use as specified in Annex E of this Framework within eight years of the initial issuance of the licence. When the spectrum is put to use, it shall be used to provide services predominantly to Canadians within the service area.

Where a licence is transferred during the initial eight years of the licence term, the requirement for the new licensee to deploy will continue to be based on the initial licence issuance date.

9.4 Conditions of Licence that Apply to AWS-3

174. The Department also sought comments on the overall conditions of licence that would apply to the AWS-3 licences as proposed in Annex B of the Consultation.

Summary of Comments

175. Only TELUS submitted comments regarding the conditions of licence which were proposed in Annex B of the Consultation. TELUS proposed changes to the condition of licence regarding Research and Development (R&D), suggesting that it is antiquated and no longer necessary and proposed that it be removed.

Discussion

176. In February 2014, Industry Canada released a decision modifying the condition of licence requiring licensees to invest a portion of their adjusted gross revenues in research and development (R&D) activities, as published in SLPB-002-14, *Decisions on Conditions of Licence Regarding Research and Development and Learning Plans*. This revised condition of licence applies to all existing spectrum and satellite licences that are currently subject to the R&D condition of licence and as such, it will apply to the new spectrum licences in the AWS-3 band.

Decision

D18 – Spectrum licences which are assigned as a result of the AWS-3 auction will be issued with the conditions of licence described in Annex D.

10. Auction Process

177. Industry Canada sought comments on the proposed general process for submitting an application to participate in the AWS-3 auction, as well as the proposed general requirements and rules that apply prior to, during and post-auction.

Summary of Comments

178. Eastlink, K-Net, Québecor, SaskTel, Tbaytel, and WIND supported the proposed auction process without additional comments. MTS had no objection to the auction process and no additional comments.

179. Rogers supported the proposed auction process, but suggested that a question and answer session could be added as well as a date for final auction policy publication and final publication of results. Rogers submitted that publication of the final results will be required 30 days or no less than two weeks in advance of the 2500 MHz auction so that prospective bidders in the 2500 MHz auction will be able to finalize their valuations and bidding strategies.

180. Bell supported the proposed auction process, but agreed with Rogers that certain events and milestones should be included. These included a clarification phase, a date by which the Department will publish the final auction policy, and the date the final results of the auction will be published. Bell is also in agreement with Rogers that the timing of the release of the final results is important given the timeframe between the AWS-3 and 2500 MHz auctions.

181. SSi supported the auction process, but indicated that the possibility of delays could tie up deposits for an extended period. They suggested a lower deposit amount, such as one-third of what is proposed in the consultation.

182. Xplornet supported the proposed auction process; however, the company expressed concerns that participants must make independent decisions about the 2500 MHz auction without considering the outcome of the AWS-3 auction and indicated that smaller participants may only be able to commit to one auction process, and if they are unsuccessful, may not be able to participate in the other auction.

Discussion

183. Additional timing information on key milestones and important dates are detailed on the *Table of Key Dates* released at the same time as this decision. Section 17 addresses the process for submitting clarification questions.

Decision

D19 – The following subsections 10.1 to 10.9 outline the process for the AWS-3 auction.

10.1 Application to Participate

184. To participate in the auction, all applicants must submit the completed application forms, along with the financial deposit, details of the applicant's beneficial ownership, information on any affiliations and associations as discussed in Section 8 of this document, information on the eligibility to bid on the set-aside spectrum licences in each tier, and other documentation as required, by the date specified. Industry Canada will publish the list of applicants on its website soon thereafter, and other documentation as required, by the date specified on the *Table of Key Dates*.

185. The application forms for participation will be available on request by sending an email to: spectrum.auctions@ic.gc.ca. Additional documentation may be required in support of the application forms.

10.2 Submissions

186. In the interest of providing Industry Canada and other bidders with adequate information on the identity of all bidders, applicants are required to fully disclose the beneficial ownership for every entity that owns, directly or indirectly, 10% or more of the applicant's voting shares, non-voting shares, partnership interests, or any other beneficial interests, as the case may be. Associated entities wishing to participate separately in the AWS-3 auction are required to disclose the names of their associated entities within their application, and to provide narratives describing all key elements and the nature of the association in relation to the acquisition of the spectrum licences being auctioned and the post-auction relationships of the said entities. A list of applicants, their beneficial ownership information, affiliated entities and the narrative on any associated entity relationships will be made available on Industry Canada's Spectrum Management and Telecommunications website, prior to the auction, so that all bidders have knowledge of the identity of the other bidders. Applicants are not permitted to change their beneficial ownership within 10 days preceding the deadline for sealed bids.

187. Entities are encouraged to approach Industry Canada at least two weeks prior to the application date if seeking guidance or a predetermination as to whether their arrangement or proposed arrangement would be considered to give rise to a finding of association.

188. Where an applicant intends to bid on the set-aside licences, the applicant will be required to demonstrate that it is a new entrant, actively providing commercial mobile wireless services using licensed spectrum in the Tier 2 service area, with minimum coverage levels (see Section 6, Table 2). Applicants must demonstrate this by providing relevant documentation for each service area, including:

- site data and detailed coverage maps based on spectrum licensed to the applicant in the service area;
- the services being offered in the service area;
- the retail/distribution network;
- the devices that are offered to customers to provide the service;
- how subscribers access services; and
- the subscribership in each service area (including the level of national subscribership).

Applicants should also include any other information considered relevant to support eligibility. Industry Canada may request additional documentation.

10.3 Pre-Auction Financial Deposit

189. In order to enhance the integrity of the auction, the Department will require that all bidders submit a pre-auction financial deposit with their application to participate in the auction.

190. Each participating bidder will be required to submit a financial deposit equal to the opening bid of the licence(s) on which it intends to bid. These amounts will be kept confidential.

191. Financial deposit(s) will be returned to any applicant not found to be a qualified bidder, any applicant that provides written notification to the Department of its withdrawal from the process prior to the auction's commencement, and any bidder that fails to win a licence during the auction.

10.4 Process to Submit Applications and Financial Deposit

192. The application forms, the associated documents (as per the instructions on the application forms) and the total pre-auction financial deposit are to be physically delivered to the Manager, Auction Operations, by the date specified. Industry Canada, under exceptional circumstances, may decide to accept additional documentation after the deadline, but prior to publication of the list of applicants, on request of the proposed applicant. Applications that are received without a deposit will be rejected.

193. Upon receipt of the application and the associated documentation, Industry Canada will send a notification to the applicant, advising that the application materials have been received and confirming the amount of the deposit that has been submitted. This notice will in no way mean that the application materials or the deposit have been approved.

194. The financial deposit must be in the form of a certified cheque, bank draft, money order, wire transfer, or an irrevocable standby letter of credit, payable to the Receiver General for Canada, drawn on a financial institution that is a member of the Canadian Payments Association. The elements required in a letter of credit, as well as a sample letter of credit acceptable to Industry Canada, will be provided as part of the application forms. Multiple letters of credit (or other forms of payment) from one or more financial institutions will be permitted within reason. Industry Canada will treat the financial deposit for an applicant as being the sum of the amounts of each accepted letter of credit. Each letter of credit must comply with the following conditions, which will be detailed in the application package. No letter of credit shall have any conditions requiring Industry Canada to draw on the letters in any particular order of priority, or requiring any letter to be drawn upon completely before drawing upon any other letter. In the event that a qualified bidder does not become a provisional licence winner, the financial deposits that were submitted in the form of a letter of credit will be returned. Refunds to deposits submitted in the form of a certified cheque, bank draft, money order or wire transfer will likely take longer (perhaps several weeks longer) than a refund submitted by way of a letter of credit, as a cheque from the Receiver General for Canada will need to be processed.

195. If, prior to the application deadline, an applicant wishes for any reason to amend any of the forms that it has submitted and/or its financial deposit, it may submit one or more amended forms and/or financial deposit with an accompanying letter explaining that the enclosed form(s) and/or financial deposit are to replace the one(s) previously submitted. Any such amendments are to be physically delivered to the Manager, Auction Operations, by the receipt deadline for applications to participate in the auction.

196. Upon receipt of an amended form(s) and/or financial deposit, Industry Canada will send a notification to the applicant that the amended form(s) and/or deposit have been received. The notification will state the amount of the new deposit that has been submitted. Where the financial deposit is in the form of an irrevocable standby letter of credit, the initial irrevocable standby letter of credit will also be returned to the applicant where applicable. Where the financial deposit is in a form other than an irrevocable standby letter of credit, any partial reimbursement of the financial deposit may take several weeks.

197. A list of all applicants will be made public via Industry Canada's Spectrum Management and Telecommunications website (http://www.ic.gc.ca/spectrum). The publication of this list in no way means that these applicants have been approved as qualified bidders.

10.5 Bidder Qualification

198. Industry Canada will review the application forms (and any associated documents) and the accompanying financial deposit after the closing date for the submission of applications. Applications that are received without a deposit by the application deadline will be rejected.

199. In this initial review, the Department will identify any errors in the application forms or financial deposit. It will also determine whether any additional information related to any affiliate or associated entity of the applicant, or to the qualifications to bid on set-aside spectrum in certain licence areas, is required.

200. Following the initial review period, Industry Canada will provide applicants with an opportunity to correct any errors or inconsistencies in their application or financial deposit, and will request any additional information related to affiliated or associated entities, and eligibility for the set aside spectrum, if required. A copy of the original applications may be returned to the applicant with a brief statement outlining any discrepancies and/or omissions, or requesting additional information. The applicant will be invited, in writing, to resubmit the corrected form and/or the additional information and to physically deliver this to the Manager, Auction Operations, by the date specified in the written statement.

201. Applicants that do not comply with this request will have their application to participate in the auction rejected. Applications that are rejected, including those for which an opportunity has been provided to correct errors or inconsistencies identified by Industry Canada but are still found to be deficient, may be returned to the applicant, outlining the deficiencies, along with the applicant's deposit.

202. Those applicants that have submitted acceptable application materials, including the accompanying financial deposit, will receive a letter confirming that they are considered a qualified bidder. In addition, those applicants who have submitted material related to eligibility to bid on set-aside spectrum will be advised on their eligibility in each applicable licence area.

203. A list of all qualified bidders, along with information related to their beneficial ownership, affiliates and associated entities, will be made public via Industry Canada's website.

10.6 Withdrawal of Application Forms

204. Applicants wishing to withdraw their application materials and have their financial deposits returned may do so, without prejudice, by sending a written request to the Manager, Auction Operations, on or before the business day preceding the receipt deadline for sealed bid.

10.7 Change of Information

205. Only the Auction Authorized Representative of the bidding company may notify the Manager, Auction Operations, of any material changes in the information submitted in the application documents. Written notification must be sent by the Auction-Authorized Representative within five business days of such changes.

206. The Auction Authorized Representative is the individual nominated by the applicant to receive and submit all documentation pertaining to the licensing process for spectrum licences of the AWS-3 band.

10.8 Submission of Auction Bids

207. A completed auction bid form and bid file, which includes the bid amount for each licence or combination of licences for which the bidder is placing a bid, must be placed in a separate, sealed envelope, with only the bidder's name, complete mailing address, email address, and the name of this licensing process clearly identified on the front of the envelope, and physically delivered to the Manager, Auction Operations, by the receipt deadline for sealed bids. The amount of each bid must reflect the amount that the bidder is willing to pay for the associated licence(s). No bids will be accepted after 12:00 p.m., noon, EST, on the receipt deadline for sealed bids. Following the auction, the Department will publish, on its website (http://www.ic.gc.ca/spectrum), a list of all bids received.

10.9 Determination of Provisional Licence Winners

208. The sealed envelopes will be opened and examined by departmental officials following the receipt deadline for sealed bids. To be considered valid, a bid must be equal to or greater than the opening bid price, or, in the case of a package bid for blocks J1 and J2 in a given licence area, the combined opening bid price; the previously submitted deposit must be equal to or greater than the amount of the opening bid price of the licence being bid upon; the bid form must be completed correctly and legibly; and the bid must be submitted by a qualified bidder.

209. Where a bid is placed on a licence on which the bidder is not eligible to bid, that bid will be ignored. Only valid bids will be used to determine the provisional winning bid(s).

210. Bids for the set-aside block can only be made per licence; the winning bid will be the highest bid for each licence. For the open-bidding blocks within a Tier 2 licence area, bids can be made as a package bid for both of the licences and/or for individual licences within a given area. The winning bid(s) in each service area will be the greater of either the highest package bid or the highest sum of bids on individual licences. In each service area, bidders are able to win, at most, one of the bids they placed on the open-bidding blocks. For example, a bidder that places bids for each of the individual blocks but not for the package would only be able to win one of the blocks.

211. A reserve bid at the opening bid price will be included in the determination of provisional winning bidders and the prices to be paid for each open-bidding and set-aside licence within a given service area. In this process, it is as if Industry Canada is a bidder in the auction, placing a bid on all licences at the opening bid price. For the open-bidding blocks, including a reserve bid for both licences ensures that the incremental value that a bidder would be prepared to pay for an additional licence is at least the opening bid price of that licence. The two reserve bids for the open-bidding blocks within a service area will not be treated as a package, but rather as having been placed by different bidders. Therefore, in all instances where there is no second bid, the opening bid prices noted in Section 7.3 will be considered the second highest bid (see Annex C for bidding examples).

212. To mitigate the possibility of a tie, bidders are encouraged not to bid in round figures. In the event of a tie, bidders involved in the tie will be requested to enter a second sealed bid in an attempt to break the tie. If required, the Department will provide tied bidders the details of the procedure to submit further bids to break the tie. Should there be a second tie, bidders will be requested to enter a third sealed bid in an attempt to break the tie. This procedure will be repeated until there is no tie.

213. Following final payment for auctioned licences, the Department will publish on its website a list of all bids received, including bidder names and bid amounts, the name of the provisional licence winner(s) and the licence(s), if any, that did not receive bids. The Department will also notify the provisional winning bidder(s) and inform them of payment requirements.

214. The auction will be considered closed upon publication of the provisional winning bidder(s).

11. Post-Auction Process

215. Given that there were no comments received and that the post-auction process aligns with other auction processes, Industry Canada will implement the post-auction process as proposed.

Decision

D20 – The following subsections 11.1 to 11.3 outline the AWS-3 post-auction process.

11.1 Bidder Payment

216. Within 10 business days following the announcement of provisional winners, each provisional licence winner will be required to submit 20% of its final payment.

217. The remaining portion, 80% of the final payment, will be due within 30 business days of the announcement of the provisional licence winners. Failure by the winning bidder to make these final payments in a timely fashion will result in the licence not being issued, and the bidder will be subject to the applicable forfeiture penalty (see Section 11.2 — Forfeiture Penalties). These final payments will be non-refundable. If the licence winner fails to make these payments within the specified period, then the provisional winner's irrevocable standby letter of credit will be drawn upon.

218. **All payments must be made by certified cheque, bank draft, or wire transfer, payable to the Receiver General for Canada, drawn on a financial institution that is a member of the Canadian Payments Association.**

219. These bid payments for the initial 20-year term are in lieu of any fees fixed for the radio authorization under the *Radiocommunication Act* or any other Act.

11.2 Forfeiture Penalties

220. Following the conclusion of the auction, winning bidders that fail to comply with the specified payment schedule as outlined in the *Table of Key Dates*, or fail to come into compliance with the eligibility requirements of the *Radiocommunication Regulations*, will forfeit their bids and will no longer be deemed to be a provisional licence holder. Furthermore, non-compliant bidders will be subject to a penalty in the amount of the difference between the forfeited licence payments and the eventual revenue from payments or fees for the licence(s), if the eventual revenues are lower than the forfeited licence(s) payment(s) – to be determined by a subsequent licensing process. This is referred to as the forfeiture penalty.

221. In the event of licence forfeiture, the bidder's irrevocable standby letter of credit will be drawn upon for the full amount of the interim proxy forfeiture penalty, which will be the full amount bid for the licence(s) forfeited. If the interim proxy forfeiture penalty is greater than the full amount of the bidder's irrevocable standby letter of credit, combined with any partial payment, or if the letter of credit has been returned or has expired, then the difference will be owing and payable to the Receiver General for Canada.

222. A bidder that forfeits on a licence (or any of that bidder's affiliated and associated entities) may not be eligible to bid on any subsequent licensing process for this band.

11.3 Issuance of Licences

223. Industry Canada will issue spectrum licences to provisional winners upon completion of payment of the sum of their bids and the sum of their penalties, if any.

12. Post-Auction Licensing Process for Unassigned Licences

224. Industry Canada will consider making unassigned licences available for licensing through an alternative process, which could include a subsequent auction at a later date following the close of the initial auction. The timing and form of such a process will depend on the demand for the available licences. Industry Canada will conduct a public consultation should it consider it necessary.

13. Licence Renewal Process

225. Following the end of the initial licence term, licensees will have a high expectation of renewal. New licences will be issued for a subsequent term through a formal renewal process unless the Minister determines that a breach of licence condition has occurred, a fundamental reallocation of the spectrum to a new service is required, or an overriding policy need arises. In the absence of the previously outlined determinations, the renewal process facilitates the continued provision of services by existing licensees.

226. As part of the licence renewal process, the Minister of Industry retains the power to fix the new terms and conditions of spectrum licences and to amend these during the new term of the licence and in accordance with subsection 5(1) of the *Radiocommunication Act*. As noted in the FSAC, licence fees that reflect some measure of market value will apply to licences issued through a renewal process. Accordingly, the renewal process will serve to determine whether new licences will be issued, the terms and conditions that will apply to the new licences and the applicable licence fees.

227. Generally, approximately two years prior to the end of the licence term, Industry Canada will review whether there is a need for a fundamental reallocation of the spectrum to a new service, or whether an overriding policy need has arisen. A review of the licensee's continued compliance with the conditions of licence will also begin. Industry Canada will launch a public consultation to discuss whether, in light of the above-noted issues, new licences should be issued for a subsequent term. The consultation paper will also propose, and invite comments on, licence conditions and fees that would apply during the subsequent licence term.

14. Revisions to the *Canadian Table of Frequency Allocations* (CTFA)

228. Frequency allocations are an important first step in developing spectrum utilization policies that foster the implementation of new radiocommunication services. Modifications to the CTFA are intended to reflect the public interest in introducing new wireless services that benefit Canadians and respond to marketplace demands. As a result, the Department proposed several modifications to the CTFA to allow for the implementation of new commercial mobile radio services in the AWS-3 band.

229. Currently, the CTFA includes a primary allocation to the fixed service and a secondary allocation to the mobile service in the band 1755-1780 MHz. The mobile service includes domestic footnote C5, which limits the mobile use to the Government of Canada.

230. The CTFA also includes domestic footnote C37 to indicate the possible designation of the bands 1755-1780 MHz, 2020-2025 MHz and 2155-2180 MHz to AWS, subject to future consultation.

231. The Department proposed to make the following changes to the CTFA for the AWS-3 band:

- split the band 1755-1850 MHz into two bands, 1755-1780 MHz and 1780-1850 MHz;
- upgrade the mobile allocation in the band 1755-1780 MHz to primary;
- remove footnote C5 from the band 1755-1780 MHz; and
- modify footnote C37 (CAN-06) to remove the bands 1755-1780 MHz and 2155-2180 MHz.

Summary of Comments

232. Of respondents who commented on proposed changes to the CTFA, all were in agreement.

Discussion

233. As no objections were raised with respect to the proposals, no further consideration is required. The Department will modify the CTFA as shown below.

Decision

D21 – The *Canadian Table of Frequency Allocations* will be updated as follows:

MHz

1 710 – 1 755	FIXED MOBILE 5.384A 5.149 5.341 5.385 5.386
1 755 – 1 780	FIXED MOBILE 5.384A 5.386
1 780 – 1 850	FIXED Mobile 5.384A C5 5.386
1 850 - 2 000	FIXED MOBILE 5.384A 5.388A 5.388 5.389B C35

2 000 - 2 020	FIXED MOBILE MOBILE-SATELLITE (Earth-to-space) 5.351A 5.388 5.389A 5.389C 5.389E C36
2 020 - 2 025	FIXED MOBILE 5.388 MOD C37
2 025 - 2 110	EARTH EXPLORATION-SATELLITE (Earth-to-space)(space-to-space) FIXED SPACE OPERATION (Earth-to-space) (space-to-space) SPACE RESEARCH (Earth-to-space) (space-to-space) Mobile 5.391 C5 5.392
2 110 - 2 120	FIXED MOBILE 5.388A SPACE RESEARCH (deep space) (Earth-to-space) 5.388
2 120 - 2 180	FIXED MOBILE 5.388A 5.388

C5 For the exclusive use of the Government of Canada.

C37 (CAN-14) The designation of the band 2 020-2 025 MHz for Advanced Wireless Services may be the subject of a future public consultation.

15. Incumbent Transition Plan

234. As discussed in the Consultation, the band 1755-1780 MHz is licensed to some legacy fixed point-to-point microwave links and the band 2155-2180 MHz is licensed to some fixed MCS/MDS systems. Both bands are subject to moratoriums on new fixed licensing and in the case of the band 2155-2170 MHz, a transition policy for fixed systems has been in place since 2007.

235. Similar to the transition plans for the PCS and AWS-1 bands, Industry Canada proposed that these incumbent fixed licensees be afforded a reasonable notification period before displacement following the AWS-3 licensing process. The Department also proposed that the transition policy be based on the displacement of incumbents on a "where necessary" basis. The continued operation of

existing microwave systems would be permitted if it does not prevent the timely deployment of planned AWS-3 systems.

Summary of Comments

236. All respondents who commented on the proposed incumbent transition plan were in agreement.

Discussion

237. As no objections were raised with respect to the proposal, no further consideration is required.

Decision

D22 – The following transition policy will apply to existing fixed service licensees in the 1755-1780 MHz and 2155-2180 MHz band:

Fixed licensees that are preventing the deployment of AWS-3 systems are subject to displacement after receiving notification from the Department. Industry Canada will send such notifications in cases where an AWS-3 licensee demonstrates that the incumbent is preventing deployment. Note that this does not prevent the parties in question from reaching arrangements between themselves whereby both operations can be accommodated.

After the close of the auction and licensing, the AWS-3 operator will be responsible for: (a) identifying the specific fixed station frequency assignments that may prevent deployment of AWS-3 systems; (b) informing Industry Canada of the areas, the spectrum required and the time frames; and (c) requesting that Industry Canada provide a displacement notice to the incumbent licensee. Industry Canada will assess the request and provide a displacement notice to the incumbent licensee, providing a minimum notification period as follows:

i. one year for AWS-3 implementation in urban areas having a population of 30,000 or more, and those along major highway corridors;

ii. two years for AWS-3 implementation in other markets; or

iii. another time frame that is mutually acceptable between the new licensee and the incumbent.

16. Other Technical Considerations

238. The Department proposed to harmonize its technical rules with those of the United States to the extent feasible to ensure that Canadians have access to equipment that can be used throughout Canada and the United States. Harmonization will allow for economies of scale, which may lead to lower cost equipment for Canadian consumers, facilitate cross-border coordination and support the efficient use of

the radio spectrum. This approach is also consistent with enabling guideline h) of the SPFC, which states that "spectrum policy and management should support the efficient functioning of markets by...harmonizing spectrum use with international allocations and standards, except where Canadian interests warrant a different determination."

239. The Department also proposed to identify detailed technical requirements in an applicable Standard Radio System Plan (SRSP) and Radio Standards Specification (RSS) and to develop these standards in consultation with stakeholders, including the Radio Advisory Board of Canada. A summary of the proposed technical rules was outlined in Annex D of the Consultation.

Summary of Comments

240. With one exception, everyone who commented agreed with the proposal to harmonize technical rules with those of the United States. TELUS supported the proposed technical rules with one minor revision and an amendment. Specifically, TELUS proposed to clarify the out-of-band emission limit to specify an out-of-band limit "at and beyond" the band edges 1755 MHz, 1780 MHz, 2155 MHz and 2180 MHz to protect adjacent services. The proposed text specified an out-of-band emission limit at the band edges.

241. TELUS also noted that the technical rule proposals did not specify a measurement bandwidth for out-of-band emissions and suggested that the Department align its rules with those specified in RSS-139, *Advanced Wireless Services Equipment Operating in the Bands 1710–1755 MHz and 2110–2155 MHz*, which applies to the AWS-1 band. Specifically, for measuring OOB emission limits, TELUS proposed to utilize 1% of emission bandwidth within the first 1 MHz outside the operating frequency block, and 1 MHz bandwidth beyond the first 1 MHz outside the operating frequency block.

Discussion

242. It is the Department's intention to harmonize Canadian technical rules, which were outlined in Annex D of the Consultation, with U.S technical rules to the extent feasible. The proposed clarifications are noted. Industry Canada will develop an SRSP and an RSS for the technical rules for the AWS-3 band. These will be developed in consultation with the industry, including the Radio Advisory Board of Canada (RABC).

Decision

D23 – The Department will publish an SRSP and an RSS to establish the technical rules for systems operating in the commercial mobile spectrum in the AWS-3 band.

D24 – The Department will harmonize the technical rules for the AWS-3 band with those of the United States to the extent feasible and will establish these technical rules in consultation with the industry, including the RABC.

17. Clarification Process

243. Industry Canada will accept written questions seeking clarification of the rules and policies set out in this Framework from the date of publication of the decision up to three weeks before the application deadline. Every effort will be made to post the questions received, along with Industry Canada's written responses, in the shortest time frame possible. Questions that are of a similar nature and subject matter may be grouped and summarized. Questions regarding bidding procedures will be addressed in mail-out packages intended for qualified bidders, and will not be included in this clarification process unless they are deemed to be critical information for potential bidders requiring an immediate response. These answers will be considered as clarification of the policies set out in this Framework. Applicants are encouraged to submit questions as soon as possible.

244. Industry Canada may also amend or supplement the auction rules and procedures contained in this Framework. Any such amendment or supplement will be published on Industry Canada's website and will be sent to all qualified bidders.

245. Questions regarding the AWS-3 auction may be sent to: Manager, Auction Operations at spectrum.auctions@ic.gc.ca.

18. Obtaining Copies

246. All spectrum-related documents referred to in this paper are available on Industry Canada's Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrum.

247. For further information concerning the process outlined in this consultation or related matters, contact:

Industry Canada
c/o Senior Director, Spectrum Licensing and Auction Operations
235 Queen Street
Ottawa, Ontario K1A OH5
Telephone: 613-990-4411
Email: spectrum.auctions@ic.gc.ca

Annex A – Coordination with U.S. Government Licensees in the 1755-1780 MHz Band

As mentioned in Section 4, parts of the band in specific geographic areas along the Canada-United States border are expected to be encumbered to some extent by U.S. government incumbent use. Most of these users will be transitioned out of the band by mid-2020 but in some areas they will remain indefinitely. To assist potential bidders to assess the impact of the U.S. government use on AWS-3 operations, Industry Canada has provided a preliminary analysis of the potentially affected areas where AWS-3 licensees may be required to coordinate with U.S. government users.

The information in Table A1 was derived using publicly available information published by the NTIA from July through September 2014.[11] **Industry Canada makes no representation or warranties about the accuracy and completeness of this analysis.** The table below shows the approximate geographic areas (within each Tier 2 service area) and time frame (in months from the award of licences in the U.S.) during which Canadian AWS-3 licensees may be required to coordinate their operations with U.S. government users. The number of months represents the maximum amount of time that U.S. incumbents will remain in the band. **Potential bidders are strongly encouraged to undertake their own analyses of potential impacts to their use of the spectrum in specific geographic areas.**

As noted in Section 4, licensees are strongly encouraged to consult the NTIA's transition plan and to undertake their own analyses of the impacts of U.S. incumbent operations near the Canada-United States border in the 1755-1780 MHz portion of the AWS-3 band.

Table A1 – Areas Within Tier 2 Service Areas Where AWS-3 Licensees may be Required to Coordinate with U.S. Government Users

	Blocks	**G**	**H**	**I**	**J1**	**J2**
Tier 2	**Service Area Name**					
2-01	Newfoundland & Labrador					
2-02	Nova Scotia & Prince Edward Island					
2-03	New Brunswick					
2-04	Eastern Quebec					
2-05	Southern Quebec					

[11] See http://www.ntia.doc.gov/category/500-mhz-initiative and http://www.ntia.doc.gov/category/aws-3-transition.

	Blocks	G	H	I	J1	J2
2-06	Eastern Ontario & Outaouais	Most of tier including Ottawa 66 months	Southeast (south of Ottawa to Kingston) 63 months	Southeast (Cornwall, Kingston) 63 months	Southeastern (Cornwall) and southwestern (Belleville) areas 66 months	-
2-07	Northern Quebec	Southwest (Val d'Or and Maniwaki to Ontario border) 66 months	-	-	-	-
2-08	Southern Ontario	Most of the tier including Toronto 66 months	Southwest (Windsor-Chatham) 66 months	Southwest (Windsor-Chatham) 63 months	Most of the tier including Toronto 66 months	Southwest (Windsor-Chatham) 63 months
2-09	Northern Ontario	Central and southern parts (Thunder Bay to North Bay) 66 months	Southeast (Sault-Ste-Marie to Thunder Bay) 66 months	-	Central and southern parts (Thunder Bay to North Bay) 66 months	-
2-10	Manitoba	-	-	Southwest border (southwest of Brandon) 66 months	-	-
2-11	Saskatchewan	Southeast (Estevan to border) indefinitely	-	Southern part (Regina to border) 66 months	-	Central part of border area (Weyburn) indefinitely

	Blocks	**G**	**H**	**I**	**J1**	**J2**
2-12	Alberta	Southern border (south of Medicine Hat and including Lethbridge) indefinitely	-	-	-	Southern border (south of Medicine Hat) indefinitely
2-13	British Columbia	southeast (Fernie to Alberta border) indefinitely	-	Central and southwestern parts 48 months	Central and southwestern parts 48 months	Central and southwestern parts 48 months
2-14	Yukon, Northwest Territories & Nunavut	-	-	-	-	-

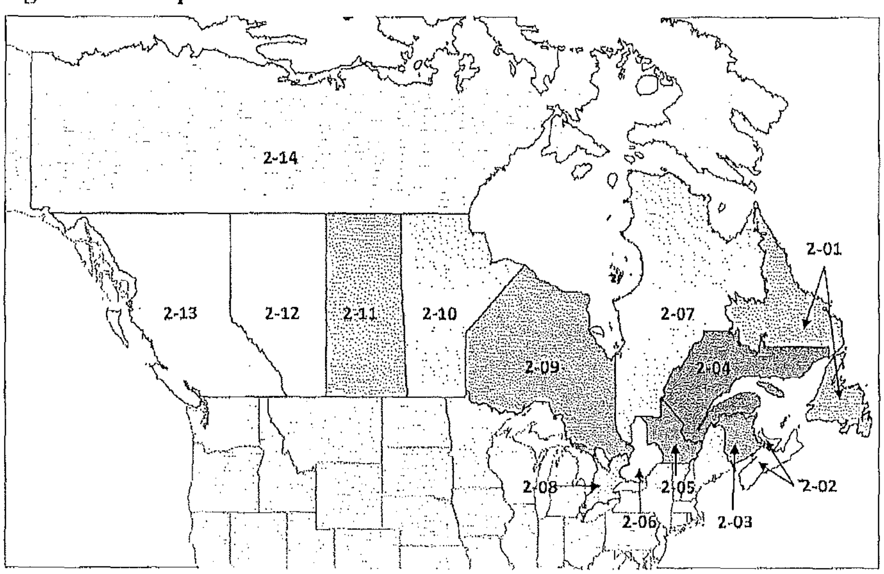
Annex B – Tier 2 Service Areas

Table B1 — Tier 2 Service Areas and Population

Tier 2	Service Area Name	Population*
2-01	Newfoundland & Labrador	514,641
2-02	Nova Scotia & Prince Edward Island	1,061,846
2-03	New Brunswick	749,942
2-04	Eastern Quebec	1,668,394
2-05	Southern Quebec	5,683,036
2-06	Eastern Ontario & Outaouais	2,347,808
2-07	Northern Quebec	190,605
2-08	Southern Ontario	10,090,766
2-09	Northern Ontario	774,775
2-10	Manitoba	1,206,968
2-11	Saskatchewan	1,029,812
2-12	Alberta	3,650,167
2-13	British Columbia	4,399,939
2-14	Yukon, Northwest Territories & Nunavut	107,215

* Population figures based on Statistics Canada 2011 Census information

Figure B1: Map of Tier 2 Service Areas in Canada



Annex C – Pricing Rule and Bidding Examples

Industry Canada will use a second-price rule to determine the prices to be paid such that the price for a winning bidder will be at least the opening bid price, but no higher than the actual amount bid. Second prices are often referred to as Vickrey prices and represent the opportunity cost of the bidder winning the licence or package. More specifically, Industry Canada will apply bidder-optimal core prices and use the "nearest Vickrey" approach in determining the prices.

Bids for the set-aside blocks can be made per licence; the winning bid will be the highest bid for each licence. For the open-bidding blocks, bids can be made as a package bid for both of the licences and/or for individual licences. The winning bid in each service area will be the greater of either the highest package bid or the highest sum of the bids on individual licences.

To mitigate the possibility of a tie, bidders are encouraged not to bid in round figures. In the event of a tie, tied bidders will be requested to enter a second sealed bid in an attempt to break the tie. Should there be a second tie, bidders will be requested to submit a third sealed bid in an attempt to break the tie. This procedure will be repeated until there is no tie.

The second or Vickrey price for each winning bidder (known as "Bidder J" in this explanation) is calculated as follows. First, from the value of the winning combination, subtract Bidder J's winning bid (value A). Next, recalculate the winning combination for the hypothetical situation in which all Bidder J's bids are excluded, as if Bidder J had not participated (value B). The Vickrey price for Bidder J is calculated as the value of the winning combination with all Bidder J's bids excluded (value B) minus the sum of the winning bids for all bidders other than Bidder J (value A); that is, value B minus value A. This is the minimum amount that the winning bidder could have bid in order to still have won, given the bids of all other bidders.

For the set-aside blocks, the Vickrey price for winning bidders will be the second highest bid on the licence or, should there only be one bidder for a particular licence, the opening bid amount. For the open-bidding blocks, the Vickrey price(s) could depend on package bids and/or bids for the individual licences as well as the opening bid prices for the licences. In addition, with package bidding, an extra payment beyond the Vickrey prices is sometimes required as a result of interaction between overlapping bids. In the event that an extra payment is required, the payment will be split evenly among the affected bidders.

The prices to be paid by winning bidders for the open-bidding and set-aside blocks in each service area must satisfy the following conditions:

a. **First condition:** The price for a winning bid must be greater than or equal to the opening bid price(s) for the licence(s) included in the bid, but not more than the dollar amount of the winning bid.

b. **Second condition:** The set of prices must be sufficiently high that there is no alternative bidder, or group of bidders, prepared to pay more than any winning bidder or group of winning bidders. If there is only one set of prices that meets the first and second conditions, this determines the prices to be paid.

c. **Third condition:** If there is more than one set of prices that fulfils the first and second conditions, the set (or sets) of prices minimizing the sum of prices across winning bidders is (are) selected. If there is only one set of prices satisfying these three conditions, this set determines the prices.

d. **Fourth condition:** If there is more than one set of prices that satisfies the first three conditions, the set of prices that minimizes the sum of squares of differences between the prices and the Vickrey prices will be selected. This approach for selecting among sets of prices that minimize the sum of prices across winning bidders is referred to as the "nearest Vickrey" approach.

These conditions characterize a unique set of prices such that each winning bidder pays no more than the dollar amount of its winning bid and pays at least the opening bid price(s). Industry Canada staff will calculate the set of prices for the open-bidding block and set-aside block in each service area that meet the conditions outlined above.

The following is an example of how prices are calculated. This example is based on the *Spectrum Auction Design* paper by P. Cramton (http://www.cramton.umd.edu/papers2005-2009/cramton-spectrum-auction-design.pdf).

Suppose that there are five bidders, 1, 2, 3, 4 and 5, bidding for two licences, A and B. The following bids are submitted ("b" designates the bidder):

- $b_1\{A\} = \$28$
- $b_2\{B\} = \$20$
- $b_3\{AB\} = \$32$
- $b_4\{A\} = \$14$
- $b_5\{B\} = \$12$

The bids of the five bidders are represented in Figure C1.

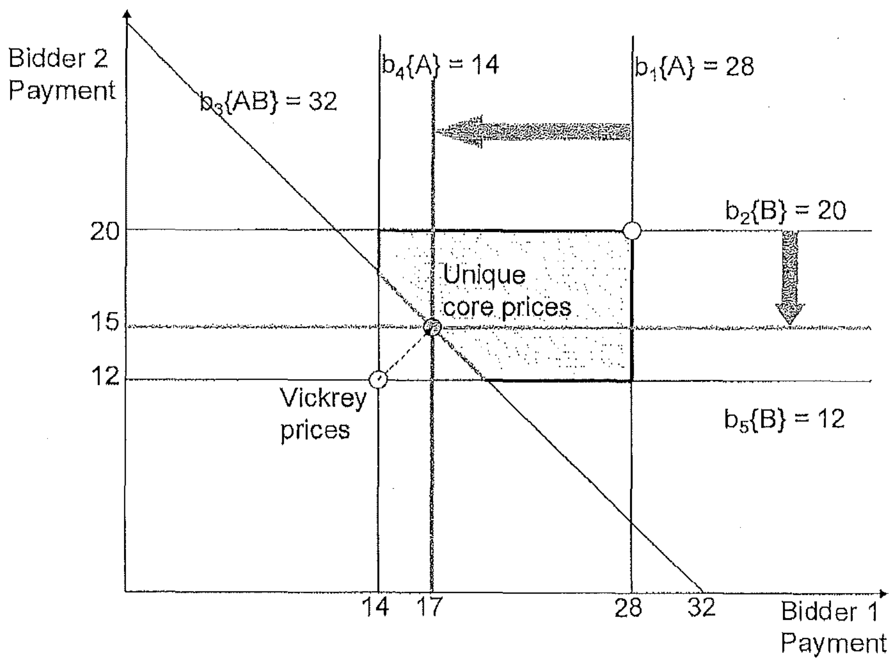
In this example, the highest value combination of bids would assign licence A to Bidder 1 and licence B to Bidder 2, generating $48 in value. There is no other assignment of the licences that yields a higher value.

To calculate the Vickrey price for Bidder 1, its winning bid ($28) is subtracted from the value of the winning combination ($48), resulting in $20. Next, the winning combination of packages is recalculated for the hypothetical situation in which Bidder 1's bids are excluded. The best assignment, excluding Bidder 1, assigns licence A to Bidder 4 at $14 and licence B to Bidder 2 at $20, resulting in $34. The Vickrey price for Bidder 1 is the value of the winning combination of packages with all Bidder 1's bids excluded ($34) less the sum of the winning allocation stage bids for all bidders other than Bidder 1 ($20); that is, its Vickrey price is $14 ($34 – $20).

Similarly, to calculate the Vickrey price for Bidder 2, its winning bid ($20) is subtracted from the value of the winning combination ($48), resulting in $28. Next, the winning combination of packages is recalculated for the hypothetical situation in which Bidder 2's bids are excluded. The best assignment, excluding Bidder 2, assigns licence A to Bidder 1 and licence B to Bidder 5, resulting in a value of $40. The Vickrey price for Bidder 2 is the value of the winning combination of packages with all Bidder 2's bids excluded ($40) less the sum of the winning allocation stage bids for all bidders other than Bidder 2 ($28); that is, its Vickrey price is $12 ($40 - $28).

Hence, the Vickrey outcome is for Bidder 1 to pay $14 for licence A and for Bidder 2 to pay $12 for licence B. Total revenues with these payments are $14 + $12 = $26. As shown in Figure C1, this means that Bidder 1 can reduce its bid to $14 before being displaced by Bidder 4. Similarly, Bidder 2 can reduce its bid to $12 before being displaced by Bidder 5.

Figure C1: Example of Calculating Prices



However, these payments sum to $26, which is less than Bidder 3's bid of $32 for both licences A and B. Therefore, Bidder 1 and Bidder 2 must split an additional payment of $6 ($32 - $26), to ensure that their combined payment is greater than that of Bidder 3, satisfying the condition that no other bidder or group of bidders was prepared to pay more for the licences in question. That is, Bidder 1 and Bidder 2 must pay, collectively, at least $32. The additional payment of $6 is split equally between the two bidders. Each bidder is therefore paying an additional $3 above its Vickrey price, with Bidder 1 paying $17 ($14 + $3) and Bidder 2 paying $15 ($12 + $3), as shown in Figure C1.

Bidding Examples:

The following examples illustrate different bidding scenarios, the provisional winning bid(s) as well as the price calculations for each.

Example 1:

Tier	Block (Size)	Opening Bid ($)	Bidder 1's Bid ($)	Bidder 2's Bid ($)	Bidder 3's Bid ($)
2-05	GHI (30 MHz)	20,500,000	22,000,000	20,600,000	24,500,000

Let us assume that there are three bidders interested in the set-aside block (30 MHz) in Tier 2-05. Bidder 1 places a bid of $22,000,000, Bidder 2 places a bid of $20,600,000 and Bidder 3 places a bid of $24,500,000. Bidder 3 would be declared the provisional winner and would be required to pay the second highest bid value of $22,000,000.

Example 2:

Tier	Block (Size)	Opening Bid ($)	Bidder 1's Bid ($)	Bidder 2's Bid ($)	Bidder 3's Bid ($)
2-03	GHI (30 MHz)	1,300,000	1,317,000	1,400,000	1,400,000

Let us assume that there are three bidders interested in the set-aside block (30 MHz) in Tier 2-03. Bidder 1 places a bid of $1,317,000, Bidder 2 places a bid of $1,400,000 and Bidder 3 places a bid of $1,400,000. Bidders 2 and 3 have tied with a bid of $1,400,000 and are asked to re-bid.

Example 3:

Tier	Block Size	Opening Bid ($)	Bidder 1's Bid ($)
2-12	30 MHz	9,900,000	10,700,000

Let us assume that there is only one bidder interested in the set-aside block in Tier 2-12. Bidder 1 places a bid of $10,700,000. Bidder 1 would be declared the provisional winner. Since there no other bids on the licence, Bidder 1 would pay the opening bid price of $9,900,000.

Example 4:

Tier	Block (Size)	Opening Bid ($)	Bidder 1's Bid ($)	Bidder 2's Bid ($)	Bidder 3's Bid ($)
2-08	J1 (10 MHz)	11,100,000		12,000,000	12,500,000
	J2 (10 MHz)	11,100,000		12,000,000	13,000,000
	J1+J2 (20 MHz)	22,200,000	26,200,000	25,000,000	26,000,000

Let us assume that there are three bidders interested in the open-bidding blocks, J1 and J2, in Tier 2-07. Bidder 1 submits one bid of $26,200,000 for a package of both licences. Bidder 2 submits three bids: $12,000,000 for J1, $12,000,000 for J2 and $25,000,000 for a package of both licences. Bidder 3 also submits three bids: $12,500,000 for J1, $13,000,000 for J2 and $26,000,000 for a package of both licences. Bidder 1 would be declared the provisional winner as its package bid is higher than the package bids of Bidders 2 and 3 as well as the sum of a combination of their bids for individual licences.

To calculate the Vickrey price for Bidder 1, its winning bid ($26,200,000) is subtracted from the value of the winning combination ($26,200,000) resulting in $0. Next, the winning combination is recalculated for the hypothetical situation in which Bidder 1's bids are excluded. The best assignment, excluding Bidder 1, assigns both J1 and J2 to Bidder 3 at $26,000,000. The Vickrey price for Bidder 1 is the value of the winning combination with all of Bidder 1's bids excluded ($26,000,000) less the sum of the winning bids for all bidders other than Bidder 1 ($0); that is, its Vickrey price is $26,000,000 ($26,000,000 - $0).

Example 5:

Tier	Block (Size)	Opening Bid ($)	Bidder 1's Bid ($)	Bidder 2's Bid ($)	Bidder 3's Bid ($)
2-01	J1 (10 MHz)	300,000	310,000	400,000	345,000
	J2 (10 MHz)	300,000	308,000	400,000	350,000
	J1+J2 (20 MHz)	600,000	650,000		

Let us assume that there are three bidders interested in the open-bidding blocks, J1 and J2, in Tier 2-01. Bidder 1 submits three bids: $310,000 for J1, $308,000 for J2 and $650,000 for a package of both licences. Bidder 2 submits two bids: $400,000 for J1 and $400,000 for J2. Bidder 3 also submits two bids: $345,000 for J1 and $350,000 for J2. In this case, the sum of Bidder 2's bid for J1 and Bidder 3's bid for J2, with total bids of $750,000, would be the highest and Bidders 2 and 3 would be declared the provisional winners.

To calculate the Vickrey price for Bidder 2, its winning bid ($400,000) is subtracted from the value of the winning combination ($750,000), resulting in $350,000. Next, the winning combination is recalculated for the hypothetical situation in which Bidder 2's bids are excluded. The best assignment, excluding Bidder 2, assigns J1 to Bidder 1 at $310,000 and J2 to Bidder 3 at $350,000, resulting in $660,000. The Vickrey price for Bidder 2 is the value of the winning combination with all of Bidder 2's bids excluded ($660,000) less the sum of the winning bids for all bidders other than Bidder 2 ($350,000) that is, its Vickrey price is $310,000 ($660,000 - $350,000).

To calculate the Vickrey price for Bidder 3, its winning bid ($350,000) is subtracted from the value of the winning combination ($750,000), resulting in $400,000. Next, the winning combination is recalculated for the hypothetical situation in which Bidder 3's bids are excluded. The best assignment, excluding Bidder 3, assigns J1 to Bidder 1 at $310,000 and J2 to Bidder 2 at $400,000, resulting in $710,000. The Vickrey price for Bidder 3 is the value of the winning combination with all of Bidder 3's bids excluded ($710,000), less the sum of the winning bids for all bidders other than Bidder 3 ($400,000), that is, its Vickrey price is $310,000 ($710,000 - $400,000).

Hence, the Vickrey outcome is for Bidder 2 to pay $310,000 for licence J1 and Bidder 3 to pay $310,000 for licence J2. However, these prices sum to $620,000 which is less than Bidder 1's package bid of $650,000 for both licences J1 and J2. Therefore, Bidder 2 and Bidder 3 must split an additional payment of $30,000 ($650,000 - $620,000), satisfying the condition that no other bidder or group of bidders was prepared to pay more for the licences in question. Therefore, Bidder 2 and Bidder 3 must pay, collectively, at least $650,000. The additional payment would be split equally between the two bidders, and with each bidder paying an additional $15,000 above its second price for a total payment of $325,000 ($310,000 + $15,000).

Annex D – Conditions of Licence

The following Conditions of Licence will apply to AWS-3 licences.

1. Licence Term

The term of this licence is 20 years. At the end of this term, the licensee will have a high expectation that a new licence will be issued for a subsequent term through a renewal process unless a breach of licence condition has occurred, a fundamental reallocation of spectrum to a new service is required, or an overriding policy need arises.

The process for issuing licences after this term and any issues relating to renewal, including the terms and conditions of the new licence, will be determined by the Minister of Industry following a public consultation.

2. Eligibility

The licensee must comply on an ongoing basis with the applicable eligibility criteria in subsection 9(1) of the *Radiocommunication Regulations*. The licensee must notify the Minister of Industry of any change that would have a material effect on its eligibility. Such notification must be made in advance for any proposed transactions within its knowledge.

3. Licence Transferability, Divisibility and Subordinate Licensing

This licence is transferable in whole or in part (divisibility), in both bandwidth and geographic dimensions, subject to Industry Canada's approval. A subordinate licence may also be issued in regard to this licence. Industry Canada's approval is required for each proposed subordinate licence.

The licensee must make the Transfer Request in writing to Industry Canada. The Transfer Request will be treated as set out in Client Procedures Circular CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, as amended from time to time.

The licensee must apply in writing to Industry Canada for approval prior to implementing any Deemed Transfer, which will be treated as set out in CPC-2-1-23. The implementation of a Deemed Transfer without the prior approval of Industry Canada will be considered a breach of this condition of licence.

Should the licensee enter into any Agreement that provides for a Prospective Transfer with another holder of a Licence for commercial mobile spectrum (including any Affiliate, agent or representative of the other licence holder), it must apply in writing to Industry Canada for review of the Prospective Transfer within 15 days of entering into the Agreement, which will be treated as set out in CPC-2-1-23. Should Industry Canada issue a decision indicating that the Prospective Transfer is not approved; it will be a breach of this condition of licence for a licensee to remain in an Agreement that provides for the Prospective Transfer for a period of more than 90 days from the date of the decision.

In all cases, the licensee must follow the procedures as outlined in CPC-2-1-23.

All capitalized terms have the meaning ascribed to them in CPC-2-1-23.

4. Treatment of Existing Spectrum Users

The licensee must comply with transition policies set out in SLPB-007-14, *Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3)*.

5. Radio Station Installations

The licensee must comply with Client Procedures Circular CPC-2-0-03, *Radiocommunication and Broadcasting Antenna Systems*, as amended from time to time.

6. Provision of Technical Information

The licensee must provide, and maintain, up-to-date technical information on a particular station or network in accordance with the definitions, criteria, frequency and timelines specified in 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, Regulation and Other Obligations

The licensee is subject to, and must comply with, the *Radiocommunication Act* and the *Radiocommunication Regulations*, as amended from time to time. The licensee must use the assigned spectrum in accordance with the *Canadian Table of Frequency Allocations* and the spectrum policies applicable to this band, as amended from time to time. The licence is issued on condition that all representations made in relation to obtaining this licence are all true and complete in every respect.

8. Technical Considerations, and International and Domestic Coordination

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications (RSS) and Standard Radio System Plans (SRSP), as amended from time to time. Where applicable, the licensee must use its best efforts to enter into mutually acceptable agreements with other parties for facilitating the reasonable and timely development of their respective systems, and to coordinate with other licensed users in Canada and internationally.

The licensee must comply with the obligations arising from current and future frequency coordination agreements established between Canada and other countries and shall be required to provide information or take actions to implement these obligations as indicated in the applicable SRSP. Although frequency assignments are not subject to site licensing, the licensee may be required through the appropriate SRSP to furnish all necessary technical data for each relevant site.

9. Lawful Interception

The licensee operating as a telecommunication common carrier using the spectrum for 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 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 of time. 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.

10. Research and Development

The licensee must invest, as a minimum, two percent of its adjusted gross revenues resulting from the use of this licence, averaged over the term of the licence, in eligible research and development (R&D) activities related to telecommunications. Eligible R&D activities are those which meet the definition of scientific research and experimental development adopted in the *Income Tax Act*, as amended from time to time. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third party commissions, and provincial goods and services taxes collected. The licensee is exempt from R&D expenditure requirements if it, together with all affiliated licensees that are subject to the R&D condition of licence, has less than $1 billion in annual gross operating revenues from the provision of wireless services in Canada, averaged over the term of the licence. For this condition of licence, an affiliate is defined as a person who controls the carrier, or who is controlled by the carrier or by any person who controls the carrier, as per subsection 35(3) of the *Telecommunications Act*.

11. Deployment Requirements

Licensees will be required to demonstrate to the Minister of Industry that this spectrum has been put to use as specified in Annex E of SLPB-007-14, *Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3)* within eight years of the initial issuance of the licence. When the spectrum is put to use, it shall be used to provide services predominantly to Canadians within the service area.

Where a licence is transferred during the initial eight years, the requirement for the new licensee to deploy will continue to be based on the initial licence issuance date.

12. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in 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.

13. Mandatory Roaming

The licensee must comply with the roaming requirements set out in 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*,[12] as amended from time to time.

14. Annual Report

The licensee must submit an annual report for each year of the licence term, which includes the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage within the area covered by the licence;
- existing audited financial statements with an accompanying auditor's report;
- a statement indicating the annual gross operating revenues from the provision of wireless services in Canada and, where applicable, the annual adjusted gross revenues resulting from the use of this licence, as defined in these conditions of licence;
- a report of the R&D expenditures as set out in these conditions of licence (Industry Canada may request an audited statement of R&D expenditures with an accompanying auditor's report, at its discretion);
- supporting financial statements where a licensee is claiming an exemption based on, together with all affiliated licensees that are subject to the R&D condition of licence, it having less than $1 billion in annual gross operating revenues from the provision of wireless services in Canada, averaged over the term of the licence;
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization; and
- other information related to the licence as specified in any notice updating the reporting requirements as issued by Industry Canada.

All reports and statements are to be certified by an officer of the company and submitted, in writing, within 120 days of the licensee's fiscal year-end. Confidential information provided will be treated in accordance with subsection 20(1) of the *Access to Information Act*.

12 CPC-2-0-17 will be amended accordingly to include the AWS-3 band.

Reports are to be submitted to Industry Canada at the following address:

Industry Canada
Spectrum Management Operations Branch
Manager, Emerging Networks
235 Queen Street (JETN, 15th floor)
Ottawa, Ontario
K1A 0H5

Where a licensee holds multiple licences, spectrum implementation reports should be broken down by service area. This information, including the extent of implementation and spectrum usage, is important for analyzing each licensee's individual performance against its conditions of licence. In addition, it allows Industry Canada to monitor the effectiveness of these conditions in meeting the policy objectives regarding the band and the Department's intent that the spectrum be deployed in a timely manner for the benefit of Canadians.

15. Amendments

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

Annex E – Deployment Requirements

Eight-Year Deployment Requirements for Tier 3 Service Areas Within Each Tier 2 Service Area

Tier 2	Tier 3	Service Area Name	Population*	Minimum Population Coverage**
2-01 Newfoundland & Labrador	3-01	Newfoundland & Labrador	514,641	40%
2-02 Nova Scotia & Prince Edward Island	3-02	Prince Edward Island	140,204	40%
	3-03	Mainland Nova Scotia	786,567	50%
	3-04	Cape Breton	135,057	40%
2-03 New Brunswick	3-05	Southern New Brunswick	172,374	60%
	3-06	Western New Brunswick	217,152	40%
	3-07	Eastern New Brunswick	360,416	40%
2-04 Eastern Quebec	3-08	Bas du fleuve/Gaspésie	295,519	25%
	3-09	Québec	1,004,614	60%
	3-10	Chicoutimi-Jonquière	368,261	50%
2-05 Southern Quebec	3-11	Eastern Townships	543,762	40%
	3-12	Trois-Rivières	810,609	40%
	3-13	Montréal	4,204,654	60%
	3-14	Upper Outaouais	124,011	20%
2-06 Eastern Ontario & Outaouais	3-15	Ottawa/Outaouais	1,441,718	60%
	3-16	Pembroke	114,135	25%
	3-18	Cornwall	67,207	60%
	3-19	Brockville	84,068	50%
	3-20	Kingston	175,801	60%
	3-21	Belleville	196,021	50%
	3-22	Cobourg	62,610	40%
	3-23	Peterborough	206,250	60%
2-07 Northern Quebec	3-17	Abitibi	190,605	40%
2-08 Southern Ontario	3-24	Huntsville	78,790	40%
	3-25	Toronto	6,645,088	60%
	3-26	Barrie	673,898	40%
	3-27	Guelph/Kitchener	696,136	60%
	3-28	Listowel/Goderich/Stratford	134,384	25%
	3-29	Niagara-St. Catharines	368,119	60%
	3-30	London/Woodstock/St. Thomas	832,870	60%
	3-31	Chatham	100,951	60%

Tier 2	Tier 3	Service Area Name	Population*	Minimum Population Coverage**
	3-32	Windsor/Leamington	389,729	60%
	3-33	Strathroy	170,801	60%
2-09 Northern Ontario	3-34	North Bay	126,711	50%
	3-35	Sault Ste. Marie	132,309	60%
	3-36	Sudbury	177,004	60%
	3-37	Kirkland Lake	114,942	40%
	3-38	Thunder Bay	223,809	50%
2-10 Manitoba	3-39	Winnipeg	1,032,187	60%
	3-40	Brandon	174,781	30%
2-11 Saskatchewan	3-41	Regina	366,413	50%
	3-42	Moose Jaw	100,292	35%
	3-43	Saskatoon	563,107	50%
2-12 Alberta	3-44	Edmonton	1,465,386	60%
	3-45	Medicine Hat/Brooks	190,930	40%
	3-46	Lethbridge	177,303	50%
	3-47	Calgary	1,390,206	60%
	3-48	Red Deer	240,343	35%
	3-49	Grande Prairie	185,998	35%
2-13 British Columbia	3-50	Kootenays	134,351	25%
	3-51	Okanagan/Columbia	415,214	50%
	3-52	Vancouver	2,684,495	60%
	3-53	Victoria	431,520	60%
	3-54	Nanaimo	186,369	50%
	3-55	Courtenay	114,658	60%
	3-56	Thompson/Cariboo	179,949	50%
	3-57	Prince George	187,802	50%
	3-58	Dawson Creek	65,553	40%
2-14 Yukon, Northwest Territories & Nunavut	3-59	Yukon, Northwest Territories & Nunavut	107,215	30%

* Population figures based on Statistics Canada 2011 Census information

** Based on most recent census information available at the time of assessment

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 21, 2015)

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-2419
Email: Alexander.Schmitt@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants

114

DOCSTOR: 5082610\2C

Tab 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	WEDNESDAY, THE 28TH
	)	
JUSTICE NEWBOULD	)	DAY OF JANUARY, 2015

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

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of William E. Aziz, sworn January 21, 2015, and the exhibits thereto, the Supplemental Affidavit of William E. Aziz, sworn January 26, 2015 (the "**Supplemental Affidavit**"), and the exhibits thereto, the Tenth Report of the Monitor, Ernst & Young Inc. (the "**Monitor**") dated January 23, 2015 (the "**Tenth Report**"), and the Supplement to the Tenth Report, dated ●, 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 affidavits of service of ● sworn on January 22, 2015 and January ●, 2015,

Service

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

Definitions

2. **THIS COURT ORDERS** that all capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Second DIP Loan Agreement (as defined below).

Stay Extension

3. **THIS COURT ORDERS** that the Stay Period (as defined in the Initial Order dated September 30, 2013, as amended by an Order dated October 24, 2013 (the "**Initial Order**")) be and is hereby extended up to and including May 8, 2015.

Approval of Monitor's Activities

4. **THIS COURT ORDERS** that the Tenth Report and the activities of the Monitor described therein are hereby approved.

Additional Applicant

5. **THIS COURT ORDERS AND DECLARES** that ● ("**Mobilicity SpectrumCo**") is a company to which the CCAA applies and shall be an Applicant in these proceedings.

6. **THIS COURT ORDERS** that the title of these proceedings is hereby amended to reflect Mobilicity SpectrumCo as an Applicant in these proceedings as follows:

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

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

7. **THIS COURT ORDERS** that, from and after the date of this Order, all references in the Initial Order, and in this Order, to the Applicants shall include Mobilicity SpectrumCo, provided that none of the current or future assets, undertakings or properties of any nature and kind whatsoever, and wherever situate, of Mobilicity SpectrumCo, including any and all proceeds thereof (collectively, the "**Mobilicity SpectrumCo Property**") shall form part of the Property (as defined in the Initial Order) and the Mobilicity SpectrumCo Property shall not be subject to any of the charges granted pursuant to the Initial Order.

DIP Financing

8. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to enter into, and directed to execute and deliver, the DIP Note Purchase and Guarantee Agreement substantially in the form attached as Exhibit "A" to the Supplemental Affidavit (the "**Second DIP Loan Agreement**").

9. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility (the "**DIP Facility**") from the Purchasers under the Second DIP Loan Agreement (the "**DIP Lenders**") solely for the purposes set out in the Second DIP Loan Agreement, provided that borrowings under the DIP Facility shall not exceed the amounts prescribed in the Second DIP Loan Agreement.

10. **THIS COURT ORDERS** that the DIP Facility shall be on the terms and subject to the conditions set forth in the Second DIP Loan Agreement.

11. **THIS COURT ORDERS** that the DIP Facility, the Second DIP Loan Agreement, and the entry of the Applicants and Equity Financial Trust Company, as collateral agent, into the Second DIP Loan Agreement be and are hereby approved.

12. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Second DIP Loan Agreement or as may be reasonably required by the DIP Lenders pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders, and to comply with all terms and covenants, under and pursuant to the Second DIP Loan Agreement and the other Definitive Documents as and when the same become due, are to be performed and/or are to be complied with, notwithstanding any other provision of this Order.

13. **THIS COURT ORDERS** that the DIP Lenders shall be entitled to the benefit of and are hereby granted a charge (the "**DIP Lenders' Charge**") on the Property and on the Mobilicity SpectrumCo Property, and including for certainty the Deposit, as security for any and all obligations of the Applicants under the Second DIP Loan Agreement and the Definitive Documents (including on account of principle, interest, fees, expenses and other liabilities) (the aggregate of all such obligations being the "**DIP Indebtedness**"), which DIP Lenders' Charge

shall be in the aggregate amount of the DIP Indebtedness outstanding at any given time. The DIP Lenders' Charge shall not secure an obligation that exists before this Order is made. The DIP Lenders' Charge shall have the priority set out in paragraphs 22 and 25 hereof.

14. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lenders may take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Lenders' Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Second DIP Loan Agreement, the Definitive Documents or the DIP Lenders' Charge (A) the DIP Lenders may cease making advances to the Applicants, (B) the DIP Lenders may (i) set off and/or consolidate any amounts owing by the DIP Lenders to the Applicants against the obligations of the Applicants to the DIP Lenders under the Second DIP Loan Agreement, the Definitive Documents, or the DIP Lenders' Charge and make demand, accelerate payment and give other notices, and (ii) following an Order of the Court, granted on 5 days' notice to the Applicants and the Monitor, exercise any and all of their respective rights and remedies against the Applicants, the Property or the Mobilicity SpectrumCo Property under or pursuant to the Second DIP Loan Agreement, the Definitive Documents, the DIP Lenders' Charge, or the *Personal Property Security Act* of Ontario or any other applicable jurisdiction, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants, the Property or the Mobilicity SpectrumCo Property.

15. **THIS COURT ORDERS AND DECLARES** that the DIP Lenders shall be treated as unaffected in any plan of arrangement or compromise filed by any of the Applicants under the CCAA, or any proposal (the "**Proposal**") filed by any of the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Second DIP Loan Agreement and the Definitive Documents.

16. **THIS COURT ORDERS** that the obligations under the Second DIP Loan Agreement and the Definitive Documents shall be treated as unaffected by any Plan or any Proposal and the Applicants shall not file a Plan in these proceedings or any Proposal that does not provide for the indefeasible payment in full in cash of the obligations outstanding in respect of the Second DIP Loan Agreement and the Definitive Documents as a pre-condition to the implementation of any such Plan.

17. **THIS COURT ORDERS AND DECLARES** that, notwithstanding anything else contained in this Order, the DIP Lenders shall have the sole interest in the Deposit on a *pro rata* basis in accordance with their respective Commitments pursuant to the Second DIP Loan Agreement, and that in the event of any withdrawal by Wireless, or Mobilicity SpectrumCo, as applicable, from the AWS-3 Auction or return by Industry Canada of the Deposit, (i) the Applicants are hereby directed to return, or cause to be returned, the Deposit directly to the Purchasers, on a *pro rata basis* in accordance with their respective Commitments pursuant to the Second DIP Loan Agreement, and the amount of the outstanding DIP Notes shall be reduced on a dollar for dollar basis, and (ii) that the Purchasers shall have full authority to receive and direct the return of the Deposit on a *pro rata* basis in accordance with their respective Commitments pursuant to the Second DIP Loan Agreement.

18. **THIS COURT ORDERS** that the DIP Note Purchase and Guarantee Agreement made as of September 30, 2013 (the "**First DIP Loan Agreement**") approved by the Initial Order is of no further force and effect and that the DIP Lenders' Charge (as defined in and approved by the Initial Order) is hereby discharged.

19. **THIS COURT ORDERS** that, from and after the date of this Order, all references in Paragraphs 5, 6, 8, 12, 25, 28, 30, 31, 32 and 62 of the Initial Order to the "DIP Loan Agreement", the "DIP Facility", "Definitive Documents" and the "DIP Lenders" shall refer to the Second DIP Loan Agreement, the DIP Facility, Definitive Documents and the DIP Lenders, respectively, each as defined in this Order.

20. **THIS COURT ORDERS** that:

(a) all references in Paragraph 15 of the Initial Order to "DIP Lenders" shall mean, collectively the DIP Lenders as defined in this Order under the Second DIP Loan Agreement and the DIP Lenders as defined in the Initial Order pursuant to the First DIP Loan Agreement; and

(b) all references in Paragraph 15 of the Initial Order to "DIP Facility" shall mean the credit facilities established under the Second DIP Loan Agreement and the First DIP Loan Agreement.

21. **THIS COURT ORDERS** that all references in Paragraphs 15 and 16 of the Initial Order to "Property" shall mean collectively the Property and the Mobilicity SpectrumCo Property.

22. **THIS COURT ORDERS** that, notwithstanding paragraph 53 of the Initial Order, the priorities of the Directors' Charge (as defined in the Initial Order), the Administration Charge (as defined in the Initial Order), the DIP Lenders' Charge (as constituted and defined herein), and the KERP Charge (as defined in the Initial Order) as among them and relative to the liens securing the obligations under the First Lien Notes (as defined in the Initial Order) and the Bridge Notes (as defined in the Initial Order) with respect to the Property shall be as follows:

(a) First, the DIP Lenders' Charge (as constituted and defined herein);

(b) Second, liens securing obligations under the First Lien Notes and the First Lien Notes Indenture (as defined in the Initial Order) (collectively, the "First Lien Notes Liens");

(c) Third, the Administration Charge and the KERP Charge on a *pari passu* basis;

(d) Fourth, the Directors' Charge; and

(e) Fifth, the liens securing the obligations under the Bridge Notes.

23. **THIS COURT ORDERS** that the sole charge on the Mobilicity SpectrumCo Property shall be the DIP Lenders' Charge.

24. **THIS COURT ORDERS** that the filing, registration or perfection of the DIP Lenders' Charge shall not be required, and that the DIP Lenders' Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the DIP Lenders' Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

25. **THIS COURT ORDERS** that the DIP Lenders' Charge shall constitute a charge on the Property and the Mobilicity SpectrumCo Property and such DIP Lenders' Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person

with the exception of the Encumbrances ranking in priority to the First Lien Notes Liens, other than with respect to the Deposit and the Mobilicity SpectrumCo Property in which case the DIP Lenders' Charge shall rank in priority to all Encumbrances in favour of any Person.

26. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property (other than the Deposit, as applicable) that rank in priority to, or *pari passu* with, the DIP Lenders' Charge, and shall not grant any Encumbrances over the Deposit or any of the Mobilicity SpectrumCo Property unless the Applicants also obtain the prior written consent of the Monitor and the DIP Lenders, or further Order of this Court.

27. **THIS COURT ORDERS** that the Definitive Documents and the DIP Lenders' Charge shall not be rendered invalid or unenforceable and the rights and remedies of the DIP Lenders shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the DIP Lenders' Charge nor the execution, delivery, perfection, registration or performance of the Definitive Documents shall create or be deemed to constitute a breach by an Applicant of any Agreement to which it is a party;

(b) none of the DIP Lenders shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from an Applicant entering into the Second DIP Loan Agreement, the creation of the DIP Lenders' Charges, or the execution, delivery or performance of the other Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order or the Definitive Documents, and the granting of the DIP Lenders' Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

28. **THIS COURT ORDERS** that the DIP Lenders' Charge created by this Order over leases of real property in Canada shall only be a charge in an Applicant's interest in such real property leases.

29. **THIS COURT ORDERS** that the deposit accounts held by Paymentech and containing cash collateral pledged to Paymentech in an amount not to exceed $1,200,000 shall be excluded from the DIP Lenders' Charge.

30. **THIS COURT ORDERS** that the DIP Lenders shall be entitled to rely on this Order, as issued, for all advances made under the Second DIP Loan Agreement, the DIP Lenders' Charge and the Definitive Documents up to and including the date this Order may be varied or amended, and that if any of the provisions of this Order in connection with the Second DIP Loan Agreement, the DIP Facility or the DIP Lenders' Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (collectively, a "**Variation**") whether by subsequent order of this Court or on or pending an appeal from this Order, such Variation shall not in any way impair, limit or lessen the protections, rights or remedies of the DIP Lenders, whether under this Order (as made prior to any such Variation) or under any of the documentation delivered pursuant hereto, with respect to any advances made prior to the DIP Lenders being given notice of any such Variation.

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

O R D E R

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-2419
Email: Alexander.Schmitt@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants

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

SUPPLEMENTAL
MOTION RECORD OF THE APPLICANTS
(Returnable January 28, 2015)

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

Orestes Pasparakis LSUC#: 36851T
Tel: (416) 216-4815
Email: Orestes.Pasparakis@nortonrosefulbright.com

Virginie Gauthier LSUC#: 41097D
Tel: (416) 216-4853
Email: Virginie.Gauthier@nortonrosefulbright.com

Alex Schmitt LSUC#: 63860F
Tel: (416) 216-2419
Email: Alexander.Schmitt@nortonrosefulbright.com

Fax: (416) 216-3930

Lawyers for the Applicants