

THE MORTGAGE DEALERS ACT

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Order No. 2583

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Section 55

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October 26, 2007

Morgan Stanley & Co. Incorporated and the Secured Parties Represented by It

WHEREAS:

(A) The Collateral Agent and the Secured Parties (each as defined below) have made application to the Manitoba Securities Commission (the "MSC") for an order exempting the applicants from the requirements to be registered under the Act for the sole purpose of carrying out the following transactions (the "**Transactions**"):

1. Providing senior secured credit facilities to Telesat Canada and Telesat LLC (the "**Borrowers**") pursuant to a Credit Agreement (the "**Credit Agreement**") among, *inter alia*, Telesat Holdings Inc., Telesat Interco Inc., Telesat Canada, Telesat LLC, certain subsidiaries of Telesat Holdings Inc., as guarantors, the lenders party thereto from time to time (the "Lenders"), Morgan Stanley Senior Funding Inc., as administrative agent, Morgan Stanley & Co. Incorporated, as collateral agent (in such capacity, and together with its affiliates, successors and assigns, the "**Collateral Agent**") for the Lenders, and UBS Securities LLC, as syndication agent. Under the Credit Agreement, the Lenders will make certain term and revolving loans and other extensions of credit (collectively, the "**Credit**") available to the Borrowers for, among other purposes, the acquisition of Telesat Canada from BCE Inc. and to provide working capital for general corporate purposes.

2. As collateral security for the Credit, Telesat Canada (the "**Mortgagor**") will grant to the Collateral Agent, a debenture (as same may be amended, restated, assigned or otherwise modified from time to time, the "**Mortgage**") in the principal amount of CDN\$5,500,000,000 to be held by the Collateral Agent for the benefit of certain secured parties and to be registered against the property municipally known as 1369 Niakwa Road East, Winnipeg, Manitoba. The secured parties whose interests in the Mortgage will be held by the Collateral Agent are collectively referred to herein as the "**Secured Parties**".

(B) The applicants have represented to the Commission that:

1. The definition of "mortgage dealer" in Section 1 of the Act includes a person who registers a mortgage in the mortgage dealer's name where another person or other persons have contributed mortgage monies or are entitled to share the proceeds of the mortgage, or both, or a person who, for a reward or hope or promise thereof, administers a mortgage for or on behalf of any other person. As part of the Transactions, the Mortgage will be registered in the Collateral Agent's

name; certain of the Secured Parties will contribute monies secured by the Mortgage and be entitled to share the proceeds of the Mortgage; and the Collateral Agent will administer the Mortgage for and on behalf of the Secured Parties. Accordingly, the Collateral Agent may technically be a “mortgage dealer” under the Act. However, neither the Collateral Agent nor any of the Secured Parties may be registered as a “mortgage dealer” under the Act.

2. The Mortgagor is a sophisticated commercial entity.
3. The Collateral Agent and the Secured Parties are sophisticated commercial entities, and include Canadian and foreign banks, funds and other entities that make commercial loans in the ordinary course of their businesses.
4. The Collateral Agent, in holding the Mortgage and administering the Mortgage, will have no direct interaction with the general public.
5. The Secured Parties will have no interaction with the general public with respect to the Mortgage.

(C) In the opinion of the Commission it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

1. **THAT**, pursuant to section 55 of the Act, the Collateral Agent and the Secured Parties are exempt from the registration requirements of section 2(1) of the Act with respect to the activities of the Collateral Agent and the Secured Parties in connection with the Credit Agreement and the Mortgage.
2. **THAT** the fee for this order shall be \$150.00.

BY ORDER OF THE COMMISSION

Director Legal - Doug Brown