STAND-BY PURCHASE AGREEMENT

February 10, 2011

AirIQ Inc.
1815 Ironstone Manor, Unit 10
Pickering, Ontario L1W 3W9

We understand that AirIQ Inc. (the "**Corporation**") proposes to issue to holders of its issued and outstanding common shares **("Common Shares")** transferable rights ("**Rights**") to subscribe for additional Common Shares at a price per Common Share to be determined by the Corporation prior to the filing of the Final Prospectus (the "**Subscription Price**"). Each holder of Common Shares will be entitled to receive one Right for each Common Share held. Each Right will entitle the holder to purchase two Common Shares, such that 0.5 of a Right will entitle the holder to purchase one Common Share. Any holder of Common Shares who exercises its right to purchase all of the Common Shares that can initially be purchased upon exercise of all Rights issued to such holder (the "**Basic Subscription Privilege**") shall be entitled to subscribe for additional Common Shares (the "**Additional Subscription Privilege**") in the manner to be set forth in the Prospectuses (as defined below).

Upon and subject to the following terms and conditions, Mosaic Capital Partners LP, Pinetree Income Partnership, Emmanuel Mounouchos and American Telematics Corporation (collectively, the "**Stand-by Purchasers**") hereby agree, severally and not jointly, to purchase from the Corporation, and the Corporation hereby agrees to sell to the Stand-by Purchasers, at a price per share equal to the Subscription Price, all of the Common Shares not otherwise purchased, pursuant to both the Basic Subscription Privilege and the Additional Subscription Privilege, under the Rights offering (the "**Remaining Common Shares**"), it being understood that the obligations of the Stand-by Purchasers are several and not joint, and each Stand-by Purchaser shall only be obligated to purchase the Remaining Common Shares prescribed herein.

The Remaining Common Shares available for purchase hereunder, or any lesser amount, shall be allocated to and purchased by the remaining Stand-by Purchasers in the respective percentages set forth in the table below:

Stand-by Purchaser	**Percentage of Remaining Common Shares to be Purchased**
Mosaic Capital Partners LP	24%
Pinetree Income Partnership	30%
Emmanuel Mounouchos	29%
American Telematics Corporation	17%

In this Agreement, the following words and phrases shall have the following meanings:

a) "**Additional Subscription Privilege**" has the meaning ascribed thereto in the first paragraph of this Agreement;

b) "**Agreement**" means this Stand-by Purchase Agreement, together with all amendments and restatements hereof, and supplements hereto;

c) "**Applicable Securities Laws**" means all applicable securities laws, rules, regulations, notices and published policies having the force of law in the Qualifying Jurisdictions;

d) "**Basic Subscription Privilege**" has the meaning ascribed thereto in the first paragraph of this Agreement;

e) "**Closing Date**" has the meaning ascribed thereto in Section 10 of this Agreement;

f) "**Closing Time**" has the meaning ascribed thereto in Section 10 of this Agreement**;**

g) "**Corporation's counsel**" means Owens, Wright LLP;

h) "**Distribution**" means "distribution" or "distribution to the public" as those terms are defined under Applicable Securities Laws;

i) "**Final Passport System Decision Document**" means a receipt for the Final Prospectus issued in accordance with the Passport System;

j) "**Final Prospectus**" means the final short form prospectus of the Corporation, and any amendments thereto, in respect of the distribution of the Rights and the Offered Common Shares in the Qualifying Jurisdictions, including the documents incorporated by reference therein;

k) "**Financial Statements**" means, the restated audited comparative financial statements of the Corporation as at and for the year ended December 31, 2009, together with the notes thereto and the auditors' report thereon, and management's discussion and analysis of the financial condition and operating results of the Corporation for the year ended December 31, 2009;

l) "**misrepresentation**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

m) "**NI 44-101**" means National Instrument 44-101 of the Canadian Securities Administrators entitled "Short Form Prospectus Distributions", as amended or replaced;

n) "**NI 45-101**" means National Instrument 45-101 of the Canadian Securities Administrators entitled "Rights Offering", as amended or replaced;

o) "**NP 11-202**" means National Policy 11-202 of the Canadian Securities Administrators, entitled "Process for Prospectus Reviews in Multiple Jurisdictions", as amended or replaced;

p) "**Offered Common Shares**" means, collectively, the Common Shares to be issued pursuant to the exercise of the Rights (including pursuant to the Basic Subscription Privilege and the Additional Subscription Privilege) and the Remaining Common Shares;

q) "**Passport System**" means the system and procedures for prospectus filing and review under Multilateral Instrument 11-102, entitled "Passport System" and NP 11-202;

r) "**Preliminary Passport System Decision Document**" means a receipt for the Preliminary Prospectus issued in accordance with the Passport System;

s) "**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation dated February 10, 2011, and any amendments thereto, in respect of the distribution of the Rights and the Offered Common Shares in the Qualifying Jurisdictions, including the documents incorporated by reference therein;

t) "**Prospectuses**" means, collectively, the Preliminary Prospectus and the Final Prospectus;

u) "**Public Record**" means all information filed by or on behalf of the Corporation and its or any of its subsidiaries' predecessor entities with the Securities Commissions, including without limitation, the Prospectuses, any Supplementary Material, the documents incorporated therein by reference and any other information filed with any Securities Commission in compliance, or intended compliance, with any Applicable Securities Laws;

v) "**Qualifying Jurisdictions**" means, collectively, British Columbia, Alberta, Manitoba, Ontario and Quebec;

w) "**Record Date**" means the date that is not earlier than seven (7) trading days following the later of: (i) the date that all deficiencies raised by the TSXV have been resolved; (ii) the date of receipt of all clearances from all securities commissions having jurisdiction; (iii) the date that all terms of the Rights offering are finalized; and (iv) the date that the TSXV has received all requested documents and applicable fees;

x) "**Remaining Common Shares**" has the meaning ascribed thereto in the second paragraph of this Agreement;

y) "**Rights**" has the meaning ascribed thereto in the first paragraph of this Agreement;

z) "**Securities Commissions**" means the securities commissions or similar regulatory authorities in the Qualifying Jurisdictions;

aa) "**Standard Listing Conditions**" has the meaning ascribed thereto in Section 4(c) of this Agreement;

bb) "**Stand-by Purchasers**" has the meaning ascribed thereto in the second paragraph of this Agreement;

cc) "**subsidiary**" means a subsidiary of the Corporation within the meaning of the Securities Act (Ontario);

dd) "**Subscription Price**" has the meaning ascribed thereto in the first paragraph of this Agreement;

ee) "**Supplementary Material**" means, collectively, any amendment to the Preliminary Prospectus or Final Prospectus, any amended or supplemented Preliminary Prospectus or Final Prospectus or any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Corporation under the Applicable Securities Laws;

ff) "**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time; and

gg) "**TSXV**" means the TSX Venture Exchange.

The following are the terms and conditions of the Agreement between the Corporation and the Stand-by Purchasers:

1. The Common Shares to be issued to the Stand-by Purchasers hereunder shall be duly and validly authorized and issued.

2. The Corporation represents and warrants to the Stand-by Purchasers that the Corporation is eligible to use a short form prospectus as described in NI 44-101 for the distribution of Rights, the Common Shares issuable upon exercise of the Rights, and the Common Shares to be purchased by the Stand-by Purchasers hereunder.

3. The Corporation shall:

   a) have prepared and filed the Preliminary Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions and designated the Ontario Securities Commission as the principal regulator under the Passport System;

   b) use its commercially reasonable efforts to have obtained from the Ontario Securities Commission a Preliminary Passport System Decision Document evidencing that a receipt has been issued for the Preliminary Prospectus in each Qualifying Jurisdiction, or otherwise obtained a receipt for a Preliminary Prospectus from each of the Securities Commissions;

   c) forthwith after any comments with respect to the Preliminary Prospectus have been received from the Securities Commissions:

      (i) use its commercially reasonable efforts to promptly satisfy or resolve all such comments with respect to the Preliminary Prospectus;

      (i) use its commercially reasonable efforts to have prepared and filed the Final Prospectus and other documents required under the Applicable Securities Laws with the Securities Commissions as soon as practicable; and

      (ii) use its commercially reasonable efforts to have obtained from the Ontario Securities Commission a Final Passport System Decision Document evidencing that a receipt has been issued for the Final Prospectus in each Qualifying Jurisdiction, or otherwise obtained a receipt for the Final Prospectus from each of the Securities Commissions;

   d) have otherwise fulfilled all legal, regulatory and other requirements to enable the Distribution of the Rights, the Common Shares issuable upon exercise of the Rights and the Common Shares to be purchased by the Stand-by Purchasers hereunder;

   e) until the completion of the Distribution of the Rights and the Offered Common Shares, promptly take all additional steps and proceedings that from time to time may be required under Applicable Securities Laws in each Qualifying Jurisdiction to continue to qualify the Rights and Offered Common Shares for Distribution or, in the event that the Rights and Offered Common Shares have, for any reason, ceased to so qualify, to again qualify the Rights and Offered Common Shares for Distribution; and

f) take or cause to be taken all such other steps and proceedings, including fulfilling all legal, regulatory and other requirements, as required under Applicable Securities Laws to qualify the Distribution of the Rights and Offered Common Shares in the Qualifying Jurisdictions.

4. The Corporation shall deliver or cause to be delivered to the Standby Purchasers the documents set out below at the respective times indicated:

a) prior to or contemporaneously, as nearly as practicable, with the filing with the Securities Commissions of each of the Preliminary Prospectus and the Final Prospectus:

(iii) copies of the Preliminary Prospectus and the Final Prospectus, signed as required by Applicable Securities Laws; and

(iv) upon request from the Stand-by Purchasers, or any one of them, copies of any documents incorporated by reference therein which have not previously been delivered to the Stand-by Purchasers or filed by the Corporation and available on SEDAR and any other documents required to be filed by the Corporation by Applicable Securities Laws in connection with each of the Preliminary Prospectus and the Final Prospectus;

b) as soon as they are available, copies of any Supplementary Material, signed as required by Applicable Securities Laws and including, in each case, copies of any documents incorporated by reference therein which have not been previously delivered to the Stand-by Purchasers; and

c) prior to or contemporaneously with the filing of the Final Prospectus, evidence satisfactory to the Stand-by Purchasers of the conditional approval of the listing and posting for trading on the TSXV of the Rights and the Common Shares issuable upon exercise of the Rights, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSXV for such conditional approval (the "**Standard Listing Conditions**").

5. During the period of Distribution of the Rights and the Offered Common Shares, the Corporation will promptly inform the Stand-by Purchasers of the full particulars of:

a) any change (actual, anticipated or threatened) in or affecting the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;

b) any change in any material fact contained or referred to in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material; and

c) the occurrence or discovery of a material fact or event, which, in any such case, is, or may be, of such a nature as to:

(v) render the Preliminary Prospectus, the Final Prospectus or any Supplementary Material untrue, false or misleading in any material respect;

(vi) result in a misrepresentation in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;

(vii) result in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material not complying in any material respect with Applicable Securities Laws;

(viii) would reasonably be expected to have a significant effect on the market price of the Rights or the Common Shares; or

(ix) would be material to a holder of Rights;

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this subsection has occurred, the Corporation shall promptly inform the Stand-by Purchasers of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Stand-by Purchasers as to whether the occurrence is of such nature prior to making any filing referred to in Section 9 of this Agreement.

6. During the period of Distribution of the Rights and Offered Common Shares, the Corporation will promptly inform the Stand-by Purchasers of the full particulars of:

a) any request of any Securities Commission or similar regulatory authority for any amendment to the Preliminary Prospectus, the Final Prospectus or any other part of the Public Record or for any additional information; or

b) the issuance by any Securities Commission or similar regulatory authority, any stock exchange or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose.

7. The Corporation will promptly comply with Applicable Securities Laws with respect to any material change, occurrence or event of the nature referred to in Sections 5 or 6 above and the Corporation will prepare and file promptly any amendment to the Prospectuses or Supplementary Material as may be required under Applicable Securities Laws.

8. The Corporation will file or cause to be filed with the TSXV all necessary documents and will take or cause to be taken all steps reasonably necessary for the Rights and the Offered Common Shares to have been conditionally approved for listing and posting for trading on the TSXV prior to the filing of the Final Prospectus with the Securities Commissions, subject only to satisfaction by the Corporation of the Standard Listing Conditions.

9. The Corporation will make all necessary filings, obtain all necessary regulatory consents and approvals (if any) and will pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement.

10. The closing of the purchase by the Stand-by Purchasers and sale by the Corporation of Common Shares hereunder shall be completed at the offices of the Corporation at 10:00 a.m., Toronto time

(the "**Closing Time**") or at such other time, date or place as the Corporation and the Stand-by Purchasers may agree upon in writing (the "**Closing Date**"). At the Closing Time there shall be delivered by the Corporation to the Stand-by Purchasers:

a) a certificate of Computershare Trust Company of Canada, as registrar and transfer agent for the Common Shares and as subscription agent under the Rights offering, as to the number of Rights outstanding as at the Closing Date and not exercised by holders of Rights under the Basic Subscription Privilege and the Additional Subscription Privilege;

b) definitive certificates representing the Remaining Common Shares to be purchased by the Stand-by Purchasers hereunder registered in the name of the respective Stand-by Purchasers or their respective nominee against payment to the Corporation of the aggregate purchase price for the Common Shares to be purchased by the Stand-by Purchasers hereunder; and

c) evidence satisfactory to the Stand-by Purchasers, acting reasonably, that the Rights, the Common Shares issuable upon exercise of the Rights and the Common Shares to be issued to the Stand-by Purchasers hereunder have been conditionally approved for listing on the TSXV.

11. The Corporation represents, warrants and covenants to the Stand-by Purchasers, and acknowledges the Stand-by Purchasers are relying upon such representations, warranties and covenants in entering into this Agreement, that as at the date of this Agreement or such other date specified therein:

a) the Corporation is, and at the Closing Time will be, a validly subsisting corporation incorporated under the laws of Canada and is, and at the Closing Time will be, validly existing and in good standing thereunder, and has, and at the Closing Time will have, the requisite power and authority to conduct its business as currently conducted and, to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to duly observe and perform all its covenants and obligations herein set forth and to issue the Rights and the Offered Common Shares in accordance with the provisions of this Agreement;

b) each of the Corporation's subsidiaries has been duly incorporated, amalgamated, continued or formed, as the case may be, and organized and is valid and subsisting under the laws of its jurisdiction of incorporation, constitution or formation, as the case may be, and has all requisite corporate or partnership capacity, power and authority to carry on its business including, without limitation, to own, lease and operate its properties and assets including without limitation, to perform its obligations under the agreements to which it is a party;

c) the Corporation is qualified to carry on business under the laws of each jurisdiction in which it carries on its business;

d) the Corporation has full power and authority to issue the Rights and the Offered Common Shares and, on or prior to the Record Date, the Rights will be duly and validly created, and on or prior to the Closing Date, the Offered Common Shares will be properly allotted and reserved and, when issued upon due exercise of the Rights, the Offered Common Shares will be validly issued as fully paid and non assessable, and, in each case, the attributes and characteristics thereof will conform in all material respects with the description thereof contained in the Prospectuses;

e) the Corporation will take or cause to be taken all steps as may be necessary to ensure that the distribution of the Rights, the Common Shares issuable upon exercise of the Rights, and the Common Shares to be purchased by the Stand-by Purchasers hereunder comply with all Applicable Securities Laws, and the Corporation will use its commercially reasonably efforts to cause such distribution to take place in accordance with all such Applicable Securities Laws;

f) Rights certificates representing the Rights shall be delivered to holders of Common Shares following the record date for determining holders of Common Shares entitled to receive Rights and, upon such delivery, the Rights will be validly issued and outstanding and the holders thereof will be entitled to the rights and privileges relating thereto described in the Prospectuses;

g) none of the Corporation or its subsidiaries are in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement by the Corporation or any of the transactions contemplated hereby does not and will not result in any breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under any term or provision of the constating documents or resolutions, as applicable, of the Corporation or any of its subsidiaries, or any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document including, without limitation, any material agreement to which the Corporation or any of its subsidiaries is a party or by which the Corporation or any of its subsidiaries is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation or any of its subsidiaries, which default or breach might reasonably be expected to materially adversely affect the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation or its subsidiaries or their respective properties or assets;

h) the Corporation has full corporate power and authority to enter into this Agreement and to perform its obligations set out herein and this Agreement has been duly authorized, executed and delivered by the Corporation, and this Agreement is a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms subject to the general qualifications that:

   (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; and

   (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

i) the Financial Statements fairly present, in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition, the results of operations, cash flows and the other information purported to be shown therein of the Corporation as at the dates thereof and for the periods then ended and reflect all assets, liabilities and obligations (absolute, accrued, contingent or otherwise) of the Corporation as at the dates thereof required to be disclosed by generally accepted accounting principles in Canada;

j) no authorization, approval or consent of any court or governmental authority or agency is required to be obtained by the Corporation in connection with the Distribution of the Rights or the Offered Common Shares, except such as may be required under Applicable Securities Laws or by the TSXV;

k) except as disclosed in the Public Record, there are no actions, suits, proceedings or inquiries in existence, or to the knowledge of the Corporation, pending or threatened against or affecting the Corporation or any of its subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may in any way materially adversely affect, the business, operations, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation or its properties or assets or which affects or may affect the Distribution of the Rights or the Offered Common Shares;

l) the information and statements set forth in the Public Record were materially true, correct, and complete and did not contain any misrepresentation as of the date of such information or statements;

m) the authorized capital of the Corporation is described under "Description of the Common Shares" in the Final Prospectus;

n) no Securities Commission, other securities commission or similar regulatory authority or stock exchange in Canada has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation and no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened;

o) Computershare Trust Company of Canada is the duly appointed registrar and transfer agent of the Corporation with respect to the Rights and the Common Shares;

p) the issued and outstanding Common Shares are listed and posted for trading on the TSXV and the Corporation is in compliance with the rules and regulations of the TSXV in all material respects;

q) the Corporation is a "reporting issuer" in each of the provinces of British Columbia, Alberta, Manitoba, Ontario and Quebec within the meaning of Applicable Securities Laws in such provinces and is not in default of any requirement of Applicable Securities Laws in any material respect;

r) at or prior to the commencement of the Offering, the form of the certificates for the Rights and the Offered Common Shares will have been duly approved by the Corporation and will comply as to form and content with the requirements of Applicable Securities Laws and applicable corporate laws;

s) the Corporation has the necessary power and authority to execute and deliver the Prospectuses and all requisite action has been taken by the Corporation to authorize the execution and delivery by it of the Preliminary Prospectus and will have taken all requisite action to authorize the execution and delivery of the Final Prospectus prior to the filing of same with the Securities Commissions;

t) the attributes and characteristics of the Rights and the Offered Common Shares will conform in all material respects to the attributes and characteristics thereof described in the Final Prospectus; and

u) no confidential filings have been made by the Corporation with any securities regulatory authority, the contents of which have not since been disclosed to the public in accordance with Applicable Securities Laws.

12.

a) The Corporation shall indemnify and save the Stand-by Purchasers, and each of the Stand-by Purchasers' affiliates, directors, officers, employees, shareholders and agents, as applicable, harmless from and against all liabilities, claims, actions, suits, proceedings, demands, losses (excluding loss of profits), costs (including, without limitation, reasonable legal fees and disbursements), damages (excluding special, incidental or consequential damages) and expenses to which the Stand-by Purchasers, or any of the Stand-by Purchasers' affiliates, directors, officers, employees, shareholders or agents, as applicable, may be subject or which the Stand-by Purchasers, or any of the Stand-by Purchasers' affiliates, directors, officers, employees, shareholders or agents, as applicable, may suffer or incur, whether under the provisions of any statute or otherwise, resulting from:

(i) any information or statement contained in the Preliminary Prospectus, the Final Prospectus, any Supplementary Material or in any other document or material filed or delivered pursuant hereto (other than any information or statement furnished to the Corporation by the Stand-by Purchasers, or any one of them, for inclusion in the Preliminary Prospectus, the Final Prospectus or any Supplementary Material) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact provided by the Stand-by Purchasers, or any one of them) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

(ii) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information furnished to the Corporation by the Stand-by Purchasers, or any one of them, for inclusion in the Preliminary Prospectus, Final Prospectus or Supplementary Material) contained in the Preliminary Prospectus, the Final Prospectus or any Supplementary Materials;

(iii) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Rights or the Offered Common Shares imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in Section 12(a)(ii); or

(iv) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced, announced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Stand-by Purchasers, or any one of them) prohibiting, restricting, relating to or materially affecting the trading or Distribution of the Rights or the Offered Common Shares;

provided, however, no party who has engaged in any fraud or negligence, as determined in a decision by a court of competent jurisdiction, shall be entitled, to the extent that the liabilities, claims, losses, costs, damages or expenses were caused by such activity, to claim indemnification from the Corporation.

b) If any claim contemplated by Section 12(a) shall be asserted against any of the persons or corporations in respect of which indemnification is or might reasonably be considered to be provided for in such Section, such person or corporation (the "**Indemnified Person**") shall notify the Corporation (referred to in this Section 13 as the "**Indemnifying Party**") (provided that failure to so notify the Indemnifying Party of the nature of such claim in a timely fashion shall relieve the Indemnifying Party of liability hereunder only if and to the extent that such failure prejudices the Indemnifying Party's ability to defend such claim) as soon as possible of the nature of such claim and the Indemnifying Party shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel selected by the Indemnifying Party and acceptable to the Indemnified Person acting reasonably and that no settlement may be made by the Indemnifying Party or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain separate counsel in any proceeding relating to a claim contemplated by Section 12(a) but the fees and expenses of such counsel shall be at the expense of the Indemnified Person, unless:

(i) the Indemnified Person has been advised by counsel that there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to an Indemnifying Party and that representation of the Indemnified Person and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them;

(ii) the Indemnifying Party shall not have taken the defense of such proceedings and employed counsel within ten (10) days after notice has been given to the Indemnifying Party of commencement of such proceedings and, the Indemnified Person having employed such counsel, has diligently pursued such defense; or

(iii) the employment of such counsel has been authorized by the Indemnifying Party in connection with the defense of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Indemnifying Party, provided that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

c) The Indemnifying Party hereby acknowledges that the Stand-by Purchasers are acting as agents for the Stand-by Purchasers' respective affiliates, directors, officers, employees and agents under this Section 12 with respect to all such affiliates, directors, officers, employees, shareholders and agents thereof, as applicable.

d) If the Indemnifying Party has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Indemnifying Party with copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Indemnifying Party in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Indemnifying Party.

13. The following are conditions to the Stand-by Purchasers' obligation to purchase Common Shares hereunder:

a) all documents required to be delivered to the Stand-by Purchasers hereunder on or prior to the Closing Time will have been so delivered and will be in form and substance satisfactory to the Stand-by Purchasers, acting reasonably, including, without limitation, the receipt for the Final Prospectus and the conditional approval letter of the TSXV granting conditional approval of the listing of the Rights, the Common Shares issuable upon exercise of the Rights and the Remaining Common Shares;

b) the representations and warranties of the Corporation contained herein shall be true and accurate in all material respects as of the Closing Time as if made on and as of such time;

c) the Corporation shall have duly fulfilled and complied with all of its covenants contained herein; and

d) the Corporation will have made and/or obtained all necessary filings, approvals, orders, rulings and consents of all relevant securities regulatory authorities and other governmental and regulatory bodies required in connection with the Rights offering or the purchase of Common Shares by the Stand-by Purchasers as contemplated in this Agreement (including, without limitation, those relating to the listing of the Rights, the Common Shares issuable upon exercise of the Rights and the Common Shares to be purchased by the Stand-by Purchasers hereunder on the TSXV).

14. Each of the Stand-by Purchasers hereby represents, warrants and covenants, severally and not jointly, as follows:

a) as at the date hereof, each of the Stand-by Purchasers has deposited or will prior to the filing of the Final Prospectus deposit with an escrow agent selected by the Corporation and the Stand-by Purchasers the amount set forth in the table set out on the first page hereof, and each of the Stand-by Purchasers agrees and confirms that such amount shall be delivered or released to the Corporation for the purposes of satisfying the aggregate Subscription Price payable by the Standby Purchasers for: (i) the Common Shares to be purchased by the Standby Purchasers under their respective Basic Subscription Privileges; and (ii) the Remaining Common Shares;

b) the Stand-by Purchasers acknowledge and agree that, in connection with the filing of the Prospectuses, the Corporation is required to provide to the securities regulatory authorities in the Qualifying Jurisdictions certain financial information with respect to any Stand-by Purchaser named in the Prospectuses and the Stand-by Purchasers hereby agree to, immediately upon request, provide the Corporation with any and all information required by the Corporation in order to meet its obligations pursuant to Applicable Securities Law, and hereby consent to the disclosure by the Corporation to any or all of the securities regulatory authorities in the Qualifying Jurisdictions requiring such information in order for the Corporation to meet its obligations under Applicable Securities Law in relation to the Rights offering, the Prospectuses or otherwise; and

c) each of the Stand-by Purchasers has read the Prospectuses and does hereby confirm that, to the best of its knowledge, it is not in possession of any material undisclosed information that: (i) is required to be disclosed pursuant to Applicable Securities Law; or (ii) with notice or lapse of time or both, would have a material adverse effect on the business or operations of the Corporation.

15.

a) The Corporation agrees that the conditions contained in Section 13 will be complied with so far as the same relate to acts to be performed or caused to be performed by the Corporation, that it will use its commercially reasonable efforts to cause such conditions to be complied with and that, if any of the said conditions are not complied with, the Stand-by Purchasers may give notice to the Corporation terminating the Stand-by Purchasers' obligations hereunder and in such event the obligations of the Stand-by Purchasers hereunder shall be at an end.

b) The obligations of the Stand-by Purchasers contained in this Agreement may also be terminated by the Stand-by Purchasers in the event that, prior to the Closing Time:

(i) any order or ruling is made or issued suspending or ceasing trading in the Rights or the Common Shares of the Corporation on the TSXV or otherwise or which prevents or restricts the issuance of Common Shares upon exercise of the Rights or the issuance of Common Shares to the Stand-by Purchasers as contemplated herein pursuant to any Applicable Securities Laws or by any regulatory authority or governmental body, domestic or foreign, which order or ruling has not been rescinded, revoked or withdrawn;

(ii) any inquiry or investigation (whether formal or informal) or other proceeding in relation to the Corporation, the Rights, the Common Shares or any other securities of the Corporation is commenced by any official or officer of any securities regulatory authority in Canada or by any official or officer of any other regulatory authority or governmental body which, in the opinion of the Stand-by Purchasers, or any of them, acting reasonably, prevents or restricts or could prevent or restrict trading in or distribution of the Rights, the Common Shares or any other securities of the Corporation or the exercise of the Rights in accordance with the terms thereof or the issuance of Common Shares to the Stand-by Purchasers as contemplated herein; or

(iii) there shall develop or occur any material change (actual, anticipated or threatened) in the business, affairs, operations, assets, financial conditions, liabilities or capital of the Corporation, or there should be discovered any previously undisclosed material fact required to be disclosed in the Final Prospectus or a change in a material fact contained in the Final Prospectus, in each case which, in the opinion of the Stand-by Purchasers, or any one of them, acting reasonably, has or would reasonably be expected to have a materially adverse effect on the Corporation and its subsidiaries on a consolidated basis or on the market price of the Rights or the Common Shares;

provided that, in the case of any termination by the Stand-by Purchasers of their obligations contained in this Agreement pursuant to this Section 15(b) or Section 13, the Stand-by Purchasers must deliver written notice to that effect to the Corporation at or prior to the Closing Time.

c) In the event of the occurrence of any of the events or circumstances contemplated in Section 15(b), the Corporation shall immediately notify the Stand-by Purchasers in accordance with the provisions of this Agreement.

16. All warranties, representations, covenants and agreements of the Corporation contained herein or contained in any document submitted pursuant to this Agreement and in connection with the transactions contemplated herein shall survive the purchase of Common Shares by the Stand-by Purchasers and continue in full force and effect notwithstanding any investigation, inquiry or other steps which may be taken by or on behalf of the Stand-by Purchasers.

17.

a) Any notice or other communication to be given hereunder shall in the case of notice to be given to the Corporation be delivered to:

1815 Ironstone Manor, Unit 10
Pickering, Ontario L1W 3W9

Attention: Donald Gibbs, Chief Executive Officer
Telecopy No.: (905) 831-0567

b) and, in the case of notice to be given to any of the Stand-by Purchasers, be delivered at their respective addresses as set forth in the records of the Corporation.

18. Time shall be of the essence hereof.

19. None of the parties hereto shall issue any press release or public announcement relating to matters provided for herein without the approval of the other parties hereto, which approval may not be unreasonably withheld. Notwithstanding the foregoing any party hereto shall be permitted, without the consent of the other parties hereto, to issue any press release or public announcement as may be required by any securities commission, any applicable laws, including any Applicable Securities Law, or requirement of any stock exchange.

20. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

21. Unless specifically otherwise provided, all dollar amounts referred to herein are in Canadian funds.

22. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

23. For all purposes of this Agreement, the term "**business day**" shall mean any day, other than a Saturday or a Sunday, upon which banks are open for business in the City of Toronto.

24. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which shall constitute one and the same agreement.

[The remainder of this page intentionally left blank.]

If this letter accurately reflects the terms of the transactions which we are to enter into and if such terms are agreed to, please communicate acceptance by executing where indicated below and delivering a signed copy of this letter to the Stand-by Purchasers.

MOSAIC CAPITAL PARTNERS LP, by its general partner, **1556757 ONTARIO INC.**

By: "*Ronald Farmer*"

Name: Ronald Farmer

Title: Managing Director

PINETREE INCOME PARTNERSHIP

By: "*Sheldon Inwentash*"

Name: Sheldon Inwentash

Title: Authorized Signatory

AMERICAN TELEMATICS CORPORATION

By: "*Jeff Watts*"

Name:

Title: Authorized Signatory

"*Emmanuel Mounouchos*"

EMMANUEL MOUNOUCHOS

The foregoing accurately reflects the terms of the transactions which we are to enter into and such terms are hereby agreed to and accepted.

DATED this 10th day of February, 2011.

AIRIQ INC.

By: "*Donald Gibbs*"______________
Donald Gibbs
President and Chief Executive Officer