

**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 UNIQUE
BROADBAND SYSTEMS, INC.

**AFFIDAVIT OF ROBERT ULICKI
(sworn 13 February 2013)**

February 13, 2013

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I, ROBERT ULICKI, of the City of Toronto in the Province of Ontario **MAKE OATH
AND SAY:**

1. I am a director of Unique Broadband Systems, Inc. ("**UBS**") and its wholly-owned subsidiary UBS Wireless Services Inc. ("**UBS Wireless**" and, together with UBS, the "**Applicants**"). I have personal knowledge of the matters herein deposed, save and except where I refer to matters based on information and belief, in which cases I identify the source(s) of that information and believe it/them to be true.
2. The board, together with its advisors, considered: (a) the sale (the "**Share Sale**") of half of UBS Wireless' shares of LOOK Communications Inc. ("**LOOK**") to 2092390 Ontario Inc. (the "**Purchaser**"); (b) and the *Companies' Creditors Arrangement Act* ("**CCAA**") plan (the "**Niketo Plan**") put forward by Niketo Co. Ltd. ("**Niketo**") on the evening of February 12, 2013 and again on the afternoon of February 13, 2013. At the meeting on the afternoon of February 13, 2013 the board also considered the concept of taking a "DIP" loan from Niketo as an alternative to the Share Sale. The results of these meetings are that the UBS board concluded that it does not support the DIP proposal or the Niketo Plan and believes that the Share Sale is in the best interests of UBS' stakeholders.

3. The UBS board unanimously and strongly endorsed the Share Sale as the best and most favourable option for UBS' stakeholders. The UBS board does not support the alternative of borrowing money because UBS has no defined plan to repay any loan and the Share Sale presents an attractive price for LOOK shares that permits UBS to generate cash while, at the same time, hedging against the risk of a drop in the LOOK share price.
4. I participated in the board deliberations on February 12, 2013 and February 13, 2013. I did not participate in any of the deliberations of the Special Committee that struck the deal with the Sales Process that resulted in the Share Sale because I had indicated that I might submit an offer in the Sales Process. I did not submit an offer in the Sales Process and I believed, on that basis, that I could, and should, participate in the deliberations of the board. The matter discussed by the UBS board yesterday and today was of fundamental importance to the company and its stakeholders.
5. I was elected as a member of the UBS board by UBS' shareholders at two separate meetings of the shareholders. One of those meetings was a special meeting of UBS' shareholders called for the specific purpose of replacing the UBS board. The other was a regular annual general meeting of the UBS shareholders at which time a group of dissident shareholders sought to replace the UBS board, without success.

Reasons that the Share Sale Should Proceed

6. The board considered the prospect of taking a DIP loan from Niketo on the terms proposed by Niketo and unanimously rejected that option in favour of the Share Sale. The reasons for the board's decision in this regard are:
 - (a) The board believed that borrowing money in circumstances where the only avenue to repay the loan would be the sale of LOOK shares is not prudent;
 - (b) The terms proposed by Niketo for the DIP loan would result in the second comprehensive change to the UBS board in less than six months, the first being in July of 2012 when Mr. Wells and Ambassador Taylor were appointed to the

board. The board determined that this would not be a prudent decision on the eve of the trial to determine the validity of the claims of Mr. McGoey and Jolian Investments Inc. (the “Jolian Claims”);

- (c) The loan terms proposed by Niketo would see me removed from the UBS board in favour of Mr. Zorbas. The board was concerned that: (i) Mr. Zorbas is not informed and “up to speed” with respect to the Jolian Claims and in the board’s opinion could not provide meaningful advice and direction to counsel with respect to the pending litigation to determine the Jolian Claims; and (ii) my assistance and knowledge is necessary both generally and in connection with the determination of the Jolian Claims to provide proper instructions to counsel in connection with the litigation to determine the Jolian Claims; and (iii) I am the only member of the UBS board that was actually elected by the UBS shareholders;
 - (d) After numerous attempts to ascertain the details of Niketo’s business plan for UBS, Niketo has been unwilling to disclose that information to UBS board; and
 - (e) Niketo has previously advised that it wants to settle the Jolian Claims for approximately \$3.5 million plus an open-ended indemnity on the LOOK litigation. The board is concerned that Mr. Zorbas would not be able to approach the determination of the Jolian Claims with an open mind.
7. In summary, while the DIP loan would fund UBS’ cash needs, it would do so at a cost insofar as the DIP loan has terms attached to it that the UBS board believes are not reasonable, standard or in the best interests of UBS’ stakeholders..
 8. The UBS board also considered the fact that the DIP loan from Niketo would be secured by a security interest in UBS’ assets. This means that UBS will need to apply to the TSXV for approval of the Niketo loan. In order for UBS to make a proper application to the TSXV, UBS will need to have a business plan for UBS that will explain how UBS

intends to repay the Niketo loan. UBS currently does not have a business plan and is not currently in a position to develop one.

9. The only expenditures currently being funded by UBS are professional fees and minimal operating overheads. Should UBS emerge from CCAA protection as a solvent company, debt free, the board believes it will be much better positioned to pursue a business venture. The board does not want to be hampered in those efforts by a secured loan facility with Niketo.
10. The board has discussed the DIP loan with its senior management and management agrees that it is not prudent to borrow money with no means to repay the borrowed money.

The Share Sale is Preferable to the DIP Facility

11. The UBS board, having considered these matters, is of the view that the Share Sale is the best option for UBS' stakeholders for a number of reasons:
 - (a) The Share Sale maximizes value for the LOOK shares. The \$0.14 cents per share price is a favourable price when compared to: (i) the current market price, (ii) the average price for every share traded over calendar 2012, (ii) cash value on a per share basis, and (iii) the offers received in the sale process;
 - (b) The Share Sale preserves flexibility for UBS by generating \$3.8 million in cash proceeds;
 - (c) The Share Sale provides UBS the ability to realize a fair value for a portion of its LOOK shares, while, at the same time, preserving a potential upside should LOOK be successful in its ongoing litigation and/or some future business; and
 - (d) The Share Sale resulted from an open and transparent Sales Process that was conducted by the Monitor. I have been advised by Mr. Patrick Shea of

Gowling Lafleur Henderson LLP that the Share Sale is the highest offer that emerged from that Sales Process.

12. I am advised by Victor Wells, and verily believe, that in the Sales Process the Special Committee, when considering the various offers submitted, intentionally decided to sell only half of the LOOK shares. I am advised by Mr. Wells, and further verily believe, that this was considered by the Special Committee to be the prudent and conservative course of action and in the best interests of UBS' stakeholders.
13. The UBS board has considered the timelines, merits, risks and costs of the litigation to determine the Jolian Claims, as well as the risks and timelines associated with the ongoing proceedings by LOOK in making its decision to move forward with the Share Sale.
14. The UBS board considers that its interest in LOOK to be an influential but not a "control block". LOOK has at least one other large shareholder of 19.9%.

Zorbas February 12, 2013 Affidavit

15. I have also read paragraphs 3-7 of Mr. Zobras' affidavit sworn February 12, 2013. I believe that the "dilution" referred to in those paragraphs that would have resulted from any takeover bid for LOOK involving only multiple voting shares is pure speculation. A potential for a dilution of UBS' voting interest in LOOK in such a takeover bid – and it is strictly a potential for "dilution" -- would depend on many factors, including the number of multiple voting shares tendered into a bid and the number of subordinate voting shares tendered into the bid.

Position of Mr. Wells and Ambassador Taylor

16. I have been informed by Mr. Wells and Ambassador Taylor that they are hesitant to commit to remain on a reconfigured UBS board going forward at this time. I have also been informed by UBS' Chief Executive Officer, Grant McCutcheon, that Mr. Zorbas has

raised the prospects of Niketo suing the current UBS directors if the UBS board does not do as Niketo wishes in the CCAA proceedings. This has caused Mr. Wells to be concerned with respect to his ability to be part of a functional and cohesive board with Mr. Zorbas going forward.

SWORN before me at the City of Toronto
in the Province of Ontario, this 13th day of
February 2013

Commissioner for Taking Affidavits or Notary

P. SHEA



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