

Court File No. 08-CL-7877

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
)
JUSTICE WILTON-SIEGEL) **WEDNESDAY, THE 21ST DAY**
) **OF JANUARY, 2009**

IN THE MATTER OF LOOK COMMUNICATIONS INC.

Applicant

AND IN THE MATTER OF AN APPLICATION BY LOOK COMMUNICATIONS INC.
UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C.44, AS AMENDED

ORDER

(Approval of Sales Process and Appointment of a Monitor)

THIS MOTION, brought by the Applicant, Look Communications Inc. ("LCI"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion herein dated January 14, 2009, the Affidavit of Gerald T. McGoey, sworn January 14, 2009, filed, and the exhibits thereto, the Supplementary Affidavit of Gerald T. McGoey, sworn January 16, 2009, filed, and the exhibit thereto, on hearing the submissions of counsel for LCI and any other party appearing, and on reading the consent of Grant Thornton Limited to act as the Monitor;

SERVICE

1. **THIS COURT ORDERS** that the time for service of this Notice of Motion and the materials filed in support thereof be and is hereby abridged, the service of this motion has been properly effected and this motion is properly made returnable today and hereby dispenses with further service thereof.

APPOINTMENT OF MONITOR

2. **THIS COURT ORDERS** that Grant Thornton Limited be and is hereby appointed as the Monitor (the "Monitor") in these proceedings, an officer of this Court, to manage and conduct the Sales Process (as defined in paragraph 10 hereof) in consultation with LCI with the powers and duties set out in the Sales Process and that LCI and its officers and directors shall advise the Monitor of all material steps taken by LCI pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its duties.

3. **THIS COURT ORDERS** that the Monitor, in addition to its rights and duties as set forth in the Sales Process, is hereby directed and empowered to: (i) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Sales Process and such other matters as may be relevant to the proceedings herein; (ii) 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 the Sales Process and under this Order; and (iii) perform such other duties as are required by this Order or by this Court from time to time.

4. **THIS COURT ORDERS** that the Monitor is authorized to take such further and other ancillary steps, in consultation with LCI, as may be required to carry out and give effect to the Sales Process and the provisions of this Order.

5. **THIS COURT ORDERS** that the Monitor shall not take possession of the property, assets and undertakings (the "Property") of LCI and shall take no part whatsoever in the management or supervision of the management of the business of LCI (the "Business") and shall not, by fulfilling its duties hereunder, be deemed to have taken or maintained possession or control of the Property or Business, or any part thereof.

6. **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.

7. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor 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.

8. **THIS COURT ORDERS** that LCI shall indemnify the Monitor in respect of any liability or claims made against the Monitor arising from the Monitor's discharge of its powers and duties set out in the Sales Process or in this Order, save and except for any gross negligence or wilful misconduct on its part.

NO PROCEEDINGS AGAINST THE MONITOR

9. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Monitor except with the written consent of the Monitor or with leave of the Court.

APPROVAL OF THE SALES PROCESS

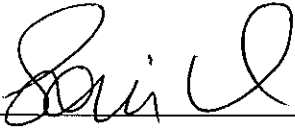
10. **THIS COURT ORDERS** that the Sales Process attached hereto as Schedule "A" (the "Sales Process") be and is hereby approved.

11. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to manage and conduct the Sales Process in consultation with LCI.

GENERAL

12. **THIS COURT ORDERS** that LCI 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.

13. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order



A handwritten signature in black ink, appearing to be "S. J. L.", is written over a horizontal line.

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LE / DANS LE REGISTRE NO.:

JAN 21 2009

PER / PAR: TV

Schedule "A"

SALES PROCESS

SALES PROCESS

The sale of the Assets shall be managed and conducted by the Monitor, in consultation with the Corporation and subject to supervision by the Court, including final approval of any and all Transactions by the Court, such process to be substantially in the manner described below (the "Sales Process"):

A. Interested Persons and Due Diligence

1. On or before January 21, 2009, the Monitor shall contact those parties who have expressed interest in the Assets, or any portion thereof, or who, in the Monitor's view (based on market knowledge of the Monitor and suggestions from the Corporation and such other Persons as the Monitor may deem appropriate) may be interested in purchasing the Assets ("Interested Persons") either *en bloc* or in parts or parcels (each a "Parcel"). Such Parcel(s) may include the following assets which are substantially all of the assets, owned either directly or indirectly by the Corporation:
 - (a) Spectrum - Approximately 100MHz of contiguous licensed spectrum in Ontario and Quebec covering approximately 18 million people (1.8 billion MHz/Pops)
 - (b) Broadcast License - A CRTC mobile broadcast license which has been renewed by the CRTC to August 2011;
 - (c) Subscribers - Approximately 30,000 broadcast and Internet subscribers;
 - (d) Network - A network consisting of two network operating centres (Toronto, Ontario and Montreal, Quebec), 26 one-way broadcast sites and 10 two-way broadcast sites;
 - (e) Tax Attributes - Approximately \$300 million in tax attributes.

Offers will be requested, for some or all of the Assets, in whole or in part and may include some or all of each Parcel, in whole or in part.

2. The Monitor shall advertise the Assets for sale in *The Globe and Mail*, *The New York Times*, *The Wall Street Journal* and *La Presse* on two business days ending not later than January 26, 2009 in such form as the Monitor, in consultation with the Corporation, may approve.
3. Those Interested Persons wishing to participate in the Sales Process who are approved by the Monitor, after consultation with the Corporation, as being reasonably able to close on a Transaction, shall be provided with:

- (a) a confidential information memorandum prepared by the Corporation ("**CIM**"); and
 - (b) access to a data room to be maintained by the Monitor containing such documents and information provided by the Company (the "**Data Room**") as the Monitor, in consultation with the Corporation, may deem appropriate.
4. Interested Persons may request additional information from the Monitor. Any additional information provided by the Corporation to the Monitor in response to any such requests shall be provided, subject to paragraph 6 below, concurrently to all Interested Persons.
 5. Meetings with the Corporation's management shall be co-ordinated through the Monitor.
 6. No Interested Persons shall have access to confidential and competitively sensitive information without the consent of the Monitor and the Corporation ("**Competitive Constraints**").

B. Submission of Qualifying Bids

Prior to the Deadline Date, the Monitor, after consultation with the Corporation, shall provide each Interested Person with a suggested form of bid. In order for any offer submitted to the Monitor (each, a "**Bid**") to be a Qualifying Bid, such Bid should include at least the following:

- (1) a written offer, including a commitment to execute an agreement of purchase and sale marked to show changes from any form of agreement provided by the Monitor, in respect of one or more Parcel(s) or part thereof;
- (2) a statement of the consideration being offered as part of the Bid and any allocation thereof among Parcels if the bid is for more than one Parcel or part thereof;
- (3) confirmation, in a manner satisfactory to the Monitor, that the Bid is not subject to financing;
- (4) confirmation that the Transactions contemplated by the Bid shall close not later than March 6, 2009;
- (5) a deposit in the amount of ten percent (10%) of the consideration being offered as part of the Bid by way of certified funds or irrevocable letter of credit in form satisfactory to the Monitor, such deposit to be returned for any Bid that is rejected, together with interest actually earned on any cash deposits, if any, and to be non-refundable for accepted Bids in the manner described in the draft agreement of purchase and sale;
- (6) confirmation that the Bid shall remain open for acceptance and may not be withdrawn until 21 days following the Deadline Date;
- (7) confirmation, to the satisfaction of the Monitor, that the Bid has been approved by all relevant boards of directors, partners, joint venturers and any other relevant Persons involved in the bid, as determined by the Monitor acting reasonably and in consultation with the Corporation;

(8) confirmation that the Person submitting the Bid is acting on its own behalf or on behalf solely of other Persons, the identity of which has been disclosed to the Monitor in the Bid; and

(9) confirmation, to the satisfaction of the Monitor, that the bidder has or has access to the financing or other resources necessary to Close the Transaction described in the Bid.

A Bid shall be subject to the execution of a formal agreement of purchase and sale and the issuance of a Final Approval Order for the subject Assets.

All Bids must be delivered to the Monitor by noon eastern time on February 16, 2009 (the "Deadline Date"). Bids for the Assets submitted after the Deadline Date will not be eligible for consideration or acceptance.

C. Consideration of Bids, Acceptance of a Bid, Execution of Purchase Agreement and Final Approval Order

1. The Monitor, in consultation with the Corporation, may communicate with each of the Interested Persons who have submitted a Bid in order to request amendments or revisions of any aspect of their Bid.
2. The Monitor, in consultation with the Corporation, shall consider all Qualifying Bids received by the Deadline Date. Neither the Monitor nor the Corporation shall have any obligation to recommend or accept any or the highest Bid. At the option of the Monitor, in consultation with the Corporation, the Monitor and the Corporation may consider Bids that are not Qualifying Bids.
3. The Monitor, in consultation with the Corporation, may communicate with each of the Interested Persons who have submitted a Bid in order to request amendments or revisions of any aspect of their Bid.
4. The acceptance of a Bid shall be subject to approval of the Board of Directors of the Corporation.
5. If the Corporation accepts a Bid, the Monitor shall notify the successful bidder forthwith. Upon execution by the Corporation of an agreement of purchase and sale, the Monitor shall notify any unsuccessful Interested Person who submitted a Bid in respect of the relevant assets and the Monitor shall return the deposit given by such person, as soon as reasonably practicable.
6. A Closing of any Transaction shall be subject to approval by the Court pursuant to a Final Approval Order, to be sought by the Corporation forthwith after execution and delivery of an agreement of purchase and sale. It is anticipated that all Closings shall occur on or before March 6, 2009.
7. Prior to any Closing, the Corporation shall obtain all required consents under the Trust Indenture, under any relevant security agreements and under any other applicable court order. Bids may, at the option of the bidder, specify required regulatory approvals as a condition of any Closing. However, other than as required

hereunder to approve this Arrangement, no vote or other Shareholder approval will be sought or obtained as a condition of any Closing of any Transaction.

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(Proceedings commenced in Toronto)

ORDER

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