

**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**

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION,
AND THE OTHER COMPANIES LISTED IN SCHEDULE "A"**

Applicants

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**Tricon - Service List
(Updated April 3, 2017)**

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1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION,
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Applicants

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Applicants

NOTICE OF MOTION

1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION, AND THE OTHER COMPANIES LISTED IN SCHEDULE "A" (the "**Applicants**"), will make a motion to a Judge of the Commercial List on Tuesday, April 11, 2017, at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an order abridging the time for service and filing of this Notice of Motion and the Motion Record of the Applicants, and dispensing with service on any person other than those served;

2. an order substantially in the form attached hereto as **Schedule “B”**, *inter alia*,
 - (a) approving the transaction (the “**Sonar Transaction**”) contemplated under the Share Purchase Agreement (the “**SPA**”) between certain of the Applicants and Sonar Canada Inc. (the “**Purchaser**”);
 - (b) authorizing and directing the Applicants to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Sonar Transaction and for the conveyance of the Purchased Assets (as defined in the SPA) to the Purchaser; and
 - (c) vesting in the Purchaser the Applicants’ right, title and interest in and to the Purchased Assets free and clear of all liens, charges, security interests and other encumbrances;

3. an order substantially in the form attached hereto as **Schedule “C”**, *inter alia*,
 - (a) approving the transactions contemplated under the distribution agreement entered into between the Purchaser, as agent, SunTrust Bank, Inc. (“**SunTrust**”) and certain of the Applicants (the “**Distribution Agreement**”) and related relief;
 - (b) granting the Distributor’s Charge (as defined therein);
 - (c) extending the stay of proceedings granted under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), pursuant to

the Amended and Restated Initial Order of Justice Wilton-Siegel dated December 12, 2016 (the “**Initial Order**”), to cover the five-year term of the Distribution Agreement (to April 11, 2022); and

- (d) authorizing the Applicants, or the Monitor on behalf of the Applicants, to distribute to SunTrust the proceeds of the Sonar Transaction and to make additional distributions to SunTrust without further order of the Court until the Applicants’ indebtedness to SunTrust is repaid in full, as described in the Fifth Report;
4. an order substantially in the form attached hereto as **Schedule “D”**, *inter alia*,
- (a) approving the activities of the Monitor as described in the Fifth Report to Court of the Monitor (the “**Fifth Report**”);
 - (b) an order approving the amendment of the interim credit facility entered into with SunTrust (the “**DIP Facility**”), including an extension of the term thereof, as described in the Fifth Report; and
 - (c) sealing the Confidential Appendices attached to the Fifth Report until further order of the Court; and
5. such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:**Background**

1. The Applicants carry on business as independent producers and distributors of multi-genre content developed for film, television and other emerging platforms.
2. The Applicants obtained the Initial Order on December 12, 2016, which was amended and restated on December 20, 2016. The stay of proceedings under the CCAA currently expires on April 7, 2017.
3. Pursuant to the Initial Order, *inter alia*,
 - (a) the Applicants were declared companies to which the CCAA applies;
 - (b) all proceedings taken or that might be taken against or in respect of the Applicants, the former, current or future directors or officers of the Applicants, or the Monitor, or affecting the Business or the Property (as those terms are defined in the Initial Order) were stayed; and
 - (c) KSV Kofman Inc. was appointed as monitor of the Applicants in this proceeding (in such capacity, the “**Monitor**”).

Sale Process

4. By Order dated December 20, 2016 (the “**Sale Process Order**”), this Court, *inter alia*, approved the sale process described therein (the “**Sale Process**”), and authorized the Applicants and the Monitor to perform each of their obligations thereunder.
5. As detailed in the Fifth Report, the Sale Process was conducted in accordance with the terms of the Sale Process Order.

The Sonar Transaction¹

6. The Monitor is recommending that the Court approve the Sonar Transaction for the reasons set out in the Fifth Report.
7. Pursuant to the Sonar Transaction, the Purchaser is acquiring, *inter alia*, the shares of the CC Entity, certain other projects in progress referred to as the “Purchased Development Pipeline Assets”, which include the Purchased Intellectual Property, the Purchased CC Contracts, which include contracts relating to the Counterfeit Cat production held by Applicants other than the CC Entity, the CC Receivables and the Equipment.
8. Further particulars of the Sonar Transaction will be included in the Fifth Report.

¹ Capitalized terms not defined herein are used as defined in the SPA.

Distribution Agreement

9. The SPA is conditional upon, among other things, the parties entering into the Distribution Agreement. The Distribution Agreement provides for the appointment of the Purchaser as the exclusive distributor on behalf of the Applicants for the purpose of exhibiting, distributing and otherwise exploiting 153 titles in the Applicants' film library.
10. Further particulars of the Distribution Agreement will be included in the Fifth Report.

DIP Facility

11. As at the date of the Fifth Report, the Applicants have drawn \$1.5 million on the DIP Facility.
12. The DIP Facility presently expires on April 7, 2017. Subject to the approval of the Sonar Transaction, the Applicants are seeking to amend the terms of the DIP Facility, including to extend the term to cover the five year term of the Distribution Agreement (April 11, 2022).
13. The Monitor is of the view that it is appropriate to amend the terms of the DIP facility, as described in the Fifth Report.

Distributions to SunTrust

14. SunTrust is the Applicants' principal secured creditor. SunTrust is currently owed approximately US\$9.7 million (including advances of \$1.5 million under the DIP facility), plus interest and costs which continue to accrue.
15. SunTrust holds a valid and perfected security interest in the Applicants' business and assets situated in Ontario, other than the assets of Tricon Television⁸⁰ Inc. and Tricon Television⁸¹ Inc. ("**Tricon 80 and 81**").
16. The Monitor recommends that this Court issue an order authorizing and directing the Monitor, on behalf of the Applicants, to distribute to SunTrust any amounts received from the realization of the assets of the Applicants (excluding the assets of Tricon 80 and 81) including the proceeds generated from the Sonar Transaction, from time to time upon receipt of such funds, up to the amount of the Applicants' indebtedness owing to SunTrust, without further Court order, subject to retaining a reasonable reserve to cover the projected expenses through to the end of the applicable stay period, in an amount to be agreed by the Applicants, the Monitor and SunTrust in accordance with the cashflow forecast attached to the Fifth Report.

Sealing

17. The Monitor recommends that the Confidential Appendices to the Fifth Report be filed with the Court on a confidential basis and remain sealed until further order of the Court

as the availability of this information to other parties may negatively impact any future purchase and/or distribution offers for the Applicants' business and assets if the Sonar Transaction does not close. The Monitor does not believe that any stakeholder will be prejudiced if the information is sealed.

Stay Extension

18. As stated above, the stay of proceedings under the CCAA presently expires on April 7, 2017.
19. The Distributor requires that a stay of proceedings be in place for the duration of the Distribution Agreement in order to provide it with the best opportunity to maximize recoveries on the Applicants' film library.
20. An extension of the stay of proceedings covering the term of the Distribution Agreement until April 2022 is therefore required for the Applicants to complete the Sonar Transaction, carry out their obligations under the Distribution Agreement and realize on their remaining assets, particularly tax credits with a book value of approximately \$5 million, in order to maximize recoveries for SunTrust, as well as provide other benefits as set out in the Fifth Report.
21. Subject to this Court's approval of the requested amendments to the DIP Facility, the Applicants are projected to have sufficient funding available to continue to meet all of their obligations to the end of the proposed stay extension period.

22. The cost of additional stay extension motions throughout the term of the Distribution Agreement does not appear necessary at this time given that the only affected creditor is SunTrust and it supports the Sonar Transaction and the requested stay extension. It is intended that the Monitor will file a report with the Court by no later than September 30, 2017 to provide a status report on the CCAA proceeding, an updated cash flow projection and its view at that time of the need to file further reports and cash flow projections.
23. No creditor will be prejudiced if the requested stay extension is granted. In this regard, the Monitor intends to work with the Applicants to terminate the applicable agreements that were excluded from the Distribution Agreement in order to allow for those titles and related property to be returned to the applicable producers.

Other Grounds

24. The Applicants are proceeding in good faith and with due diligence.
25. Rules 2.03, 3.02 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.
26. Such further and other grounds as counsel may advise and this Honourable Court permits.

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

1. the Affidavit of Andrea Gorfolova;
2. the Fifth Report; and

3. such further and other material as counsel may advise and this Court permits.

Dated: April 4, 2017

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Lawyers for the Applicants

TO: THE SERVICE LIST

A

Schedule “A”

1. 1462598 Ontario Inc.
2. Operator Post Inc.
3. Tricon Education Inc.
4. Tricon Films Inc.
5. Tricon Interactive Inc.
6. Tricon Television Inc.
7. Tricon Television10 Inc.
8. Tricon Television44 Inc.
9. Tricon Television49 Inc.
10. Tricon Television54 Inc.
11. Tricon Television55 Inc.
12. Tricon Television58 Inc.
13. Tricon Television59 Inc.
14. Tricon Television62 Inc.
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28. Tricon Television76 Inc.
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31. Tricon Television79 Inc.
32. Tricon Television80 Inc.
33. Tricon Television81 Inc.
34. Tricon Television82 Inc.
35. Tricon Television83 Inc.
36. Tricon Television84 Inc.
37. Tricon Television85 Inc.
38. Tricon Television86 Inc.
39. Tricon Television87 Inc.
40. Tricon Media Holdings, Inc.
41. Tricon Media Productions, Inc.
42. Tricon Media, Inc.
43. Tricon US Productions1 Inc.
44. Tricon US Productions14 Inc.
45. Tricon US Productions15 Inc.
46. Tricon Films (UK) Limited

B

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE)	TUESDAY, THE 11th
)	
JUSTICE)	DAY OF APRIL, 2017

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION, AND
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Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by Tricon Television82 Inc. (the "CC Entity") and the other Applicants in this proceeding, for an order, *inter alia*, approving the transactions (the "Transactions") contemplated by an agreement of purchase and sale (including the schedules thereto, the "Sale Agreement") between certain of the Applicants (the "Vendors") and Sonar Canada Inc. (the "Purchaser") dated April <@>, 2017 and attached as Exhibit "<@>" to the <@> Report to Court of KSV Kofman Inc. as court-appointed monitor (the "Monitor") dated April <@>, 2017 (the "Report"), and vesting in the Purchaser the assets described in the Sale Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants, and the Report and on hearing the submissions of counsel for the Applicants, the Monitor and SunTrust Bank ("SunTrust"), no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn April <@>, 2017 filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Motion Record and the Report is hereby abridged and that this Motion is properly returnable today and that service, including form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

2. THIS COURT ORDERS AND DECLARES that capitalized terms used and not defined in this Order shall have the meaning given to them in the Purchase Agreement.

3. THIS COURT ORDERS AND DECLARES that the Transactions are commercially reasonable and in the best interests of the Applicants and their stakeholders, the Transactions are hereby approved, and the execution of the Sale Agreement and the License Agreement by the Vendors is hereby authorized, approved and, in the case of the Sale Agreement, ratified, with such minor amendments as the Applicants may deem necessary. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents (including the Services Agreement) as may be necessary or desirable for the completion of the Transactions, including for the conveyance of the Purchased Assets to the Purchaser and the grant of the Licensed Rights (as defined below) to the Purchaser.

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule B hereto (the "Monitor's Certificate"), all of the Purchased Assets shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated December 12, 2016, as amended by Order of the Honourable Justice Wilton-Siegel dated December 20, 2016, and including the Amended and Restated Initial Order of the Honourable Justice Wilton-Siegel dated December 12, 2016, and by the Order of the Honourable Justice Hainey dated February 28, 2017 (the "Initial Order"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario)

(“PPSA”) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances listed on Schedule C), (iii) any shareholders agreements and shareholder declarations that may apply to the CC Entity (the “Shareholders Agreements”); and (iv) any equity securities, rights, claims, options, warrants, restricted stock units or other securities convertible into or exchangeable into equity securities in the capital of the CC Entity (the “Options”); and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets, and all Shareholder Agreements and Options are hereby terminated and of no force or effect with respect to the Purchased Shares or the CC Entity.

5. THIS COURT ORDERS that, without limiting the provision or effect of paragraph 4 hereof, upon delivery of the Monitor’s Certificate to the Purchaser, the following claims and encumbrances shall be fully and finally released, discharged, and expunged as against the CC Entity and its assets, undertaking and properties:

- (a) all Claims and Encumbrances against the CC Entity or its assets, undertakings or property, on the one hand, and any one or more of the other Applicants or their assets, undertakings or properties, on the other hand, whether on a joint and/or several basis (which, for certainty, does not include Claims and Encumbrances that are solely against the CC Entity or its assets, undertakings and properties);
- (b) all encumbrances and charges created by the Initial Order; and
- (c) all Liens, Claims and Encumbrances relating to any indebtedness or obligations of the Applicants to SunTrust;

provided that nothing in this paragraph 5 shall affect any Liens, Claims, Encumbrances or charges against any of the Applicants other than the CC Entity or their assets, or against the net proceeds of the Transactions.

6. THIS COURT ORDERS that, upon delivery of the Monitor’s Certificate to the Purchaser, the Monitor (or its legal counsel or agents) is hereby empowered, authorized and directed to forthwith complete all necessary filings and other steps required to discharge all registrations against the Purchased Assets and the CC Entity and, to the extent permitted in the

preceding paragraph or pursuant to the Sale Agreement, the assets, undertakings or property of the CC Entity, pursuant to the PPSA or any other personal property security registry system or any intellectual property registry system, and shall forthwith after completion of same deliver to the Purchaser evidence that all such discharges have been completed.

7. THIS COURT ORDERS that, upon delivery of the Monitor's Certificate to the Purchaser, SunTrust is hereby directed to release or cause to be released, as applicable, the share certificates representing the Purchased Shares to the Purchaser.

8. THIS COURT ORDERS that, upon and following delivery of the Monitor's Certificate to the Purchaser, the Purchaser shall be entitled to hold and exercise the rights granted to it in the License Agreement (the "Licensed Rights"), and to receive and hold all proceeds therefrom, free and clear of all Claims and Encumbrances.

9. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds received from the sale of the Purchased Assets and the grant of the Licensed Rights to the Purchaser pursuant to the License Agreement shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets and the grant of the Licensed Rights to the Purchaser with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and the Licensed Rights had not been granted, and remained in the possession or control of the person having that possession or control immediately prior to the sale.

10. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

11. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicants are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Applicants' records pertaining to the Applicants' past and current employees and contractors, including personal information of those employees and contractors listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of

such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicants.

12. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Applicants, or any of them, and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Applicants, or any of them;

the granting of the Licensed Rights to the Purchaser pursuant to the License Agreement and the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants, or any of them, and shall not be void or voidable by creditors of the Applicants, or any of them, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

13. THIS COURT ORDERS that, except as otherwise provided for in this Order, all obligations or agreements to which the CC Entity is a party, or of which the CC Entity has the benefit, immediately prior to the Time of Closing (as defined in the Sale Agreement) will be and remain in force and effect as at the Time of Closing and no Person who is a party to any such obligation or agreements shall, following the Time of Closing, accelerate, terminate, rescind, refuse to renew, refuse to perform or otherwise disclaim or repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of such obligation or agreement, by reason of:

- (a) any defaults or events of default arising as a result of the financial condition or insolvency of any of the Applicants on or prior to the Time of Closing;
- (b) any defaults or events of default or cross-defaults under or in respect of the revolving credit, security, guaranty and pledged agreement dated as of August 22, 2013, among certain of the Applicants and SunTrust, as amended, restated

supplemented or modified, or obligations thereunder, or in respect of any other indebtedness of the Applicants to SunTrust;

- (c) the fact the Applicants have sought or obtained relief under the *Companies' Creditors Arrangement Act* ("CCAA");
- (d) the fact that the Sale Agreement has been entered into, that the sale transaction contemplated in the Purchase Agreement (the "Sale Transaction") has closed, or that the other Transactions have been implemented;
- (e) the fact that the Distribution Agreement (as defined in the Sale Agreement) has been entered into or that the transactions contemplated therein have been implemented;
- (f) the effect on the Applicants of (i) the closing of the Sale Transaction or (ii) the implementation of the other Transactions or the transactions contemplated in the Distribution Agreement;
- (g) the effect on the CC Entity of the closing of the Sale Transaction or the implementation of the other Transactions, including any change in share ownership or control of the CC Entity.

14. THIS COURT ORDERS that effective upon delivery of the Monitor's Certificate to the Purchaser, this proceeding under the CCAA shall be and is hereby terminated solely in respect of the CC Entity, provided however that the stay of proceedings contained in paragraphs 14 through 17 of the Amended and Restated Initial Order shall remain in effect in respect of the CC Entity and its assets for thirty (30) days following delivery of the Monitor's Certificate.

15. 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 or the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

16. THIS COURT ORDERS that each of the Applicants and the Monitor be at liberty and are 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.

17. THIS COURT ORDERS AND DIRECTS that the unredacted copy of the Purchase Agreement, filed, be kept confidential and sealed in the court file pending further order of this Court.

Schedule "A"

1. 1462598 Ontario Inc.
2. Operator Post Inc.
3. Tricon Education Inc.
4. Tricon Films Inc.
5. Tricon Interactive Inc.
6. Tricon Television Inc.
7. Tricon Television10 Inc.
8. Tricon Television44 Inc.
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41. Tricon Media Productions, Inc.
42. Tricon Media, Inc.
43. Tricon US Productions1 Inc.
44. Tricon US Productions14 Inc.
45. Tricon US Productions15 Inc.
46. Tricon Films (UK) Limited

Schedule B – Form of Monitor’s Certificate

Court File No. CV16-11634-00CL

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**

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1462598
ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION, AND
THE OTHER COMPANIES LISTED IN SCHEDULE “A”**

Applicants

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "Court") dated December 12, 2016, KSV Kofman Inc. was appointed as the monitor (the "Monitor") of the Applicants.

B. Pursuant to an Order of the Court dated April 11, 2017, the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the "Sale Agreement") between certain of the Applicants (the “Vendors”) and Sonar Canada Inc. (the "Purchaser") and provided for the vesting in the Purchaser of the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section ● of the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser; and (iii) the sale transaction contemplated in the Purchase Agreement (the “Sale Transaction”) has closed to the satisfaction of the Monitor.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in section ● of the Sale Agreement have been satisfied or waived by the Vendors and the Purchaser; and
3. The Sale Transaction has closed to the satisfaction of the Monitor.
4. This Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

**KSV KOFMAN INC., solely in its capacity as
Monitor of 1462598 ONTARIO INC.,
carrying on business as TRICON FILMS
AND TELEVISION, AND THE OTHER
COMPANIES LISTED IN SCHEDULE “A”,
and not in its personal capacity**

Per: _____
Name:
Title:

Schedule C – Permitted Encumbrances
(unaffected by the Vesting Order)

C

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) TUESDAY, THE 11th DAY
)
JUSTICE) OF APRIL, 2017

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED**

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION,
AND THE OTHER COMPANIES LISTED IN SCHEDULE "A"**

APPLICANTS

APPROVAL ORDER – DISTRIBUTION AGREEMENT

THIS MOTION made by the Applicants for an Order, inter alia, (i) approving the transactions contemplated under the distribution agreement entered into between Sonar Canada Inc. (the "**Distributor**"), as agent, and 1462598 Ontario Inc. and certain of the other Applicants (together, the "**Company**") dated as of April <@>, 2017 (the "**Distribution Agreement**") and for certain related relief, and (ii) the granting of the Distributor's Charge (as defined below) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of <@> sworn April <@>, 2017, and the Exhibits thereto, the <@> report of KSV Kofman Inc. in its capacity as CCAA Monitor of the Applicants dated April •, 2017 (the "**Report**"), and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Monitor and SunTrust Bank ("SunTrust") and those other parties

listed on the counsel slip, no one appearing for any other person although duly served as appears from the affidavit of service of <*> sworn <@>, 2017,

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record and the Report is hereby abridged and that this Motion is properly returnable today and that service, including form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

2. **THIS COURT ORDERS** that any capitalized term used and not defined herein shall have the meaning ascribed thereto in the Amended and Restated Initial Order in these proceedings dated December 12, 2016 (the “**Initial Order**”) and the Distribution Agreement, including the schedules thereto, as applicable.

APPROVAL OF DISTRIBUTION AGREEMENT

3. **THIS COURT ORDERS** that the Distribution Agreement and the transactions contemplated therein and thereunder are hereby approved, authorized and ratified and that the execution of the Distribution Agreement by the Company is hereby approved, authorized and ratified with such minor amendments to which the Company, SunTrust and the Distributor may agree in writing. Subject to the provisions of this Order, the Company is hereby authorized to perform the provisions of the Distribution Agreement and take all actions and execute all agreements and other documents as may be necessary or desirable to implement the Distribution Agreement and each of the transactions contemplated therein.

4. **THIS COURT ORDERS** that the Distributor is authorized, as agent for the Company, to exercise the Distribution Rights and all other rights granted to the Distributor under the Distribution Agreement (collectively, the “**Distributor’s Rights**”) in accordance with the terms of this Order and the Distribution Agreement, and for such purposes the Distributor shall have and be entitled to the benefit of the stay of proceedings and other protections provided in the Initial Order and subsequent orders of the Court (including paragraphs 14 through 17 of the Initial Order).

5. **THIS COURT ORDERS** that, subject to the terms of this Order, the Distribution Agreement and any future order of the Court: (a) the Program Rights remain the property of the Company and subject to the stay of proceedings and other protections of the Initial Order and subsequent orders of the Court; and (b) during the Stay Period, no creditor or other stakeholder of the Company will interfere with (i) the exercise by the Distributor of the Distributor's Rights in accordance with the terms of this Order and the Distribution Agreement, or (ii) the exercise by a licensee of any Program Rights licensed to it by the Distributor as agent for the Company, without leave of the Court on notice to the Distributor, Monitor, Company, SunTrust and the applicable licensee. For certainty, nothing in this paragraph 5 will prevent the Company or SunTrust from enforcing their respective rights, if any, under the Distribution Agreement and this Order, or from acting in a manner consistent with the provisions of this Order and the Distribution Agreement.

6. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until the date that is two (2) weeks following the expiry or earlier termination of the Term, provided that the Monitor is hereby directed to report to the Court on the affairs of the Applicants (excluding Tricon Television⁸² Inc.) no less than every twelve (12) months, and promptly upon any material adverse change in the Applicants' affairs, which includes the expiry or earlier termination of the Term.

7. **THIS COURT ORDERS** that, notwithstanding anything to the contrary in the Initial Order or any subsequent order of the Court, until the expiry or earlier termination of the Term, the stay of proceedings and other protection of the Initial Order and subsequent orders of the Court, including this Order, shall not be lifted or suspended except with the written consent of the Applicants, Monitor, Distributor and SunTrust, or Order of the Court made on not less than seven (7) days' prior notice to the Applicants, Monitor, Distributor and SunTrust.

8. **THIS COURT ORDERS** that the Company is hereby authorized and directed, in accordance with the Distribution Agreement, to remit and pay to the Distributor all amounts that are or become due to it thereunder and, whether such amounts are retained by the Distributor from Gross Receipts or paid or repaid to the Distributor by the Company or SunTrust, when received by Distributor such amounts shall be free and clear of all liens, claims, encumbrances,

security interests, mortgages, charges, trusts, deemed trusts, executions, levies, financial, monetary or other claims, whether or not such claims have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence on or prior to the date this Order or came into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively, “**Claims**”), including, without limitation, the indebtedness, liabilities and obligations owing by the Applicants to SunTrust, the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge, and any other charges hereafter granted by this Court in these proceedings, and all Claims, charges, security interests or liens evidenced by registration pursuant to the *Personal Property Security Act* (Ontario) or any other personal or removable property registration system (all such Claims, charges, security interests and liens collectively referred to herein as “**Encumbrances**”), which Encumbrances, subject to this Order and the Initial Order, will attach instead to the Distribution Advance and other amounts received by the Company pursuant to the Distribution Agreement, in the same order and priority as they existed against the Program Rights on the date of commencement of the Term in respect of each Program.

9. **THIS COURT ORDERS** that, until the expiry or earlier termination of the Term, the Distributor shall have access to all Program Rights and be entitled to exercise the Distributor’s Rights in respect thereof in accordance with the terms of applicable trademark, trade name or other intellectual property licenses and Third Party Distribution Agreements on the basis that the Distributor is an agent of the Company and the Company has granted the right of access and the Distributor’s Rights to the Distributor as its agent. To the extent that the terms of any applicable trademark, trade name or other intellectual property license or Third Party Distribution Agreement are in conflict with the terms of this Order, the terms of this Order shall govern. Nothing in this Order shall be construed to create or impose upon the Company or the Distributor any additional restrictions not contained in the applicable trademark, trade name or other intellectual property licenses or Third Party Distribution Agreements.

10. **THIS COURT ORDERS** that the Distributor, as agent for the Company, is authorized to advertise and promote the Distribution Rights, without further consent of any Person other than the Company to the extent required under the Distribution Agreement.

LIMITATIONS ON DISTRIBUTOR LIABILITY

11. **THIS COURT ORDERS** that, in carrying out the terms of the Distribution Agreement and this Order, the Distributor shall be acting solely as an agent to the Company, and that it shall not be liable for any claims against the Company other than as expressly provided in the Distribution Agreement (including the Distributor's indemnity obligations thereunder). More specifically:

- (a) the Distributor shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and
- (b) the Distributor shall have no liability whatsoever (including without limitation losses, costs, damages, fines, or awards) to any Person other than the Company relating to any claims of customers, licensees, distributors, licensors, vendors, agents, employees and any other Persons arising from the exercise of the Distributor's Rights during and after the Term, except in accordance with the Distribution Agreement.

DISTRIBUTOR AN UNAFFECTED CREDITOR

12. **THIS COURT ORDERS** that the Distribution Agreement shall not be repudiated, resiliated or disclaimed by the Company or any receiver or trustee in bankruptcy of Company or its property. The claims of the Distributor pursuant to the Distribution Agreement and under the Distributor's Charge shall be treated as unaffected and shall not be compromised or arranged pursuant to any plan of arrangement or compromise filed by or in respect of the Applicants under

the *Companies' Creditors Arrangement Act (Canada)* ("CCAA") or any proposal filed by or in respect of the Company under the *Bankruptcy and Insolvency Act (Canada)* (the "BIA").

DISTRIBUTION TO SUNTRUST AND LIMITATION OF SUNTRUST LIABILITY

13. THIS COURT ORDERS that the Monitor, on behalf of the Applicants, shall be authorized and directed, without further Order of the Court, to distribute to SunTrust any amounts received from the realization of the assets of the Applicants (excluding the assets of Tricon Television 80 Inc. and Tricon Television 81 Inc.), including but not limited to the Distribution Advance, Net Receipts, Purchase Price (as defined in the agreement of purchase and sale between certain of the Applicants and Sonar Canada Inc. dated April 4, 2017), and amounts received in respect of tax credits and accounts receivable collections, in each case subject to retaining a reasonable reserve in an amount to be agreed by the Applicants, the Monitor and SunTrust in accordance with the cashflow forecast attached to the Report, upon receipt of such funds. All such distributions shall:

- (a) be applied against any indebtedness, liabilities and obligations owing by any of the Applicants to SunTrust, including, in SunTrust's discretion, to the obligations pursuant to the revolving credit, security, guaranty and pledged agreement dated as of August 22, 2013, as amended, restated supplemented or modified (the "SunTrust Facility"),
- (b) be, upon the receipt thereof by SunTrust, free of all Claims, Encumbrances and charges granted by or relating to the Applicants; and,
- (c) be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants or constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the Bankruptcy and Insolvency Act (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

Such authorization and direction shall continue until SunTrust is paid in full in respect of all obligations of the Applicants to SunTrust including pursuant to the SunTrust Facility, the interim financing term sheet made as of December 12, 2016, as amended, restated, modified or supplemented from time to time, and all interest, fees, expenses or other amounts owing in respect thereof.

14. **THIS COURT ORDERS** that, except for the obligation of SunTrust to pay the Distributor up to \$150,000 in the circumstances set forth in Section 10.1.4 of the Distribution Agreement, SunTrust, or any of its directors, officers, employees or agents, or any of SunTrust's affiliates or their directors, officers, employees or agents, shall not be liable to the Tricon Entities or the Distributor for any damages, losses, liabilities, costs, fees or expenses of any kind whatsoever, directly or indirectly arising out of or in connection with the transactions contemplated by the Distribution Agreement. The obligation to pay up to \$150,000 in the circumstances set forth in Section 10.1.4 of the Distribution Agreement shall be and is the sole and exclusive direct or indirect remedy available to the Distributor against SunTrust or any of its directors, officers, employees or agents, or any of SunTrust's affiliates or their directors, officers, employees or agents arising directly or indirectly out of or in connection with the transactions contemplated by the Distribution Agreement.

NO RECOURSE TO TAX CREDIT ASSETS AND EXISTING ACCOUNTS RECEIVABLE

15. **THIS COURT ORDERS** that notwithstanding anything express or implied in this Order or the Distribution Agreement, in satisfaction of any damages, losses, liabilities, costs, fees or expenses of any kind whatsoever, directly or indirectly arising out of or in connection with the transactions contemplated by the Distribution Agreement and any amounts payable to Distributor pursuant to the terms of the Distribution Agreement, the Distributor shall only have recourse to the Program Rights (other than Program Rights relating to productions for which Tax Credit Assets are outstanding) and the amounts held in trust for the benefit of the Distributor pursuant to Section [6.2] of the Distribution Agreement and paragraph 16 hereof. No recourse, remedy or right of recovery or contribution shall be had by the Distributor under the Distribution Agreement, this Order or any document delivered in connection with the Distribution Agreement, against the Existing Accounts Receivable or the Tax Credit Assets.

AGENCY ACCOUNTS

16. **THIS COURT ORDERS** that all amounts deposited in the Agency Accounts pursuant to the Distribution Agreement including Gross Receipts, net of GST/HST, shall be and be deemed to be held in trust as follows: (a) amounts to be paid or repaid to the Distributor in accordance with Sections [6.4.1, 6.4.2, 6.4.3 and 10.1.4] of the Distribution Agreement in trust for the Distributor, and (b) all other amounts in trust for the Company, in each case to be distributed and otherwise dealt with in accordance with the provisions of Distribution Agreement and this Order.

DISTRIBUTOR'S CHARGE AND SECURITY INTEREST

17. **THIS COURT ORDERS** that subject to the receipt by the Company of the Distribution Advance, the Distributor be and is hereby granted a charge (the "**Distributor's Charge**") on the Program Rights (excluding Program Rights relating to productions for which Tax Credit Assets are outstanding) and all amounts held in trust for the benefit of the Distributor from time to time pursuant to Section [6.2] of the Distribution Agreement and paragraph 16 hereof, including all proceeds from realization thereon (the "**Distributor Charge Assets**"), which charge shall rank in priority to all Encumbrances. The Distributor's Charge shall stand as security for (i) the payment of all amounts to be paid or repaid to the Distributor pursuant to Sections [6.4.1, 6.4.2, 6.4.3 and 10.1.4] of the Distribution Agreement, and (ii) up to \$150,000 for damages, losses, liabilities, costs, fees or expenses incurred by the Distributor as a result of third party claims arising out of or in connection with the Distribution Agreement (collectively, the "**Distributor Amounts**").

PRIORITY OF CHARGES

18. **THIS COURT ORDERS** that the priorities of the Distributor's Charge, the Administration Charge, the DIP Lender's Charge and the Directors' Charge, as among them, in respect of the Distributor Charge Assets, shall be as set follows:

- (a) First, Distributor's Charge (to the maximum of the Distributor Amounts);
- (b) Second, Administration Charge (to the maximum amount of \$500,000)
- (c) Third, DIP Lender's Charge; and
- (d) Fourth, Directors' Charge (to the maximum amount of \$250,000).

19. **THIS COURT ORDERS** that the filing, registration or perfection of the Distributor's Charge shall not be required, and that the Distributor's 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 Distribution Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

20. **THIS COURT ORDERS** that the Company shall not grant or suffer to exist any Encumbrances over any Distributor Charge Assets that rank in priority to, or *pari passu* with the Distributor's Charge.

21. **THIS COURT ORDERS** that the Distributor's Charge shall constitute a mortgage, hypothec, security interest, assignment by way of security and charge over the Distributor Charge Assets and shall rank in priority to all other Encumbrances of or in favour of any Person in respect of the Distributor Charge Assets to the extent of the Distributor Amounts.

22. **THIS COURT ORDERS** that notwithstanding (a) the pendency of these proceedings; (b) any application for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of the Company, or any bankruptcy order made pursuant to any such applications; (c) any assignment in bankruptcy made in respect of the Company; (d) the provisions of any federal or provincial statute; 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, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement which binds the Company:

(a) the Distribution Agreement and the transactions and actions provided for and contemplated therein, including without limitation, the payment of amounts due to the Distributor thereunder, and

(b) the Distributor's Charge,

shall be binding on any trustee in bankruptcy that may be appointed in respect to the Company and shall not be void or voidable by any Person, including any creditor of the Company, nor shall they, or any of them, constitute or be deemed to be a preference, fraudulent conveyance, transfer at undervalue or other challengeable reviewable transaction, under the BIA or any

applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct under any applicable law.

PERSONAL INFORMATION

23. **THIS COURT ORDERS** that, without limiting the provisions of the Initial Order, the Company and the Monitor are, as required to perform the Distribution Agreement, authorized and permitted to transfer to the Distributor personal information in each's custody and control, and Distributor is permitted to use and disclose such personal information subject to and in accordance with the terms of the Distribution Agreement.

GENERAL

24. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States and elsewhere to give effect to this Order and to assist the Company, the Monitor and their 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 Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Company and the Monitor, and their agents, in carrying out the terms of this Order.

25. **THIS COURT ORDERS** that 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.

26. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Monitor, the Company, SunTrust, and Distributor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

27. **THIS COURT ORDERS AND DIRECTS** that the unredacted copy of the Distribution Agreement, filed, be kept confidential and sealed in the court file pending further order of this Court.

SCHEDULE A

1. 1462598 Ontario Inc.
2. Operator Post Inc.
3. Tricon Education Inc.
4. Tricon Films Inc.
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41. Tricon Media Productions, Inc.
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44. Tricon US Productions14 Inc.
45. Tricon US Productions15 Inc.
46. Tricon Films (UK) Limited

D

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) TUESDAY, THE 11TH
)
JUSTICE) DAY OF APRIL, 2017
)

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, C. C-36, AS AMENDED**

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION,
AND THE OTHER COMPANIES LISTED IN SCHEDULE "A"**

Applicants

ORDER

THIS MOTION, made by the Applicants, for an order extending the stay of proceedings granted under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), as amended, pursuant to the Initial Order of Justice Wilton-Siegel dated December 12, 2016 (as amended and restated, the "**Initial Order**") to April 2022, and for certain other relief as set out in the Applicants' Notice of Motion, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants, including the Affidavit of Andrea Gorfolova and the Fifth Report to Court of KSV Kofman Inc. as CCAA monitor (the "**Monitor**") (the "**Fifth Report**"), and on hearing the submissions of counsel for the Applicants, SunTrust Bank, Inc. ("**SunTrust**"), the Monitor, and such other parties in attendance at the hearing of the motion,

1. **THIS COURT ORDERS AND DECLARES** that the time for service and filing of the Applicants' Motion Record and the Fifth Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the activities of the Monitor as described in the Fifth Report are hereby approved.

3. **THIS COURT ORDERS** that the Third Amending and Extension Agreement to Interim Financing Term Sheet made as of the ● day of April, 2017 between the Applicants and SunTrust, including the extension of the term thereof to April 11, 2022, is hereby approved.

4. **THIS COURT ORDERS** that the Confidential Appendices attached to the Fifth Report shall be filed under seal and shall not form part of the public record in this proceeding until further order of the Court.

Schedule “A”

1. 1462598 Ontario Inc.
2. Operator Post Inc.
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35. Tricon Television83 Inc.
36. Tricon Television84 Inc.
37. Tricon Television85 Inc.
38. Tricon Television86 Inc.
39. Tricon Television87 Inc.
40. Tricon Media Holdings, Inc.
41. Tricon Media Productions, Inc.
42. Tricon Media, Inc.
43. Tricon US Productions1 Inc.
44. Tricon US Productions14 Inc.
45. Tricon US Productions15 Inc.
46. Tricon Films (UK) Limited

**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**

**IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
1462598 ONTARIO INC., carrying on business as TRICON FILMS AND TELEVISION,
AND THE OTHER COMPANIES LISTED IN SCHEDULE "A"**

Applicants

AFFIDAVIT OF ANDREA GORFOLOVA

I, Andrea Gorfolova, of the City of Toronto, in the Province of Ontario, **MAKE OATH
AND SAY AS FOLLOWS:**

1. I am the President and sole shareholder of the Applicant, 1462598 Ontario Inc., which carries on business as Tricon Films and Television (referred to herein as "**TFT**" or the "**Company**"), and which directly or indirectly owns the shares of all of the companies listed in Schedule "A" attached hereto (collectively with TFT, the "**Applicants**" or "**Tricon**"). I am also the sole officer and director of each of the other Applicants. As such, I have personal knowledge of the matters to which I depose in this affidavit, save and except for such facts or matters which are stated to be based on information and belief, and where so stated, I believe same to be true.

2. I swear this affidavit in support of a motion by the Applicants currently scheduled for April 11, 2017 for various relief including:

- (a) an order approving the transaction (the “**Sonar Transaction**”) contemplated under the Share Purchase Agreement (the “**SPA**”) between certain of the Applicants and Sonar Canada Inc. (the “**Purchaser**”), and vesting in the Purchaser the Applicants’ right, title and interest in and to the Purchased Assets (as defined in the SPA) free and clear of all liens, charges, security interests and other encumbrances;
- (b) an order approving the transactions contemplated under the distribution agreement entered into between the Purchaser, as agent, SunTrust Bank, Inc. (“**SunTrust**”) and certain of the Applicants (the “**Distribution Agreement**”) and related relief;
- (c) a order extending the stay of proceedings granted under the *Companies’ Creditors Arrangement Act* (the “**CCA**”) pursuant to the Amended and Restated Initial Order of Justice Wilton-Siegel dated December 12, 2016 (the “**Initial Order**”), as extended from time to time over the course of this proceeding, to April 2022 to cover the five-year term of the Distribution Agreement;
- (d) an order approving the amendment of the interim credit facility entered into with SunTrust (the “**DIP Facility**”);
- (e) an order authorizing the Applicants, or the Monitor on behalf of the Applicants, to distribute to SunTrust the proceeds of the Sonar Transaction and to make additional distributions to SunTrust without further order of the Court until the Applicants’ indebtedness to SunTrust is repaid in full; and

- (f) certain orders related to the relief described above, all as set out in the Applicants' Notice of Motion.

3. I have reviewed a draft version of the Fifth Report of the Monitor (the "**Fifth Report**"), which I understand will not differ materially from the final version. I agree with the contents of the Fifth Report.

4. As described in more detail in the Fifth Report and the Monitor's previous reports filed with the Court, the Applicants have been working diligently and in good faith since the commencement of this proceeding to create a stabilized environment to realize on their business and assets in an orderly manner, including their productions, tax credits, accounts receivable and film library. The Applicants' activities have included:

- (a) working to complete two shows, being 'Counterfeit Cat' and 'Timber Creek Lodge';
- (b) corresponding with stakeholders, including networks and producers;
- (c) working closely with legal counsel to negotiate the Sonar Transaction, including compiling information required for the SPA and Distribution Agreement and dealing with the Purchaser in connection with transitional and deal issues;
- (d) dealing with cash management issues, including reporting to SunTrust, as lender under the DIP Facility;

- (e) working with the Monitor and legal counsel to respond to information requests and/or termination notices submitted by stakeholders, including numerous producers who are counterparties to distribution agreements with the Applicants; and
- (f) corresponding regularly with Carl Marks on cash management and other issues, including responding to information requests from Carl Marks in respect thereof.

5. The extension of the CCAA stay being sought by the Applicants is required in order to complete the Sonar Transaction, carry out their obligations under the Distribution Agreement and realize on their remaining assets. The Distribution Agreement contemplates that a stay of proceedings be in place for the term of the agreement in order to provide the Purchaser (as distributor) with the best opportunity to maximize recoveries on the Applicants' film library.

6. The requested amendments to the DIP Facility are needed to provide the Applicants with sufficient funding to continue to meet all of their obligations to the end of the proposed stay extension period.

7. I am not aware of any prejudice to creditors if the requested stay extension is granted. Upon completion of the Sonar Transaction, I will work with the Monitor to terminate the agreements that were excluded from the Distribution Agreement in order to allow for those titles and related property to be returned to the relevant parties.

8. For the reasons set out above, I believe that it is in the interests of the Applicants and all of their stakeholders that the relief sought by the Applicants is granted.

SWORN before me at the City)
of Toronto, Province of)
Ontario, this day)
of April, 2017)
)
)
A Commissioner, Etc.)

Andrea Gorfolova

Schedule “A”

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1462598 ONTARIO INC., CARRYING ON BUSINESS AS TRICON FILMS AND TELEVISION, AND THE COMPANIES LISTED IN SCHEDULE "A"

Court File No. CV16-11634-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

MOTION RECORD

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