



**Supplement
to the Second Report of
KSV Kofman Inc.
as CCAA Monitor of
1462598 Ontario Inc.
(d/b/a Tricon Films & Television)
and the Companies Listed on
Appendix “A”**

January 30, 2017

Contents

Page

1.	Introduction.....	1
1.1	Purposes of this Report.....	1
1.2	Restrictions	1
2.	Extension Agreement	2
3.	Conclusion.....	2

Appendices

Appendix	Tab
Filing entities	A
Extension Agreement (unsigned version)	B



COURT FILE NO.: CV-16-11634-00CL

**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**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF 1462598 ONTARIO INC. (D/B/A TRICON FILMS & TELEVISION)
AND THE COMPANIES LISTED ON APPENDIX "A"**

**SUPPLEMENT TO THE SECOND REPORT OF
KSV KOFMAN INC. AS MONITOR**

January 30, 2017

1. Introduction

1. This report supplements the Monitor's second report to Court dated January 26, 2017 ("Second Report") filed in support of the Applicants' request for an extension of the stay of proceedings and approval of an extension of their DIP term sheet with SunTrust (the "DIP Facility").
2. Unless otherwise stated, capitalized terms contained in this report ("Supplemental Report") have the meanings provided to them in the Second Report.

1.1 Purposes of this Report

1. The purpose of this Supplemental Report is to file with the Court an Amending and Extension Agreement to Interim Financing Term Sheet dated January 30, 2017 (the "Extension Agreement") and provide the Court the basis on which the Monitor supports the Extension Agreement.

1.2 Restrictions

1. This Supplemental Report is subject to the restrictions in the Second Report.

2. Extension Agreement

1. At the time of filing the Second Report, the Extension Agreement had not yet been finalized. On January 30, 2017, the Extension Agreement was agreed upon and was in the process of being executed by the parties. A copy of the unsigned version of the Extension Agreement is attached as Appendix "B". The signed version will be provided to the Court on the return of this motion.
2. The purpose of the Extension Agreement is to: (a) extend the term of the DIP Facility from January 31, 2017 to February 28, 2017; and (b) extend until February 6, 2017 the date by which Ms. Gorfolova, the Company's President, is to enter into an agreement with respect to the distribution of the existing library titles in form and substance satisfactory to SunTrust.
3. As set out in the Second Report, the Monitor supports the Extension Agreement as the DIP Facility is necessary to, and is projected to be sufficient to, fund the Applicants' restructuring proceedings in accordance with the Cash Flow Forecast appended to the Second Report. Without the DIP Facility, the Company's operations will be required to be discontinued.

3. Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make the Order proposed by the Applicants.

* * *

All of which is respectfully submitted,



**KSV KOFMAN INC.,
SOLELY IN ITS CAPACITY AS CCAA MONITOR OF THE APPLICANTS
AND NOT IN ITS PERSONAL OR ANY OTHER CAPACITY**

Appendix “A”

Filing Entities

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.
15. Tricon Television63 Inc.
16. Tricon Television64 Inc.
17. Tricon Television65 Inc.
18. Tricon Television66 Inc.
19. Tricon Television67 Inc.
20. Tricon Television68 Inc.
21. Tricon Television69 Inc.
22. Tricon Television70 Inc.
23. Tricon Television71 Inc.
24. Tricon Television72 Inc.
25. Tricon Television73 Inc.
26. Tricon Television74 Inc.
27. Tricon Television75 Inc.
28. Tricon Television76 Inc.
29. Tricon Television77 Inc.
30. Tricon Television78 Inc.
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

Appendix “B”

AMENDING AND EXTENSION AGREEMENT TO INTERIM FINANCING TERM SHEET made as of the 30th day of January, 2017 (the “**Amending Agreement**”)

A M O N G:

1462598 ONTARIO INC. D/B/A TRICON FILMS AND TELEVISION
(hereinafter called the “**Borrower**”),

OF THE FIRST PART

- and -

SUNTRUST BANK
(hereinafter called the “**Lender**”)

OF THE SECOND PART

WHEREAS the Borrower, the Lender and the Guarantors entered into an interim financing term sheet made as of December 12, 2016 (as may be amended, restated, modified or supplemented from time to time, the “**DIP Agreement**”), pursuant to which funding was provided to the Borrower in the context of its proceedings under the CCAA;

AND WHEREAS the Borrower and the Lender wish to amend certain terms and conditions of the DIP Agreement;

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSES THAT in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the parties hereto agree as follows:

Section 1 General

In this Amending Agreement (including the recitals) unless otherwise defined or the context otherwise requires, all capitalized terms shall have the respective meanings specified in the DIP Agreement.

Section 2 To be Read with DIP Agreement

This Amending Agreement is an amendment to the DIP Agreement. Unless the context of this Amending Agreement otherwise requires, the DIP Agreement and this Amending Agreement shall be read together and shall have effect as if the provisions of the DIP Agreement and this Amending Agreement were contained in one agreement. The term “Agreement” or “Term Sheet” when used in the DIP Agreement means the DIP Agreement as amended, supplemented or modified from time to time.

Section 3 Amendments

(1) The section of the DIP Agreement entitled “Term” is hereby amended by deleting the words “January 31, 2017” in clause (ii) and replacing those words with “February 28, 2017”.

(2) The section of the DIP Agreement entitled “Events of Default” is hereby amended by deleting the words “December 31, 2016” in clause (x) and replacing those words with “February 6, 2017”.

Section 4 Representations and Warranties

In order to induce the Lender to enter into this Amending Agreement, the Borrower represents and warrants to the Lender as follows, which representations and warranties shall survive the execution and delivery hereof:

(1) the representations and warranties set forth in the DIP Agreement continue to be true and correct in all material respects as of the date hereof with reference to facts subsisting on such date except for those representations and warranties which speak to a specific date;

(2) all necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of this Amending Agreement by the Borrower. The Borrower has duly executed and delivered this Amending Agreement. This Amending Agreement is a legal, valid and binding obligation of the Borrower enforceable against it by the Lender in accordance with its terms;

(3) the Borrower is not aware of any changes or material delays in the collectability of tax refunds or tax credits which are expected to be received from the Canada Revenue Agency, or any other federal or provincial tax authority, by the Borrower (or any Loan Party);

(4) as of the date hereof, no Material Adverse Change has occurred; and

(5) the Borrower is in compliance with the covenants contained in the DIP Agreement after giving effect to this Amending Agreement.

Section 5 Conditions Precedent

This Amending Agreement shall not be effective until the Lender is satisfied that the following terms and conditions have been fulfilled:

(1) this Amending Agreement executed by the Borrower and the Lender;

(2) the Court shall have issued an order approving this Amending Agreement; and

(3) such other documents, agreements, instruments, certificate or other confirmations as the Lender may request.

Section 6 Expenses

The Borrower shall pay all reasonable fees and expenses incurred by the Lender in connection with the preparation, negotiation, completion, execution, delivery and review of this Amending Agreement.

Section 7 Continuance of DIP Agreement and Security

The DIP Agreement, as changed, altered, amended or modified by this Amending Agreement, shall be and continue in full force and effect and is hereby confirmed and the rights and obligations of all parties thereunder shall not be affected or prejudiced in any manner except as specifically provided for herein. It is agreed and confirmed that after giving effect to this Amending Agreement that the security as it relates to the Borrower and Guarantors (including the Lender's Charge) secures, *inter alia*, the payment of all of the obligations of the Borrower including, without limitation, the obligations arising under the DIP Agreement, as amended by the terms of this Amending Agreement.

Section 8 Counterparts

This Amending Agreement may be executed in any number of separate counterparts (whether by facsimile, pdf or otherwise), each of which shall be deemed an original and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Section 9 Governing Law

This Amending Agreement shall be construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

[*Signature page to follow*]

IN WITNESS WHEREOF the parties hereto have executed this Amending Agreement as of the day and year first above written.

**1462598 ONTARIO INC.
d/b/a TRICON FILMS AND TELEVISION,
as Borrower**

Per: _____
Name: Andrea Gorfolova
Title: Authorized Officer

SUNTRUST BANK, as Lender

Per: _____
Name:
Title:

REAFFIRMATION OF OBLIGATIONS UNDER LOAN DOCUMENTS

Each of the undersigned hereby reaffirms its continuing obligations owing to the Lender under the Loan Documents to which such person is a party and agrees that the foregoing Agreement shall not in any way affect the validity or enforceability of any such Loan Document, or reduce, impair or discharge the obligations of such person thereunder.

This reaffirmation shall be construed in accordance with and be governed by the laws (without giving effect to the conflict of law principles thereof) of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF, each of the undersigned has duly executed and delivered this Reaffirmation of Obligations under Loan Documents as of the date of the foregoing Agreement.

**1462598 ONTARIO INC. d/b/a TRICON
FILMS AND TELEVISION
OPERATOR POST INC.
TRICON EDUCATION INC.
TRICON FILMS INC.
TRICON INTERACTIVE INC.
TRICON TELEVISION INC.
TRICON TELEVISION10 INC.
TRICON TELEVISION44 INC.
TRICON TELEVISION49 INC.
TRICON TELEVISION54 INC.
TRICON TELEVISION55 INC.
TRICON TELEVISION58 INC.
TRICON TELEVISION59 INC.
TRICON TELEVISION62 INC.
TRICON TELEVISION63 INC.
TRICON TELEVISION64 INC.
TRICON TELEVISION65 INC.
TRICON TELEVISION66 INC.
TRICON TELEVISION67 INC.
TRICON TELEVISION68 INC.
TRICON TELEVISION69 INC.
TRICON TELEVISION70 INC.
TRICON TELEVISION71 INC.
TRICON TELEVISION72 INC.
TRICON TELEVISION73 INC.
TRICON TELEVISION74 INC.
TRICON TELEVISION75 INC.
TRICON TELEVISION76 INC.
TRICON TELEVISION77 INC.
TRICON TELEVISION78 INC.
TRICON TELEVISION79 INC.**

**TRICON TELEVISION80 INC.
TRICON TELEVISION81 INC.
TRICON TELEVISION82 INC.
TRICON TELEVISION83 INC.
TRICON TELEVISION84 INC.
TRICON TELEVISION85 INC.
TRICON TELEVISION86 INC.
TRICON TELEVISION87 INC.
TRICON TELEVISION88 INC.
TRICON TELEVISION89 INC.
TRICON TELEVISION90 INC.
TRICON FILMS (UK) LIMITED
TRICON MEDIA HOLDINGS, INC.
TRICON MEDIA PRODUCTIONS, INC.
TRICON MEDIA, INC.
TRICON US PRODUCTIONS1 INC.
TRICON US PRODUCTIONS14 INC.
TRICON US PRODUCTIONS15 INC.**

By: _____
Name: Andrea Gorfolova
Title: President

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, et al.

Court File No. CV-16-11634-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**SUPPLEMENT TO THE SECOND
REPORT OF KSV KOFMAN INC.**

BENNETT JONES LLP
3400 One First Canadian Place
Toronto, ON M5X 1A4

Sean H. Zweig (573071)
Tel: 416-777-6254
Fax: 416-863-1716

Lawyers for KSV Kofman Inc.,
CCAA monitor