



**Supplement  
to the Third 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”**

February 27, 2017

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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 THIRD REPORT OF  
KSV KOFMAN INC. AS MONITOR**

**February 27, 2017**

## **1. Introduction**

1. This report supplements the Monitor's third report to Court dated February 25, 2017 ("Third Report").
2. Unless otherwise stated, capitalized terms contained in this report ("Supplemental Report") have the meanings provided to them in the Third 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 February 27, 2017 (the "Extension Agreement") and provide the Court with the basis on which the Monitor supports the Extension Agreement.
2. The purpose of the Extension Agreement is to, *inter alia*: (a) extend the term of the DIP facility ("DIP Facility") from February 28, 2017 to March 31, 2017; and (b) increase the maximum borrowings under the DIP Facility from \$1.4 million to \$1.55 million, subject to a corresponding increase in the DIP Lender's Charge.

### **1.2 Restrictions**

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

## 2. Extension Agreement

1. At the time of filing the Third Report, SunTrust was reviewing the Cash Flow Forecast in order to consider the proposed extension of the term of the DIP Facility and the requested increase in the maximum borrowings thereunder.
2. On February 27, 2017, SunTrust agreed to the Extension Agreement. It was executed on that date. A copy of the Extension Agreement is attached as Appendix "B".
3. As set out in the Third Report, the Monitor supports the Extension Agreement as the DIP Facility is necessary to, and is projected to be sufficient to, fund these proceedings, as reflected in the Cash Flow Forecast. Without the DIP Facility, the Applicants will not have the funding they require to continue to operate and to complete a transaction.

## 3. Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(f) of the Third Report.

\* \* \*

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

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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”**

**SECOND AMENDING AND EXTENSION AGREEMENT TO INTERIM FINANCING TERM SHEET** made as of the 28th day of February, 2017 (the “**Amending Agreement**”)

**AMONG:**

**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 amended by a first amending and extension agreement dated as of January 30, 2017 (as may be further 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 "Committed Amount and Facility Structure" is hereby amended by deleting the number "\$1,400,000" in the definition of "Loan Amount" and replacing that number with "\$1,550,000".

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

(3) The section of the DIP Agreement entitled "Events of Default" is hereby amended by deleting the words "February 6, 2017" in clause (x) and replacing those words with "March 15, 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 increasing the Lender's Charge to secure the increased Loan Amount described in Section 3(1) herein, in form and substance satisfactory to the Lender; 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:** JUAN DE JESU CABALLERO

**Title:** SENIOR VICE PRESIDENT

## 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.

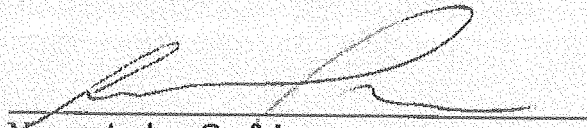
This reaffirmation shall be construed in accordance with and be governed by the laws (without giving effect to the conflict of law principles thereof) of the Province of Ontario and the laws of Canada applicable therein.

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.  
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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