



**Fifth 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”**

April 5, 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"**

FIFTH REPORT OF KSV KOFMAN INC. AS MONITOR

APRIL 5, 2017

1.0 Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (the "Court") made on December 12, 2016, as amended and restated on December 20, 2016 (the "Amended and Restated Initial Order"), 1462598 Ontario Inc., carrying on business as Tricon Films & Television (the "Company"), and its direct and indirect subsidiaries listed on Appendix "A" (collectively, the Company and the subsidiaries listed on Appendix "A" are referred to as the "Applicants") were granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") and KSV Kofman Inc. ("KSV") was appointed as Monitor (the "Monitor"). A copy of the Amended and Restated Initial Order is attached as Appendix "B".
2. The principal purpose of these restructuring proceedings is to create a stabilized environment to realize on the Company's business and assets in an orderly manner, including its productions, tax credits, accounts receivable and film library.
3. KSV is filing this report ("Report") in its capacity as Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Applicants and these proceedings;
 - b) summarize the results of a sale process ("Sale Process") carried out by the Monitor and the Applicants in accordance with a Court order made on December 20, 2016 (the "Sale Process Order");

- c) summarize a transaction (the “Recommended Transaction”) pursuant to a Share Purchase Agreement (the “SPA”) dated April 4, 2017 between certain of the Applicants and Sonar Canada Inc. (the “Purchaser”), including the transactions contemplated by a License Agreement (the “License Agreement”) between certain of the Applicants and the Purchaser and a Distribution Agreement (the “Distribution Agreement”) between certain of the Applicants, the Purchaser and SunTrust Bank, Inc. (“SunTrust”), each in the form appended to the SPA;
- d) set out the basis on which the Monitor supports the Recommended Transaction;
- e) set out the Monitor’s recommendations regarding distributions to SunTrust, including from the proceeds of the Recommended Transaction;
- f) report on the Applicants’ consolidated cash flow projection for the six-month period ending September 30, 2017 (“Cash Flow Forecast”);
- g) provide the Monitor’s rationale for its support of the Applicants’ request to extend the stay of proceedings and the DIP facility for the duration of the stay extension granted on April 11, 2017, which is being sought to cover the five year term of the Distribution Agreement (April 11, 2022); and
- h) recommend that this Honourable Court make an order:
 - i. approving the SPA, the License Agreement, the Distribution Agreement and the Recommended Transaction;
 - ii. authorizing and ratifying the execution by the Applicants of the SPA, License Agreement, Distribution Agreement and all other ancillary documents and agreements required to complete the Recommended Transaction;
 - iii. 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;
 - iv. approving an extension of the DIP facility for the duration of the stay extension granted on April 11, 2017, which is being sought to cover the five year term of the Distribution Agreement (April 11, 2022);
 - v. sealing the summary of offers and the unredacted versions of the SPA, License Agreement and Distribution Agreement until further Court order;
 - vi. authorizing the Applicants, or the Monitor on behalf of the Applicants, to distribute to SunTrust the proceeds of the Recommended Transaction contemplated by the SPA and to make additional distributions to SunTrust without further Court order until the Applicants’ indebtedness to SunTrust is repaid in full; and

- vii. granting the Applicants' request for an extension of their stay of proceedings for the duration of the stay extension granted on April 11, 2017, which is being sought to cover the five year term of the Distribution Agreement (April 11, 2022), subject to the filing by the Monitor of a report to Court by no later than September 30, 2017 to provide a status report on the CCAA proceedings, an updated cash flow projection and its view at that time of the need to file further reports and cash flow projections.

1.2 Currency

1. All currency references in this Report are to Canadian dollars unless otherwise specified.

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information of the Applicants, the books and records of the Applicants, and discussions with the Applicants' management, the Applicants' counsel and the financial advisor to SunTrust, Carl Marks Advisory Group ("Carl Marks"). The Monitor has not performed an audit or other verification of such information. The Monitor expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Monitor in preparing this Report. Any party wishing to place reliance on the Applicants' financial information is encouraged to perform its own diligence and any reliance placed by any party on the information herein shall not be considered sufficient for any purpose whatsoever.
2. An examination of the Applicants' Cash Flow Forecast as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or form of assurance on whether the Cash Flow Forecast will be achieved.

2.0 Background

1. The Applicants are production, post-production and distribution companies which create, develop, produce and distribute television shows and films. The business was founded in 2000 by Andrea Gorfolova, the Applicants' President and CEO.
2. Ms. Gorfolova's affidavit sworn December 9, 2016, filed in support of the Applicants' application for CCAA protection, provides, *inter alia*, the Applicants' background, the reasons for the commencement of these proceedings and details regarding the secured creditors of each of the Applicants, including SunTrust, the Applicants' principal secured creditor and the DIP lender in these proceedings. As at the date of this Report, SunTrust was owed approximately US\$9.7 million (including advances of \$1.5 million under the DIP facility). Interest and costs continue to accrue.
3. KSV's pre-filing report dated December 11, 2016 (the "Pre-filing Report") provided additional information on the Applicants. A copy of the Pre-Filing Report is attached as Appendix "C" (without appendices).

4. The Monitor's Fourth Report to Court dated March 28, 2017 (the "Fourth Report") provided, *inter alia*, a summary of the Applicants' and the Monitor's activities since February 25, 2017, the date of the Monitor's Third Report. The Monitor's activities described in the Fourth Report were approved pursuant to a Court order made on March 31, 2017.

3.0 Sale Process

1. The Sale Process was approved pursuant to the Sale Process Order. The Monitor commenced the Sale Process immediately following its approval. An overview of the Sale Process is as follows:
 - a) The Sale Process was intended to attract offers from going-concern buyers.
 - b) The Monitor prepared an interest solicitation letter that was circulated to 66 acquisition targets, including potential purchasers identified by the Applicants, SunTrust, Carl Marks and the Monitor.
 - c) Attached to the solicitation letter was a confidentiality agreement ("CA") that interested parties were required to sign in order to obtain access to an online data room set up by the Monitor. Twenty-five prospective going-concern purchasers executed the CA and were granted access to the data room.
 - d) The information in the data room included distribution agreements in connection with the Applicants' film library, historical and projected financial information, other detailed information on each title, including a digital catalogue, tax returns and information related to the Applicants' two ongoing productions, being *Counterfeit Cat* and *Timber Creek Lodge*.
 - e) During the Sale Process, the Monitor facilitated due diligence by interested parties, including updating the data room with current financial and other information, as required.
 - f) Interested parties were also provided an opportunity to attend at the Applicants' head office for a meeting with management. Four such meetings were conducted with the Applicants' management team, with a representative of the Monitor in attendance at each meeting.
 - g) Due to the complexity of any transaction resulting from the need to preserve the Applicants' tax credits (estimated to have a value of approximately \$5 million), interested parties were not required to submit bids in a standardized form of asset purchase agreement, as is commonly the case in transactions in an insolvency proceeding. Offers were to include the following information: name of the purchaser; purchase price; evidence of financing required to complete a transaction; details concerning the structure of the transaction, including how tax credits would be preserved and collected; timeline to complete the transaction; material conditions; and any other information relevant to the offer.
 - h) Offers were due on January 17, 2017. Bidders were required to provide a deposit of 15% of the purchase price together with their offer.

3.1 Sale Process Results

1. A summary of the Sale Process results is as follows:
 - a) Eight offers were submitted on January 17, 2017. Certain of the offers contemplated the continued distribution of the Applicants' film library pursuant to a distribution arrangement, while others contemplated an outright purchase of certain of the Applicants' assets.
 - b) On January 24, 2017, the Monitor, in consultation with the Applicants, SunTrust and their respective advisors, sent a letter to each bidder requesting, *inter alia*, that bidders submit final offers by January 27, 2017 and provide additional information and clarification in respect of their offers. The points of clarification were primarily required to determine the implications, if any, of each offer on the Applicants' tax credits. A copy of the Monitor's January 24th letter to bidders is attached as Appendix "D".
 - c) All but one of the eight bidders submitted a revised offer on January 27, 2017.
 - d) The Purchaser's offer contemplated a distribution arrangement for the majority of the library titles other than *Counterfeit Cat*, and a purchase of the shares of Tricon Television82 Inc. (the "CC Entity"), being the *Counterfeit Cat* production entity. This structure has the benefit of realizing immediately on the *Counterfeit Cat* production assets, including the tax credit and accounts receivable, without having to fund the costs to completion (including any cost overruns) and/or it mitigates collection or other risks associated with monetizing the CC Entity's assets.
 - e) From January 27, 2017 to February 6, 2017, the Monitor worked with the Applicants, SunTrust, the Purchaser and their respective advisors to obtain further clarification on the material terms and conditions of the Purchaser's offer.
 - f) On February 6, 2017, the Purchaser's offer was accepted, subject to finalizing definitive documents and Court approval.
2. A summary of the offers is provided in Confidential Appendix "1". The Monitor's rationale for its request that certain information be sealed at this time is provided in section 4.2 below.

4.0 Recommended Transaction¹

1. A summary of the SPA is as follows:
 - a) **Purchaser:** The Purchaser is a wholly-owned Canadian subsidiary of Sonar Entertainment, Inc., a leading independent producer and global distributor of television content with headquarters in the U.S.

¹ Defined terms in this section of the Report have the meanings provided to them in the SPA and/or the Distribution Agreement.

- b) **Purchased Assets:** 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 and the Purchased Development Pipeline Contracts), the Purchased CC Contracts (which include contracts relating to the *Counterfeit Cat* production held by Applicants other than the CC Entity), the CC Receivables, the Assigned Receivables and the Equipment.
- c) **Purchase Price:** The Purchase Price is comprised of cash consideration plus the Assumed Liabilities, which amount is to remain confidential for the reasons set out in section 4.2 below.

The Purchase Price is subject to an adjustment mechanism, which is meant to capture working capital like changes between the offer date and the Closing Date. The SPA requires an estimate to be prepared at least three business days prior to the Closing Date and a final adjustment is to occur within three business days following the Closing Date.

- d) **Deposit:** The Purchaser submitted a deposit representing 15% of its initial offer, which remains on deposit in the Monitor’s trust account.
- e) **Employees/Contractors:** The SPA contemplates that the Purchaser will offer employment to Ms. Gorfolova and will engage three other current employees/contractors of the Applicants on a contract basis (the “Subject Employees”).
- f) **Representations and Warranties:** The SPA includes representations and warranties in respect of organization and corporate power, authorization, tax matters, litigation and intellectual property, Purchased Assets, employees, liabilities, material contracts, brokers and Competition Act.
- g) **Closing:** The Outside Date is April 11, 2017 or such other date as may be agreed to in writing by the Applicants and the Purchaser, with the consent of SunTrust required for the Applicants. If the Recommended Transaction does not close by April 11, 2017, there is no obligation to continue negotiations and the Applicants can pursue other opportunities.
- h) **Services Agreement:** The SPA contemplates that certain of the Applicants and Ms. Gorfolova will enter into a services agreement with the Purchaser relating to the ongoing collection of accounts receivable owing to the Applicants (other than the CC Entity) in exchange for an administration fee payable to the Purchaser (calculated as a percentage of the amounts collected).
- i) **Material Conditions:** The material conditions precedent to closing are:
- obtaining consents from (i) four contract counterparties to assign to the Purchaser agreements involving certain Applicants other than the CC Entity related to the *Counterfeit Cat* production and (ii) two contract counterparties to assign to the Purchaser agreements involving certain of the Applications in respect of the Development Pipeline and providing evidence of notice of the transaction to one contract counterparty. The Monitor understands that obtaining these consents and providing this notice are not expected to delay closing;

- the production of *Counterfeit Cat* will be continuing or will have been completed. As at the date of this Report, this production is in its final stages of completion;
 - employment agreement/contract agreements being entered into between an affiliate of the Purchaser and each of Ms. Gorfolova and the Subject Employees, as applicable;
 - certain of the Applicants shall have completed the Pre-Closing Intercompany Reorganization to eliminate certain inter-company balances;
 - the Company shall have assigned its trademark application in *Counterfeit Cat* to the CC Entity;
 - the opinion rendered by the Minister of Canadian Heritage confirming the Purchaser's status as Canadian for the purposes of the *Investment Canada Act* shall not have been revoked. (This opinion was required to preserve the Applicants' tax credits.);
 - there shall not have been any Material Adverse Effect in the CC Entity's business. The Monitor is not aware of any Material Adverse Effect as at the date of this Report;
 - the parties entering into the License Agreement. The License Agreement provides for the license of certain copyright owned or licensed by certain of the Applicants in respect of titles in the Development Pipeline for which tax credits are still outstanding; and
 - the Court shall have issued a Sale Approval and Vesting Order.
2. The SPA is also conditional on the parties entering into the Distribution Agreement. The Distribution Agreement provides for the appointment of Sonar Canada Inc. 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. The material terms of the Distribution Agreement include the following:
- a) **Economic Terms:** The Distribution Advance, Distribution Fee and cap on Distribution Expenses, which according to the Applicants' management are standard terms in distribution agreements in the television industry, are to remain confidential for the reasons set out in section 4.2 below.
 - b) **Agency Accounts:** The Distributor is to establish separate bank accounts for the deposit of Gross Receipts and disbursement of amounts payable to the Applicants under the Distribution Agreement.
 - c) **Reporting:** The Distributor is to provide quarterly accounting statements and each statement shall be accompanied by payment of the amount owing by the Distributor to the Applicants at that time. The Applicants have audit rights which can be exercised on an annual basis in respect of the reports to be provided by the Distributor.

- d) **Term:** Five years, subject to an automatic termination provision should the Applicants' net proceeds on an aggregate basis generated from the Distribution Agreement be less than the Carrying Costs² funded by the Applicants for the first 18 months of the Distribution Agreement or any semi-annual period thereafter.
 - e) **Post-Term Rights:** The Distributor has certain rights that extend for a two year period following the Term, including that any sub-distribution or sub-license agreement entered into during the Term (other than in the last six months of the Term) can extend beyond the Term for not longer than this two year period.
 - f) **Right of First Refusal:** Upon receipt of a notice of termination of the Distribution Agreement, the Distributor is granted an exclusive right during the applicable notice period to purchase any or all of the Program Rights from the Applicants (other than Program Rights relating to productions for which tax credits are owing) at fair market value as of the date of the termination notice. The fair market value for the Program Rights shall be determined by the midpoint of a third party appraisal to be obtained at that time by each of the Applicants and the Purchaser.
 - g) **Security Interest:** The Distribution Agreement (and proposed Approval Order) contemplates that the Applicants grant to the Distributor a security interest in the Distributor's share of the proceeds of the Distribution Agreement and the Program Rights, other than Program Rights relating to productions for which tax credits are owing. The security interest is also to cover damages, losses, liabilities, costs, fees or expenses actually incurred by the Distributor as a result of third party claims arising in connection with the Distribution Agreement up to an amount equivalent to half of the Distribution Advance.
3. Subject to the Distribution Agreement being automatically terminated pursuant to the funding issue described in 2(d) above, the Distribution Agreement contemplates that the Applicants will take commercially reasonable steps to ensure that the CCAA proceedings and all stays of proceedings and other protections remain in place throughout the five year term of the agreement.
4. A redacted version of the SPA (which includes a redacted version of the Distribution Agreement as Schedule "D" and the License Agreement as Schedule "F") is attached as Appendix "E". An unredacted version is filed as Confidential Appendix "2". The basis for sealing the unredacted versions of the transaction documents is provided in section 4.2 below.

² Carrying Costs refer to expenses to be funded by the Applicants over the term of the Distribution Agreement, including professional fees, library administration costs, dubbing, digitization, residuals, billing, transportation, material, foreign versioning and payments to third-party producers.

4.1 Recommendation

1. The Monitor believes the Recommended Transaction is appropriate for the following reasons:
 - a) the Sale Process was carried out in accordance with the terms of the Sale Process Order. The Sale Process was commercially reasonable, including timelines, breadth of the canvassing of the market, information made available to interested parties, including information in the data room, and the availability of management for meetings, conference calls and head office visits. The market was canvassed for sale and/or distribution arrangement proposals for all or portions of the Applicants' business and assets;
 - b) the Monitor does not believe that further time spent marketing the Applicants' business and assets will result in a superior transaction. Moreover, there is no funding available for an extended sale process and SunTrust is not willing to fund any process that puts at risk the Recommended Transaction;
 - c) the transaction has been extensively negotiated and thoughtfully structured with a view to preserving the value of the Applicants' tax credits. It is also expected to enhance accounts receivable collections given the transitional provisions in the Distribution Agreement;
 - d) SunTrust has consented to the Recommended Transaction notwithstanding that it is projected to incur a substantial shortfall on its advances to the Applicants;
 - e) there is urgency to complete a transaction for the following reasons: i) the Applicants' lack of liquidity - the DIP facility expires on April 7, 2017 and is unlikely to be extended past April 11, 2017 absent approval of the Recommended Transaction; ii) SunTrust requires the Applicants to reduce costs immediately; iii) distribution efforts need to ramp up quickly so that recoveries on the film library can be maximized – the insolvency proceedings have cast a shadow over the state of the library; and
 - f) the Recommended Transaction does not prejudice any of the Company's stakeholders, including producers who will either have their content distributed pursuant to the Distribution Agreement or returned to them given its exclusion from the Recommended Transaction.
2. Based on the foregoing, the Monitor recommends that this Honourable Court approve the Recommended Transaction.

4.2 Sealing

1. The Monitor recommends that the offer summary, SPA, License Agreement and Distribution Agreement be filed with the Court on a confidential basis and remain sealed until further Court order 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 Recommended Transaction does not close. The Monitor does not believe that any stakeholder will be prejudiced if the information is sealed.

5.0 DIP Facility

1. The DIP facility was approved pursuant to the Amended and Restated Initial Order. The Amended and Restated Initial Order provides for, *inter alia*, a priority DIP Lender's Charge covering the full amount of the DIP facility at that time, being \$1.4 million. The DIP facility and DIP Lender's Charge were increased to \$1.55 million pursuant to a Court order made on February 28, 2017. As at the date of this Report, the Applicants have drawn \$1.5 million on the DIP facility.
2. As at the date of this Report, the DIP facility expires on April 7, 2017. On April 7, 2017, the Applicants are seeking Court approval to extend the DIP facility to April 11, 2017 pursuant to a Second Extension Agreement dated April 4, 2017 between SunTrust and the Applicants, a copy of which is attached as Appendix "F".
3. Subject to the approval of the Recommended Transaction, the Applicants are seeking to extend the term of the DIP facility for the duration of the stay extension granted on April 11, 2017, which is being sought to cover the five year term of the Distribution Agreement (April 11, 2022), subject to Court approval.
4. The Monitor believes it is appropriate to extend the term of the DIP facility. 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 carry out their obligations under the Distribution Agreement. In this regard, funding is required to retain a limited number of former employees on a "term and task" contract basis to assist with the administration of the Applicants' film library and/or the wind-down of the Applicants' business, including tax credit collections. The costs of the process, including professional fees, will be funded from the DIP facility and/or further recoveries on the Applicants' remaining assets, principally accounts receivable and tax credits.

6.0 Cash Flow Forecast

1. The Applicants have prepared a consolidated Cash Flow Forecast covering the first six months of the contemplated stay extension period. The Cash Flow Forecast and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "G".
2. The Cash Flow Forecast reflects, *inter alia*, that the Applicants are not projected to require an increase in the maximum borrowings under the DIP facility, which presently totals \$1.55 million.

3. Based on the Monitor's review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable in the circumstances. The Monitor's statutory report on the cash flow is attached as Appendix "H".
4. Should the Recommended Transaction not close for any reason, a revised Cash Flow Forecast will need to be prepared and filed with this Honourable Court.
5. The Monitor believes it is appropriate to provide a report by the end of September, 2017 updating the Court on the status of these proceedings. Attached to that report will be an updated Cash Flow Forecast. The Monitor will advise the Court at the time of its view as to whether further Cash Flow Forecasts should be filed in these proceedings, including the frequency for doing so.

7.0 Stay Extension

1. As at the date of this Report, the stay of proceedings expires on April 7, 2017. On April 7, 2017, the Applicants are seeking Court approval of a short extension of the stay of proceedings from April 7, 2017 to the return of the Sale Approval Motion.
2. The Monitor supports the Applicants' request for an extension of the stay of proceedings covering the term of the Distribution Agreement for the following reasons:
 - the Applicants continue to act in good faith and with due diligence;
 - the extension is required for the Applicants to complete the Recommended 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;
 - subject to Court approval of the requested amendment 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;
 - completion of the Recommended Transaction is projected to maximize recoveries for SunTrust, as well as provide the other benefits set out in section 4.1 of this Report;
 - 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;
 - the cost of additional stay extension motions throughout the term of the Distribution Agreement does not appear necessary at this time given the only affected creditor is SunTrust and it supports the Recommended Transaction and a long stay extension;
 - the Monitor will still comply with Section 23(1)(d) of the CCAA, which will require it to, among other things, file a report with this Honourable Court on the Applicants' business and financial affairs without delay after ascertaining a material adverse change in the Applicants' projected cash-flow or financial circumstances; and

- no creditor will be prejudiced if the 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 those producers.

8.0 Distributions to SunTrust

1. SunTrust is the Applicants' principal secured creditor. As at the date of this Report, SunTrust is owed approximately US\$9.7 million (including advances of \$1.5 million under the DIP facility), plus interest and costs which continue to accrue.
2. Bennett Jones LLP, the Monitor's counsel, provided an opinion³ dated December 9, 2016 which, subject to the standard assumptions and qualifications contained therein, concluded that the security granted by the Canadian Applicants, as registered under the Ontario *Personal Property Security Act*, creates 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").
3. Tricon 80 and 81 are the production entities for *Timber Creek Lodge*. The assets of Tricon 80 and 81 are not subject to the Recommended Transaction. Bravo Media Productions LLC is the principal secured creditor of those entities, whose assets are comprised of tax credits related to that production.
4. The Monitor is not aware of any other secured creditors or any claim that ranks or may rank in priority to SunTrust other than the costs of these proceedings, which are covered under the Administration Charge. In this regard, all payroll obligations are current, including accrued vacation pay which has either been paid to terminated employees or provided for in the Cash Flow Forecast for the remaining employees.
5. Based on the foregoing, the Monitor recommends that this Honourable 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 Recommended 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 attached Cash Flow Forecast.
6. Subject to the amount of cash on deposit in the Applicants' bank accounts on the closing date of the Recommended Transaction, should it receive Court approval, the Monitor will determine if a holdback is required from the proceeds of the Recommended Transaction prior to making the first distribution to SunTrust.

³ A copy of the security opinion will be made available to the Court should the Court wish to review it.

9.0 Conclusion and Recommendation

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)(h) of this Report.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc". The signature is written in a cursive, flowing style.

**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.
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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

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) MONDAY, THE 12TH DAY
JUSTICE WILTON-SIEGEL) OF DECEMBER, 2016

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

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Andrea Gorfolova sworn December 9, 2016 (the "**Gorfolova Affidavit**") and the Exhibits thereto, and on reading the Report of KSV Kofman Inc. as proposed CCAA Monitor dated December 11, 2016 and the Confidential Supplement to the Report of KSV Kofman Inc. as proposed CCAA Monitor dated December 12, 2016 (the "**Confidential Supplement**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for SunTrust Bank and counsel for KSV Kofman Inc., and on reading the consent of KSV Kofman Inc. to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall carry on business in a manner consistent with the preservation of the value of their businesses (the “**Business**”) and Property on the basis described in the Gorfolova Affidavit. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Gorfolova Affidavit or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or

legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date, except to the DIP Lender in accordance with the Commitment Letter; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING AND ORDERLY WIND DOWN

11. THIS COURT ORDERS that the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue a sale or liquidation of its Business or Property, in whole or part, subject to prior approval of this Court being obtained for any sale or liquidation except as provided in subparagraph (a) above,

all of the foregoing to permit the Applicants to proceed with an orderly sale or winding down of the Business.

12. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court

upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including January 11, 2017, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this

Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

16. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-

advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

20. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

21. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for the indemnity provided in paragraph 20 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and Error! Reference source not found. herein.

22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 20 of this Order.

APPOINTMENT OF MONITOR

23. THIS COURT ORDERS that KSV Kofman Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel as contemplated by the Commitment Letter (defined below) of financial and other information as agreed to between the Applicants and the DIP Lender (defined below) which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel as required under the Commitment Letter;
- (e) advise the Applicants in their development of the Plan and any amendments to the Plan;

- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (h) 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 this Order;
- (i) perform such other duties as are required by this Order or by this Court from time to time;
- (j) assist, to the extent required, with the wind-down of the Business and operations of the Applicants; and
- (k) assist the Applicants and SunTrust, to the extent required, in protecting and realizing on tax credits, including making the necessary filings in relation thereto.

25. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

26. 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.

27. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicants and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants are confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

28. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or 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. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

29. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a monthly basis.

30. THIS COURT ORDERS that, if requested by the Court or any interested party, the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

31. THIS COURT ORDERS that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and Error! Reference source not found. hereof.

DIP FINANCING

32. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from SunTrust Bank (in such capacity, the "**DIP Lender**") in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures.

33. THIS COURT ORDERS that such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicants and the DIP Lender dated as of December 12, 2016 (the "**Commitment Letter**"), substantially in the form filed.

34. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and Error! Reference source not found. hereof.

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 3 business days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Commitment Letter or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000);

Second – DIP Lender’s Charge; and

Third – Directors’ Charge (to the maximum amount of \$250,000).

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “Charges”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “Encumbrances”) in favour of any Person (except that the DIP Lender’s Charge and the Directors’ Charge shall not rank ahead of statutory super priority deemed trusts and liens for unpaid employee source deductions and shall each be subordinated to the right, title, and interests of Bravo Media Productions LLC (“Bravo”) in the television series currently titled ‘Timber Creek Lodge’ formerly known as ‘The Lodge’ and formerly known as ‘Après Ski’ (the “Bravo Series”), including but not limited to any tax credits (and proceeds thereof) payable to Tricon Television⁸⁰ Inc. and to Tricon Television⁸¹ Inc.), and the security granted by the Definitive Documents charging the Property shall have the same priority as the DIP Lender’s Charge. Notwithstanding the foregoing, the DIP Lender’s Charge shall rank in priority to the right, title, and interests of Bravo in the Bravo Series only to the extent of expenses paid from and after the date of this Order in connection with the Bravo Series in accordance with the budgets approved by Tricon and Bravo in writing or as otherwise agreed to by Bravo in writing until such amounts have been paid by Bravo to Tricon.

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge, unless the Applicants also obtain the prior

written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

42. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; 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, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SEALING

44. THIS COURT ORDERS that the Confidential Supplement shall be sealed, kept confidential and not form part of the public record, but rather shall be placed, separate and apart from all other contents of the Court file, in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of the Court.

SERVICE AND NOTICE

45. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available (except that the names, addresses and claim amounts of any employee creditors shall not be published) in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

46. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.ksvadvisory.com/insolvency-cases/tricon-films-&-television/>.

47. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other

correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

48. THIS COURT ORDERS that the Applicants 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.

49. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

50. 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 and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

51. THIS COURT ORDERS that each of the Applicants and 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.

52. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days

notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

53. 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.



Joseph Doria, Registrar

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

DEC 21 2016

PER / PAR:



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.
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

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"

Applicants

Court File No. CV16-11634-00CL

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

Proceedings commenced at Toronto

**AMENDED AND RESTATED
INITIAL ORDER**

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Appendix “C”



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

December 11, 2016

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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"**

REPORT OF KSV KOFMAN INC. AS PROPOSED MONITOR

DECEMBER 11, 2016

1.0 Introduction

1. KSV Kofman Inc. ("KSV") understands that 1462598 Ontario Inc., carrying on business as Tricon Films & Television (the "Company"), and its direct and indirect subsidiaries listed on Appendix "A" (collectively, the Company and the subsidiaries listed on Appendix "A" are referred to as the "Applicants") intend to make an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an initial order (the "Initial Order") granting the Applicants, *inter alia*, protection under the CCAA and appointing KSV as the Monitor in these CCAA proceedings. KSV has consented to act as Monitor.
2. The principal purpose of these restructuring proceedings is to create a stabilized environment to wind down the Applicants' business in an orderly manner, including, potentially, completing certain productions, preserving valuable tax credits and carrying out a process to identify purchasers for the Company's film library.
3. The Affidavit of Andrea Gorfolova, the President and CEO of the Applicants, sworn December 9, 2016 (the "Affidavit") and filed in support of the Applicants' application for CCAA protection, provides, *inter alia*, the Applicants' background, including the reasons for the commencement of these proceedings.
4. KSV is filing this report ("Report") in its capacity as proposed Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide KSV's qualifications to act as Monitor;
 - b) provide background information about the Applicants;
 - c) report on the Applicants' consolidated cash flow projection for the period December 12, 2016 to January 15, 2017 ("Cash Flow Forecast");
 - d) summarize the terms of a debtor-in-possession loan facility ("DIP Facility") in the maximum principal amount of \$1.4 million to be made available by SunTrust Bank ("SunTrust" or in its capacity as provider of the DIP Facility, the "DIP Lender"), as lender, to the Company, as borrower, pursuant to a DIP term sheet dated December 11, 2016 (the "DIP Term Sheet"), as well as a charge (the "DIP Lender's Charge") in favour of the DIP Lender over the Applicants' current and future assets, properties and undertakings (the "Property") to secure repayment of the amounts borrowed by the Company under the DIP Facility;
 - e) discuss the rationale for:
 - a charge on all of the Property to secure the fees and disbursements of certain of the professionals involved in these proceedings (the "Administration Charge");
 - a charge in the amount of \$250,000 on the Property in favour of the directors and officers of the Applicants (the "D&O Charge");
 - the priority of the Administration Charge, DIP Lender's Charge and D&O Charge in the proposed Initial Order and the Applicants' intention to bring a motion during the week of December 19, 2016 to, *inter alia*, elevate the portion of these charges which do not have a priming priority pursuant to the terms of the Initial Order (the "Comeback Motion"); and
 - f) recommend that this Court grant the relief sought by the Applicants in their application materials.

1.2 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information of the Applicants, the books and records of the Applicants, and discussions with the Applicants' management, the Applicants' counsel and Sun Trust's financial advisor, Carl Marks Advisory Group. KSV has not performed an audit or other verification of such information. The financial information discussed herein remains subject to further review. KSV expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by KSV in preparing this Report. Any party wishing to place reliance on the Applicants' financial information is encouraged to perform its own diligence and any reliance placed by any party on the information herein shall not be considered sufficient for any purpose whatsoever.

2. An examination of the Applicants' Cash Flow Forecast as outlined in the Chartered Professional Accountant Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Applicants' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or form of assurance on whether the Cash Flow Forecast will be achieved, unless so stated.

1.3 KSV's Qualifications to Act as Monitor

1. KSV is qualified to act as Monitor. KSV's qualifications include:
 - a) KSV is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada). KSV is not subject to any of the restrictions to act as monitor set out in Section 11.7(2) of the CCAA; and
 - b) KSV has extensive experience acting as a monitor under the CCAA in a wide variety of industries.
2. KSV was engaged by the Company on October 28, 2016, principally to assist it in considering its restructuring options. In acting as Monitor in these proposed proceedings, and in any Court-supervised insolvency mandate, KSV acts as an independent officer of the Court and is cognizant to carry out its duties and obligations accordingly. KSV's engagement letter with the Applicants included a provision confirming that its advisory engagement would terminate immediately prior to its appointment as a Court officer in any formal insolvency proceeding involving the Company and explained its duties and obligations in performing that role.
3. KSV has consented to act as Monitor in these proceedings should the Court grant the Initial Order. A copy of KSV's consent to act as Monitor is attached as Appendix "B".

2.0 Background

1. The Applicants are production, post-production and distribution companies which create, develop, produce and distribute television shows and films. The business was founded in 2000 by Andrea Gorfolova, the Applicants' President and CEO.
2. One of the Applicants' principal assets is Canadian Film or Video Production Tax Credits ("Tax Credits"), which are described in greater detail in Section 2.1 below. To be eligible for these credits, it is necessary for each production to be in a separate, single-purpose entity, which gives rise to a large corporate group and explains the number of entities (46) filing for protection in these proceedings.
3. Ms. Gorfolova is the Company's sole shareholder and each of the other Applicants is a directly or indirectly wholly-owned subsidiary of the Company. A corporate chart for the Applicants is provided in Appendix "C".
4. Of the 46 Applicants, all but seven are Canadian companies. The balance is comprised of six US companies, only one of which is active (Tricon Media, Inc. ("TMI")) and an inactive UK entity (Tricon Films (UK) Limited).

5. The Applicants' head office is in Toronto, Ontario. TMI also leases a small office in Venice, California.
6. The Applicants operate three lines of business: production, post-production and distribution of high-quality, multi-platform content. The Applicants have production relationships with Canadian and US television networks, including Scripps Networks (including Great American Country, HGTV, DIY, Cooking Channel and Food Network), A&E Networks, Showtime, NBC Universal, Shaw Media, Corus Entertainment and Bell Media. Its content distribution business is based on exclusive distribution agreements with both domestic and international networks, including those in the television, film and digital/online markets.
7. As at December 8, 2016, the Applicants employed 22 individuals, of which 17 are employees of the Canadian Applicants¹ and 5 are employees of TMI in the US. The Applicants also have 15 independent contractors in Canada. The Applicants' workforce is not unionized and they do not maintain a pension plan.

2.1 Financial Overview

1. A summary of the financial performance of the Applicants for its three most recent fiscal years² ended May 31, 2014, 2015 and 2016 is presented in the following table.

(C\$000s; consolidated)	12 months ending May 31, 2016 (unaudited)	12 months ending May 31, 2015 (unaudited)	12 months ending May 31, 2014 (unaudited)
Revenue	31,049	24,512	16,343
Production, distribution and operating expenses	29,166	23,418	15,570
EBITDA	1,883	1,094	773
Interest	(1,337)	(1,041)	(452)
Amortization	(237)	(195)	(180)
Write-downs	(2,656)	(412)	(1,673)
Taxes	(466)	(108)	133
Net income/(loss)	(2,813)	(662)	(1,399)

2. The table reflects that, *inter alia*:
 - a) Notwithstanding significant revenue growth, the Applicants have incurred losses in each of their last three fiscal years;
 - b) The Applicants have recorded recurring write-downs, largely on their investment in completed television programs. These write-downs have totalled approximately \$4.7 million over the last three fiscal years; and

¹ 1462598 Ontario Inc. and Tricon Films Inc. employ nine and eight individuals, respectively.

² The Applicants' financial statements are typically prepared on a consolidated basis based on a May 31st year-end; however, the fiscal year-ends of the various entities within the corporate group differ.

- c) For the last three fiscal years, the Applicants have not generated EBITDA sufficient to service their debt and capital costs, including equipment purchases and minimum guarantees (“MGs”), or prepaid royalties, which are paid to producers pursuant to distribution agreements and amortized over the sales period of the applicable title. The MGs are described in the Affidavit and represent a significant cash drain on the business.
3. Other than the Applicants’ intellectual property, including copyrights, trademarks and contractual distribution rights, the Company’s most significant assets are:
 - a) Accounts receivable: the book value of the Applicants’ accounts receivable totaled approximately \$3.7 million as at October 31, 2016.
 - b) Film library: the library is comprised of approximately 72 filmed entertainment titles produced by one of the Applicants and owned in perpetuity, and approximately 185 third-party titles for which the Applicants have various contractual rights. The value of the library is uncertain – it is derived from the net cash flow generated from each title in the library.
 - c) Tax credits: certain of the Applicants are eligible for Tax Credits. KSV understands that the purpose of these Tax Credits is to encourage Canadian programming and to develop an active domestic entertainment production sector. The Tax Credits are jointly administered by the Canadian Audio-Visual Certification Office and Canada Revenue Agency (“CRA”).

There are presently approximately \$7 million of Tax Credits owing to the Applicants, which are scheduled to be collected from CRA through to the end of 2017. CRA typically conducts an audit prior to issuing the Tax Credits.
4. The amount available to be borrowed from SunTrust under the Credit Facility (as defined below) is based on the Applicants’ borrowing base, which is driven by the value of the Applicants’ accounts receivable, tax credits and film library. According to the most recent borrowing base report dated October 31, 2016, the Applicants are in an over-advance of approximately US\$513,000.
5. As a result of being in an over-advance under its operating line facility, SunTrust is not prepared to continue to fund the Applicants outside of the proposed proceeding. Accordingly, the Applicants are presently without liquidity to continue to fund their business in the normal course.

3.0 Creditors

3.1 SunTrust

1. SunTrust is the Applicants’ principal secured creditor. The Applicants are indebted to SunTrust in the approximate amount of US\$10.4 million, plus interest and costs which continue to accrue, under a credit facility dated August 22, 2013, as amended (the “Credit Facility”).

2. The Applicants are presently in default of the Credit Facility. Since August 1, 2016, Sun Trust has continued to fund the Applicants in its discretion and can discontinue funding at any time. Additional information on the defaults and the Credit Facility generally is detailed in the Affidavit.

3.1.1 Security Opinion

1. In anticipation of these proceedings, KSV retained Bennett Jones LLP (“Bennett Jones”) to act as its legal counsel in the event that the Applicants file for CCAA protection and KSV is appointed as the Monitor. Bennett Jones provided an opinion³ which, subject to the standard assumptions and qualifications contained therein, concluded that the security granted by the Canadian Applicants, as registered under the *Ontario Personal Property Security Act* (“PPSA”), creates 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.
2. A security opinion was required in advance of these proceedings because the DIP Facility contemplates that certain collections, including tax refunds, may immediately be applied against the Applicants’ pre-filing secured obligations owing to Sun Trust. KSV understands that none of the Tax Credits are owed to Tricon Television80 Inc. or Tricon Television81 Inc.

3.2 Other Secured Creditors

1. The Applicants’ other registered secured creditors under the PPSA, including amounts owing to each according to the Applicants’ books and records, are summarized in the table below.

Secured Creditor	Debtor	Obligation (US\$000s)
Independent Film Channel LLC	TMI	8,000
Cooking Channel, LLC	TMI, Tricon Films Inc. and Tricon Television62 Inc.	870
Actra Performers’ Rights Society	Various	-
Bravo Media Productions LLC	Various	-
National Bank of Canada	Tricon Films (UK) Limited	-
Ovation R&G, LLC	TMI	-
Roynat Inc.	1462598 Ontario Inc. and Operator Post Inc.	-
Shaw Media Inc.	Various	-
Union of B.C. Performers	Various	-
Universal City Studio Production, LLP	1462598 Ontario Inc.	-
Walt Disney EMEA Productions Limited	Tricon Television82 Inc.	-
Xerox Canada Ltd.	Tricon Films Inc.	-

2. A description of these security interests is provided in the Affidavit.

³ A copy of the security opinion will be made available to the Court should the Court wish to review it.

3.3 Unsecured Creditors

1. Based on the Applicants' books and records as at October 31, 2016, accounts payable and accrued liabilities totalled approximately \$10.65 million, of which approximately \$6.3 million was past due. The largest unsecured obligations are owing to producers in connection with their respective productions.
2. Producers are reliant on the Applicants' quarterly reporting to quantify amounts owing to them pursuant to distribution agreements. As set out in the Affidavit, the Applicants are in arrears of their reporting and payment obligations to producers. As a result, certain producers may not be aware of the amount of the Applicants' indebtedness owing to them.

4.0 Cash Flow Forecast

1. The Applicants have prepared a consolidated Cash Flow Forecast for the period December 12, 2016 to January 15, 2017. The Cash Flow Forecast and the Applicants' statutory report on the cash flow pursuant to Section 10(2)(b) of the CCAA is attached as Appendix "D".
2. The Cash Flow Forecast reflects that the borrowings under the DIP Facility are projected to peak at approximately \$744,000 during the week ended January 15, 2017. The peak DIP requirement after the initial 30 day stay period is projected to be approximately \$1 million. The Cash Flow Forecast also reflects that the Applicants are projected to require nominal advances, if any, under the DIP Facility until the Comeback Motion.
3. Based on KSV's review of the Cash Flow Forecast, there are no material assumptions which seem unreasonable in the circumstances. The statutory report on the cash flow is attached as Appendix "E".

5.0 DIP Facility⁴

1. The Applicants have arranged a DIP Facility with the DIP Lender. The terms of the DIP Facility are detailed in the DIP Term Sheet. KSV has been advised that the final version of the DIP Term Sheet will be substantially in the form attached as Appendix "F". The significant terms of the DIP Facility are below.
 - a) Borrower: the Company
 - b) Guarantors: all subsidiaries of the Company
 - c) Lender: SunTrust
 - d) Loan Amount: \$1.4 million

⁴ Terms not defined in this section have the meaning provided to them in the DIP Term Sheet.

- e) Maturity date: The earliest of: (i) a demand for repayment of the Facility by the Lender following the occurrence of any Event of Default which has not been cured; (ii) January 31, 2017, or such other date as the Borrower and the Lender may agree to in writing; (iii) the completion of the sale of all or substantially all of the assets of the Borrower; and (iv) the effective date of any plan of compromise or arrangement in respect of the Borrower in the CCAA Proceedings.
- f) Interest rate: 12% per annum. Upon the occurrence of an Event of Default, interest will increase by 4% per annum.
- g) Commitment Fee: 2% of the Loan Amount.
- h) Expenses: All legal fees, adviser fees, disbursements and other out-of-pocket expenses of the Lender arising from or in connection with the DIP Term Sheet, the Loan Documents, the Facility, the CCAA Proceedings and any enforcement of the DIP Lender's rights.
- i) DIP Lender's Charge: Subject to Court approval at the Comeback Motion, all obligations of the Applicants under the DIP Facility are to be secured by a Court-ordered charge over the Property, ranking in priority to all other obligations other than the Administration Charge, statutory super priority deemed trusts and liens for unpaid source deductions and such other permitted priority liens as may be agreed to in writing by the DIP Lender. Until the Comeback Motion, advances under the DIP Facility shall not exceed \$200,000.
- j) Prepayments: The Applicants may make Optional Prepayments of \$100,000 at any time, which amounts cannot be redrawn. Subject to the Administration Charge, the Applicants are required to make Mandatory Prepayments of the DIP Facility in certain circumstances, including upon receipt of any income tax refunds or tax credits subject to SunTrust's security. The DIP Lender has the option to apply proceeds generated from tax credits to its pre-filing debt.
- k) Minimum advances: Should an advance be required prior to the Comeback Motion, the amount of that advance is to be limited to \$200,000. Any advance shall be at least \$100,000. There is a \$1 million initial limitation on advances until all applicable appeal periods have expired. The proposed Initial Order contains a "comeback clause" so that any party that believes it is adversely affected by the approval of the DIP Lender's Charge has the opportunity to address its concerns. At no time shall the DIP Lender be required to advance any DIP Advance unless such DIP Advances rank in priority to all encumbrances other than the Administration Charge.
- l) Reporting: Reporting obligations include the provision of weekly "rolling" 13-week budgets and a weekly budget-to-actual variance analysis. The Updated Weekly Budgets are to be prepared by the Applicants and approved by the Monitor. A cumulative negative variance of 10% or more constitutes an Updated Budget Default.

- m) Key Conditions include:
 - i. the entry of the Initial Order and DIP Order;
 - ii. the Initial Agreed Weekly Budget shall be in the form acceptable to the DIP Lender and the Monitor; and
 - iii. the absence of an Event of Default.
- n) There are several Events of Default listed in the DIP Term Sheet. The following are the more material Events of Default:
 - i. The issuance of an order (i) dismissing the CCAA Proceedings or lifting the stay in the CCAA Proceedings to permit the enforcement of any Lien against the assets of any of the Loan Parties, or the appointment of a receiver and manager, receiver, interim receiver or similar official or the making of a bankruptcy order against the Borrower or any other Loan Party or any assets subject to the DIP Lender's Charge; (ii) granting any other claim super priority status or a Lien equal or superior to that granted to the Lender other than Permitted Priority Liens; or (iii) staying, reversing, vacating or otherwise modifying the DIP Term Sheet or the Loan Documents, any order (including the Initial Order and the DIP Order) or the entry of an order by the Court having the equivalent effect, without the prior written consent of the DIP Lender.
 - ii. Unless consented to by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the Initial Order.
 - iii. Failure of the Borrower or any of the other Loan Parties to pay any amounts when due and owing under the DIP Term Sheet or under the Loan Documents, or to comply with the DIP Term Sheet and the Loan Documents, including for greater certainty, failure to comply with any Affirmative Covenant or Negative Covenant set out therein.
 - iv. In the event an Updated Budget Default occurs, which is generally when an Updated Weekly Budget reflects that the Borrower will need to borrow more than the amount available under the Facility.
 - v. Any action or event which results in a Material Adverse Change, as defined in the DIP Term Sheet.

5.1 Recommendation

1. KSV considered the following factors when reviewing the terms of the DIP Facility, as well as those set out in Section 11.2 of the CCAA:
 - a) the DIP Term Sheet is the result of arm's-length negotiations between the Applicants and the DIP Lender. KSV understands that the DIP Lender would not be willing to provide the interim financing that will be required to fund these CCAA proceedings other than on the terms and conditions set out in the DIP Term Sheet;

- b) the DIP Lender is not prepared to have another lender rank in priority to its pre-filing advances as the Applicants' principal operating lender;
 - c) without the DIP Facility, the Applicants will be unable to fund their operations, including payroll, rent and other operating costs. The Applicants do not have the time to search for an alternative DIP lender;
 - d) KSV compared the DIP Facility to certain other DIP facilities granted in CCAA proceedings in 2016, including those where KSV has recently acted, or is acting, as monitor. The comparison is attached as Appendix "G". The cost of the proposed DIP Facility appears consistent with other recent DIP financings; and
 - e) KSV does not believe that any creditor will be materially prejudiced by the DIP Facility. To the contrary, the DIP Facility will enhance the prospects of maximizing value in these circumstances.
2. Based on the foregoing, KSV believes that the terms of the DIP Facility are reasonable in the circumstances.

6.0 Potential US Recognition Proceeding

1. The Affidavit references the possibility of the Applicants commencing proceedings under Chapter 15 of Title 11 of the United States Code in the United States Bankruptcy Court for the Central District of California. Should a US proceeding be commenced, KSV (as Monitor, if appointed) may act as the Applicants' Chapter 15 "foreign representative".

7.0 Court Ordered Charges

7.1 Administration Charge

1. The Applicants are seeking an Administration Charge in respect of the fees and expenses of certain of the professionals involved in these proceedings.
2. At the time this Report was being finalized, the amount of the Administration Charge and the professionals to be covered by it were still open issues. In all circumstances, the amount of the Administration Charge is to cover the fees and disbursements of the Monitor, its counsel and the Applicants' counsel. If only those professionals are to be covered by the Administration Charge, the proposed Administration Charge will be \$500,000. There is a possibility that the Administration Charge will also cover the fees and disbursements of SunTrust's Canadian and US counsel until the full amount of the DIP Lender's Charge is elevated in priority, in which case the Administration Charge will be increased to \$700,000 and would be reduced to \$500,000 upon the entire DIP Lender's Charge being elevated in priority, at which time SunTrust's Canadian and US counsel would no longer be covered by the Administration Charge. This issue will be addressed on the return of this Application.

3. The Administration Charge is a customary provision in an Initial Order in a CCAA proceeding; it is required by the professionals engaged to assist a debtor company and to protect them in the event that the Applicants are unable to pay them during the CCAA process, particularly where the value of a debtor's collateral is unknown.
4. KSV is of the view that the Administration Charge is reasonable and appropriate in the circumstances.

7.2 DIP Lender's Charge

1. The Applicants are seeking a charge for the DIP Lender to secure its advances under the DIP Term Sheet. KSV is of the view that the DIP Lender's Charge is required and is appropriate as the DIP Lender will not provide DIP financing without the benefit of the DIP Lender's Charge.
2. Until the Comeback Motion, the Applicants are seeking priority for a DIP Lender's Charge in the amount of \$200,000. The Cash Flow Forecast reflects that the Applicants are projected to require nominal, if any, advances under the DIP Facility for the first week of these proceedings. However, in order to allow the Applicants to draw on the DIP Facility to meet any critical expenses that may arise until priority for the full amount of the DIP Lender's Charge can be elevated at the Comeback Motion on notice to all secured creditors, a priority charge in the amount of \$200,000 is being proposed so that the Applicants have access to funding for critical expenses necessary to preserve its business. KSV supports this relief on the basis that there is no prejudice to any creditor as it is in the interest of all stakeholders for the Applicants to be able to draw on the DIP Facility on a limited basis to maintain the business status quo until the Comeback Motion. This will enhance the prospect of recoveries for all stakeholders and will assist to maintain the stability of the business until the priority of the DIP Lender's Charge for all advances made under the DIP Facility is confirmed on notice to all affected creditors.

7.3 D&O Charge

1. Andrea Gorfolova is the sole director and officer of the Applicants. Her assistance and cooperation will assist the restructuring process during these proceedings. Accordingly, the Applicants are seeking a D&O Charge in the amount of \$250,000 for any liabilities the directors and officers of the Applicants may incur from and after the commencement of the CCAA proceedings, except to the extent that the obligation was incurred as a result of Ms. Gorfolova's gross negligence or wilful misconduct.
2. KSV understands that the Applicants are current on all pre-filing obligations for which directors may be personally liable. The Cash Flow Forecast contemplates that all such amounts will continue to be paid in the ordinary course and the Applicants are projected to have sufficient liquidity to do so provided the DIP Facility is approved. The proposed D&O Charge provides protection for the directors and officers in the event that the Applicants fail to pay certain obligations which may give rise to liability for directors and officers.
3. The Applicants do not presently have a directors' and officers' insurance policy.

4. In these proceedings, the main risk of directors' and officers' exposure is for unpaid payroll and vacation pay. Payroll presently totals approximately \$110,000 per pay period (every two weeks) and vacation pay (approximately \$65,000). The D&O Charge is intended to cover approximately one month's payroll and vacation pay liability.
5. KSV is of the view that the D&O Charge is reasonable in these circumstances and that the continued involvement of Ms. Gorfolova is beneficial to the business and these proceedings.

7.4 Priority of Charges

1. The Administration Charge is proposed to rank in priority to all other Court-ordered charges and any other claim or encumbrance against the Applicants.
2. Until the Comeback Motion, the proposed Initial Order contemplates that the remaining \$1.2 million of the \$1.4 million proposed DIP Lender's Charge shall rank in priority to SunTrust's existing security but behind all other secured creditors that have not been served with the Applicants' application materials.
3. The D&O Charge shall rank behind SunTrust's existing security and any other secured creditor of the Applicants that has not been served with the Applicants' application materials.
4. The Applicants intend to bring a motion to elevate the priority of the Court-ordered charges during the week of December 19, 2016 on notice to those parties likely to be affected by such priority. The Comeback Motion will also provide an opportunity for any creditor of the Applicants to voice any objections with respect to the charges in the Initial Order, including the Administration Charge, provided that it is intended that the professionals involved be covered by the Administration Charge for their fees and disbursements through to and including the Comeback Motion (including pre-filing work undertaken in contemplation of these proceedings).
5. At the Comeback Motion, the Applicants intend to seek an Order ascribing to these charges the following priority:
 - First, the Administration Charge;
 - Second, the DIP Lender's Charge; and
 - Third, the D&O Charge.

8.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
 - a) publish without delay a notice in national edition of *The Globe and Mail* newspaper containing the information prescribed under the CCAA; and

- b) within five (5) days of the issuance of the Initial Order to:
 - i. make the Order publicly available in the manner prescribed under the CCAA;
 - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000 advising them that the order is publicly available; and
 - iii. prepare a list, showing the names and addresses of those creditors (other than employees), and the estimated amounts of those claims, and make it publicly available in the prescribed manner.

2. If appointed Monitor, KSV will also post the Initial Order on its website.

9.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



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

Appendix “D”



ksv advisory inc.

150 King Street West, Suite 2308

Toronto, Ontario, M5H 1J9

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ksvadvisory.com

January 24, 2017

DELIVERED BY EMAIL - «Email»

«Name»

«Address»

Attention: «Contact»

Dear «Contact»:

Re: 1462598 Ontario Inc., d/b/a Tricon Films & Television, et al (the “Company”)

We are writing in our capacity as monitor (the “Monitor”) in the Company’s proceedings under the *Companies’ Creditors Arrangement Act*.

Thank you for the offer submitted in the Company’s Court-approved sale process. The Monitor received eight offers in the process and is writing to all bidders to request that they submit a final offer no later than 12:00 p.m. (EST) on January 27, 2017. The Monitor is also asking those bidders which submitted purchase offers to advise whether they would be prepared to enter in a distribution arrangement with the Company and the terms of that arrangement, including:

1. To the extent your offer does not contemplate all library titles, the library titles to be included in the arrangement.
2. Confirmation that you are prepared to exclude any third party titles for which the Company determines that the associated cure costs exceed the projected distribution revenue.
3. The proposed transaction structure, including the sharing percentages on any distribution revenue and costs of realization.
4. Background information regarding the entity that will act as the distributor (the “Distributor”), including financial and other information that illustrates that it has the ability to perform the arrangement.
5. The conditions precedent to your offer and, if your offer is conditional on further diligence, the time and information required to complete your diligence and your expected closing date.
6. Confirmation that your revised offer can remain open for acceptance until end of business on February 6, 2017.

7. Confirmation of the following:

- a) whether the Distributor is a "Canadian-controlled entity" (within the meaning of sections 26 - 28 of the *Investment Canada Act*) and whether it would covenant to remain Canadian controlled after entering into the proposed distribution agreement with the Company in order to comply with rules regarding distributions in Canada;
- b) whether the Distributor is, directly or indirectly, a Tax Shelter Investment (as defined in the *Income Tax Act*); and
- c) whether the Distributor is prepared to covenant to:
 - have any titles in the Company's library that were completed in the last two years and have not yet been shown in Canada, shown at fair market value in Canada through a Canadian-controlled entity or CRTC broadcaster. A corresponding covenant would be required for Ontario purposes;
 - cause the Company's productions to satisfy the requirements of the Producer Control Guidelines issued by the Department of Canadian Heritage; and
 - have any sub-distributor, if applicable, comply with the requirements set out in this paragraph 7.

We look forward to receiving your revised offer no later than 12:00 p.m. (EST) on January 27, 2017, as well as your offer to act as Distributor, should you wish to submit an offer on this basis.

Should you have any questions, please contact the undersigned at (416) 932-6030.

Yours very truly,

**KSV KOFMAN INC.
IN ITS CAPACITY AS CCAA MONITOR OF
1462598 ONTARIO INC. ET AL
AND NOT IN ITS PERSONAL CAPACITY**



Per: David Sieradzki

DS:rk

Appendix “E”

PURCHASE AGREEMENT

BETWEEN

1462598 ONTARIO INC. (D/B/A TRICON FILMS AND TELEVISION)

AND

THE OTHER ENTITIES IDENTIFIED HEREIN AS VENDORS

AND

TRICON TELEVISION82 INC.

AND

SONAR CANADA INC.

MADE AS OF

April 4, 2017

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PURCHASE AGREEMENT

THIS AGREEMENT is made as of April 4, 2017

BETWEEN

1462598 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario ("**Tricon**")

- and -

EACH OF THE AFFILIATES OF TRICON LISTED IN SCHEDULE A HERETO (together with "**Tricon**", the "**Vendors**", and each a "**Vendor**")

- and -

TRICON TELEVISION82 INC., a corporation incorporated under the laws of the Province of Ontario (the "**CC Corporation**")

- and -

SONAR CANADA INC., a corporation incorporated under the laws of the Province of Ontario (the "**Purchaser**")

WHEREAS the parties wish to enter into this Agreement to set forth the terms upon which the Purchaser will purchase and assume the Purchased Assets (as defined herein) and Assumed Liabilities (as defined herein) from each of the Vendors (as applicable), upon the terms and conditions set forth hereunder, and the other transactions described herein;

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Affiliate**" means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person.

"**Agreement**" means this agreement, including its recitals and schedules, as amended from time to time.

"**Applicable Law**" means

- (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty, as well as the common law; and
- (ii) any applicable and enforceable rule, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“Approval and Vesting Order” has the meaning set out in Section 4.01(1)(b).

“Assigned Receivables” has the meaning set out in Schedule H.

“Assigned Trademark” means all of Tricon’s right, title, and interest in and to the trademark COUNTERFEIT CAT, including Canadian Trademark Application No. 1,755,515, and all goodwill associated therewith.

“Assumed Accounts Payable” has the meaning set out in Section 2.02(2).

“Assumed Liabilities” has the meaning set out in Section 2.02(1).

“Base Purchase Price” has the meaning set out in Section 2.03.

“Business Day” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“CC Assets” means all of the assets, rights and properties of the CC Corporation used exclusively or predominantly to carry on the CC Business.

“CC Business” means the television and film production and distribution business of the Vendors and the CC Corporation in respect of Counterfeit Cat.

“CC Production Costs” means all of the minimum guarantees, production costs and other similar costs paid by the CC Corporation or a Vendor in connection with the CC Business.

“CC Production Cost Adjustment” has the meaning set out in Section 2.04(1).

“CC Receivables” means all of the accounts receivable of the CC Business, including license fees, production accounts receivable and distribution accounts receivable in connection with the CC Business, rights of the CC Corporation or any Vendors to Tax Credit Assets or similar benefits relating to the CC Business; other governmental charges of whatever nature relating to the CC Business; and other rights of payment due or accruing to the CC Corporation or any Vendor in connection with the CC Business, in each case, whether accrued prior to or after the Time of Closing.

“CC Receivables Adjustment” has the meaning set out in Section 2.04(1).

“CCAA” means the *Companies’ Creditors Arrangement Act* (Canada).

“CCAA Distribution Approval Order” means the Distribution Approval Order (as defined in the Distribution Agreement).

“**CCAA Proceedings**” means proceedings commenced by the Vendors under the CCAA pursuant to the Initial Order.

“**Claim**” means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any Loss, claim or demand resulting therefrom or any other claim or demand of whatever nature or kind.

“**Closing CC Receivables Amount**” has the meaning set out in Section 2.04(1).

“**Closing Date**” means the second (2nd) Business Day following the satisfaction or waiver of the conditions to the purchase and sale of the Purchased Assets set out in Sections 5.01, 5.02 and 5.03 (other than those conditions that by their nature can only be satisfied on the Closing Date) but in any event no later than the Outside Date, or such other date as may be agreed in writing by Tricon (but only if prior written consent is obtained by Tricon from the Lender) and the Purchaser.

“**Closing Date Payment Amount**” means the Base Purchase Price as adjusted by the Preliminary CC Receivables Adjustment and the Preliminary CC Production Cost Adjustment pursuant to Section 2.04, and such other adjustments, if any, as may be otherwise agreed to in writing by the Purchaser and Tricon (but only if prior written consent to such other adjustment is obtained by Tricon from the Lender), on behalf of the Vendors, less the amount of the Deposit.

“**Closing Date Statement**” has the meaning set out in Section 2.04(5).

“**Competition Act**” means the *Competition Act* (Canada).

“**Consent**” means the consent, approval, notification or waiver by a party to a Contract as required by the terms of such Contract (i) as a result of the transactions contemplated hereby, or (ii) to effect an assignment thereof by a Vendor hereunder, in form and substance satisfactory to the Purchaser, including the Consents set out in Schedule B.

“**Copyright**” means copyrights in works of any nature and kind, including domestic and foreign copyrights, whether registered or unregistered, and all applications for registration thereof.

“**Constituting Documents**” means, with respect to any person, (i) if a corporation, the articles or certificate of incorporation and the by-laws; (ii) if a limited liability company, the articles of organization and operating agreement; (iii) if another type of person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the person; (iv) all equityholders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any person or relating to the rights, duties and obligations of the equityholders of any person; and (v) any amendment or supplement to any of the foregoing.

“**Contract**” means any written or oral binding contract, agreement, license, instrument or commitment.

“**Court**” means the Ontario Superior Court of Justice, Commercial List.

“Court Approvals” means the Approval and Vesting Order and the CCAA Distribution Approval Order by the Court in respect of one or more Purchased Contracts in the CCAA Proceedings.

“Cure Costs” means, in respect of a Purchased Contract, the amount required to be paid in accordance with any Consent obtained from the relevant Third Party to the assignment of such Purchased Contract, provided that such Consent is in a form acceptable to Tricon.

“Deposit” means the deposit in the amount of \$ [REDACTED], paid by the Purchaser to the Monitor, in trust, on January 17, 2017 to be applied or returned in accordance with the terms of this Agreement.

“Development Pipeline” means the literary, dramatic, musical, artistic, choreographic, and cinematographic works of the Vendors relating only to the titles set forth in Schedule C, and any and all components of such titles, including but not limited to, plots, stories, storyboards, scripts, pilots, synopses, sketches, concepts, formats, layouts, scenes, settings, set designs, dialogue, characters, appearances, costumes, wardrobe, titles, names, visual effects, graphics, animation, musical arrangements, soundtracks, theme songs, sound effects, ideas, themes, moods, pace, sequences, characteristics, lifestyle, developments, and any and all derivatives works of any of the foregoing, including but not limited to adaptations, translations, and sequels thereof, in the conceptual, pre-production or production stage of development.

“Distribution Agreement” means the distribution agreement to be entered into and executed among certain of the Vendors, the Purchaser, and the Lender prior to or concurrently on the Closing Date, in the form set forth in Schedule D.

“Employment Agreement” means the employment agreement to be entered into and executed between the Purchaser or its Affiliate and Andrea Gorfolova concurrently on the Closing Date, in a form acceptable to the parties thereto, acting reasonably.

“Equipment” means all Information Technology, furniture and fixtures, equipment (including production and editing equipment) and other tangible personal property owned or leased by a Vendor relating to or used in the CC Business and listed on Schedule E.

“Estimated Post-Closing CC Production Costs” means the cash CC Production Costs estimated to be incurred following the Closing Date.

“Excluded Current Liabilities” means (i) any legal, accounting and other professional fees, costs and expenses incurred by any of the Vendors or the CC Corporation in connection with the CCAA Proceedings or the transactions contemplated by this Agreement; and (ii) any Liabilities incurred by any of the Vendors or the CC Corporation in connection with any Claim that remains unpaid at the Time of Closing.

“Excluded Liabilities” has the meaning set forth in Section 2.02(3).

“Excluded Intellectual Property” means Copyright in: (a) each work listed in Exhibit B to Schedule F owned by one of the Vendors; and (b) all other works embedded therein owned or licensed by one or more of the Vendors.

“**Financial Statements**” means the unaudited balance sheet of the CC Corporation as at February 28, 2017 appended hereto as Schedule G.

“**Governmental Authority**” means any domestic or foreign legislative, executive, judicial or administrative body or person having jurisdiction in the relevant circumstances.

“**GST/HST**” means the taxes imposed under Part IX of the *Excise Tax Act* (Canada).

“**Income Tax Regulations**” means *Income Tax Regulations*, C.R.C. 1977, c. 945.

“**Independent Contractor Agreement**” has the meaning set forth in Section 4.05.

“**Information Technology**” means computer hardware, software in source code and/or executable form (including documentation, interfaces and development tools) including licenses thereto, websites, databases, telecommunications equipment and facilities, and other information technology systems.

“**Initial Order**” means the order of the Court dated December 12, 2016, granting protection to the Vendors pursuant to the CCAA, as amended by the orders of the Court dated December 20, 2016 and February 28, 2017.

“**Intellectual Property**” means intellectual property of any nature and kind, including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, industrial designs, whether registered or unregistered, and all applications for registration thereof, including rights to claim priority thereto and therefrom, Copyrights and works of authorship, creative works, inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques and know-how.

“**Investment Canada Act**” means the *Investment Canada Act* (Canada).

“**Lender**” means SunTrust Bank, Inc.

“**Liabilities**” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any Contract or undertaking or otherwise, including any tax liability or tort liability.

“**License Agreement**” means the license agreement to be entered into between the Vendors and the Purchaser on the Closing Date in the form attached hereto as Schedule F.

“**Liens**” means any lien (statutory or otherwise), mortgage, pledge, security interest (whether contractual, statutory or otherwise), hypothecation, trust or deemed trust (whether contractual, statutory, or otherwise), a voting trust or pooling agreement with respect to securities, any adverse claim or any other right, option or claim of others of any kind whatever, any covenant or other agreement, restriction or limitation on the transfer of assets, execution, levy, charge, encumbrance, interest in property, or other financial or monetary claim which, in each case, in substance, secures

payment or performance of an obligation, or similar charge of any kind, and any rights or privileges capable of becoming any of the foregoing.

"Losses" means all damages, fines, penalties, deficiencies, losses, Liabilities, costs, fees and expenses (including interest, court costs and reasonable fees and expenses of lawyers, accountants and other experts and professionals).

"Material Contracts" has the meaning set out in Section 3.01(8)(a).

"Material Adverse Effect" means any change, effect, event or occurrence arising after the date of this Agreement that, individually or in the aggregate is, or could reasonably be expected to be, materially adverse to, in respect of the Vendors, the Purchased Assets, taken as a whole, or, in respect of the CC Corporation, the CC Business, but shall exclude any Material Adverse Effect arising out of (i) any adverse change, effect or circumstance relating generally to financial markets or general economic conditions, including any currency fluctuations, (ii) any adverse change, effect or circumstance relating to conditions generally affecting the industry in which the Vendors or the CC Corporation operate, as applicable, (iii) war, act of terrorism, civil unrest or similar event, (iv) any generally applicable change in Applicable Laws or interpretation thereof, (v) any adverse change, effect or circumstance resulting from an action required or permitted by this Agreement, (vi) any act or omission by the Purchaser, (vii) any action taken, or the failure to take any action, or any such other change, event, violation, inaccuracy, circumstance or effect, in each case, to which the Purchaser consented in writing, (viii) any adverse change, effect or circumstance caused by the announcement or pendency of this Agreement or the transactions contemplated by this Agreement, or (ix) the existence of the CCAA Proceedings.

"Monitor" means KSV Kofman Inc.

"Monitor's Certificate" means a certificate signed by the Monitor and confirming the matters described in Section 6.03.

"Outside Date" means April 11, 2017 or such other date as Tricon (but only if prior written consent is obtained by Tricon from the Lender) and the Purchaser may agree upon in writing.

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designed or constituted.

"Post-Closing Certificate" has the meaning set out in Section 2.04(3).

"Pre-Closing CC Production Costs" has the meaning set out in Section 2.04(1).

"Pre-Closing Intercompany Reorganizations" means the steps to be completed by the Vendors or the CC Corporation, as applicable, prior to the Closing Date, as set out on Schedule H, or such other steps as may be agreed upon by the Purchaser and Tricon, on behalf of the Vendors and the CC Corporation (but only if prior written consent is obtained by Tricon from the Lender), acting reasonably.

“Preliminary CC Production Cost Adjustment” has the meaning set out in Section 2.04(2).

“Preliminary CC Receivables Adjustment” has the meaning set out in Section 2.04(2).

“Preliminary Closing Date Statement” has the meaning set out in Section 2.04(2).

“Purchase Price” has the meaning set out in Section 2.03.

“Purchase Price Certificate” has the meaning set out in Section 2.04(2).

“Purchased Assets” means the Purchased Shares, the Purchased CC Contracts, the CC Receivables, the Assigned Receivables, the Purchased Development Pipeline Assets and the Equipment. For certainty, Purchased Assets includes all distribution rights in or related to the CC Business held by a Vendor, including but not limited to subscription video on demand, second cycle and any unsold distribution territories.

“Purchased CC Contracts” means all Contracts (i) entered into by a Vendor in connection with Counterfeit Cat including all distribution agreements and production agreements related thereto, if any; (ii) entered into by a Vendor that are required to be assigned to the Purchaser, or as the Purchaser directs, in order to permit the Purchaser to operate the CC Business; (iii) currently under negotiation by a Vendor with respect to Counterfeit Cat; (iv) between CC Corporation and any Vendor with respect to the CC Business; (v) entered into by a Vendor that are required to be assigned to the Purchaser in order to give effect to the conveyance of any of the Purchased Assets (other than the Purchased Development Pipeline Assets) relating to or used in the CC Business as provided herein; and (vi) entered into by a Vendor in connection with a potential sale of the Vendors’ assets, whether through the CCAA Proceedings or otherwise, respecting the confidentiality of information relating to the CC Corporation, the CC Business, or the CC Assets; and “Purchased CC Contracts”, for certainty, includes the Material Contracts to which a Vendor is a party.

“Purchased Contracts” means, together, the Purchased CC Contracts and the Purchased Development Pipeline Contracts.

“Purchased Development Pipeline Assets” means the Purchased Intellectual Property, the Purchased Development Pipeline Contracts and any other tangible or intangible assets of the Vendors in or related to the Development Pipeline.

“Purchased Development Pipeline Contracts” means all Contracts (i) entered into by a Vendor in connection with the development, production or commercial exploitation and promotion of any of the Development Pipeline and listed under the subheading “Contracts” on Schedule C, (ii) entered into by a Vendor that are required to be assigned to the Purchaser in order to give effect to the conveyance of any of the Purchased Development Pipeline Assets as provided herein; and (iii) entered into by a Vendor in connection with a potential sale of the Vendors’ assets, whether through the CCAA Proceedings or otherwise, respecting the confidentiality of information relating to the Development Pipeline.

“Purchased Intellectual Property” means any and all Intellectual Property relating to the Development Pipeline, owned or used by or licensed to the Vendors, including any and all such

Intellectual Property reasonably necessary to exercise any and all production and distribution rights in respect of the Development Pipeline, but excluding Excluded Intellectual Property.

“**Purchased Shares**” means the 100 issued and outstanding common shares of the CC Corporation held by Tricon.

“**Sales Tax**” has the meaning set out in Section 2.07.

“**Services Agreement**” means the services agreement to be entered into and executed among the Vendors, the Purchaser and Andrea Gorfolova concurrently on the Closing Date, in a form acceptable to the parties hereto, acting reasonably.

“**Status Opinion**” means an opinion dated February 17, 2017 under section 37 from the Minister of Canadian Heritage confirming the Purchaser’s status as a “Canadian” for purposes of the Investment Canada Act.

“**Subject Employees**” means the employees or contractors of the Vendors set forth in Schedule I.

“**Target CC Production Costs**” means the cash CC Production Costs set forth in Schedule J.

“**Target CC Receivables Amount**” means the aggregate amount of the CC Receivables set forth in Schedule J.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Tax Credit Assets**” means the Canadian film or video production tax credit, the Ontario production services tax credit, and any other film and television incentive tax credit pursuant to the Tax Act and the Taxation Act (Ontario), in each case, payable to CC Corporation in connection with Counterfeit Cat.

“**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, territorial, state, municipal, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, government pension plan premiums and contributions; social security premiums, workers’ compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes, fees, penalties, assessments, reassessments or charges of any kind whatsoever imposed or charged by any Governmental Authority and any instalments in respect thereof, together with any tax indemnity obligation, interest, penalties, fines or additions with respect thereto and any interest in respect of such additions or penalties, whether disputed or not, whether imposed directly on such

Person or as successor, by contract or otherwise, and shall include any liability to a Governmental Authority for Taxes as transferee that is imposed under Applicable Law, and "Tax" means any one of such Taxes.

"Time of Closing" means 9:00 a.m. (Toronto Time) on the Closing Date.

"Transaction Documents" means, collectively, this Agreement, the Employment Agreement, the Services Agreement, the Distribution Agreement and all ancillary agreements, documents and instruments executed and delivered by any of the parties hereto pursuant to this Agreement.

"Transferring Contractors" means each Subject Employee who accepts the Purchaser's or its Affiliate's offer of engagement as an independent contractor, as applicable, made pursuant to Section 4.05.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term "including" means "including without limiting the generality of the foregoing" and the term "Third Party" means any person other than the Vendors and the Purchaser.

1.04 Calculation of Time

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from but excluding" and the words "to" and "until" each mean "to and including". If the last day of any such period is not a Business Day, such period will end on the next Business Day. When calculating the period of time "within" which, "prior to" or "following" which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.

1.05 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as

the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.06 Accounting Principles

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Chartered Professional Accountants of Canada, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.07 Currency

All references to currency herein are to lawful money of Canada.

1.08 Control

(1) For the purposes of this Agreement,

(a) a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;

(b) a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity; and

(c) the general partner of a limited partnership controls the limited partnership.

(2) A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity.

(3) A person is deemed to control, within the meaning of Section 1.08(1)(a) or (b), an entity if the aggregate of

(a) any securities of the entity that are beneficially owned by that person, and

(b) any securities of the entity that are beneficially owned by any entity controlled by that person

is such that, if that person and all of the entities referred to in Section 1.08(3)(b) that beneficially own securities of the entity were one person, that person would control the entity.

1.09 Schedules

The following are the Schedules to this Agreement:

Schedule A	Affiliates of Tricon
Schedule B	Consents
Schedule C	Development Pipeline
Schedule D	Form of Distribution Agreement
Schedule E	Equipment
Schedule F	Form of License Agreement
Schedule G	Financial Statements
Schedule H	Pre-Closing Intercompany Reorganization
Schedule I	Subject Employees
Schedule J	Target CC Receivables and Target CC Production Costs
Schedule 2.02(2)	Assumed Accounts Payable
Schedule 2.05	Purchase Price Allocation
Schedule 3.01(3)	Canadian Tax Matters
Schedule 3.01(8)(a)	Material Contracts
Schedule 4.01(1)(b)	Form of Approval and Vesting Order
Schedule 5.02	Form of Trademark Assignment Agreement

1.10 **Knowledge**

Any reference to the knowledge of any party means to the actual knowledge of such party.

ARTICLE 2 - SALE AND PURCHASE

2.01 **Purchased Assets to be Sold and Purchased**

Upon and subject to the terms and conditions hereof, each of the Vendors (as applicable) will sell, transfer, convey and assign to the Purchaser, and the Purchaser will purchase from the relevant Vendors, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of each of the relevant Vendors in and to the Purchased Assets, free and clear of all Claims, Liabilities and Liens, in exchange for the delivery by the Purchaser to the Vendors of the aggregate Purchase Price.

2.02 **Assumption of Liabilities**

(1) At the Time of Closing, the Purchaser will assume, and thereafter fulfill, perform and discharge, only the following Liabilities of the Vendors, which will not include any Excluded Liabilities (collectively, the "Assumed Liabilities"):

- (a) any trade accounts payable incurred by any of the Vendors pursuant to any Purchased Contract that remains unpaid at the Time of Closing (but only to the extent included in Schedule 2.02(2));

- (b) all Liabilities related to or arising from any of the following: (i) the Employment Agreement; and (ii) the Purchaser's engagement or termination of engagement of Transferring Contractors arising after the Time of Closing (including but not limited to with respect to any Liabilities or Claims related to or arising from the misclassification of Transferring Contractors or any of them as independent contractors);
- (c) all Liabilities arising from or in connection with the performance by the Purchaser or an Affiliate thereof of any of the Purchased Contracts (or breach thereof) after the Time of Closing (other than any liability arising out of or relating to a breach that occurred prior to the Time of Closing); and
- (d) all Liabilities arising from the ownership of the Purchased Shares.

(2) Schedule 2.02(2) sets forth a good faith estimate of the Assumed Liabilities described in Section 2.02(1)(a) as at the Closing Date (the "Assumed Accounts Payable").

(3) Except as expressly provided in Section 2.02(1) or in any other provision in this Agreement to the contrary, the Purchaser will not assume, agree to fulfill, perform or discharge, or indemnify the Vendors against, or otherwise have responsibility for, whether at the Time of Closing or otherwise, any of the Liabilities of any Vendor, including all Excluded Current Liabilities (collectively, the "Excluded Liabilities").

2.03 Purchase Price

The purchase price payable by the Purchaser for the Purchased Assets (such amount being hereinafter referred to as the "Base Purchase Price") will be \$[REDACTED] subject to adjustments determined in accordance with Section 2.04 (with such adjustments, the "Purchase Price"), plus the amount of the Assumed Liabilities.

2.04 Purchase Price Adjustment

- (1) The Base Purchase Price shall be:
 - (a) reduced by the difference between the amount of the CC Receivables as at the Time of Closing (the "Closing CC Receivables Amount") and the Target CC Receivables Amount (such difference being the "CC Receivables Adjustment"); and
 - (b) increased by the aggregate amount of the CC Production Costs spent from February 1, 2017 to the Closing Date ("Pre-Closing CC Production Costs") up to a maximum of the Target CC Production Costs less the Estimated Post-Closing CC Production Costs;

(the "CC Production Cost Adjustment")

(2) At least three (3) Business Days prior to the Closing Date, Tricon, on behalf of the Vendors and the CC Corporation, shall prepare and deliver to the Purchaser, with a copy delivered concurrently to the Monitor and the Lender, a purchase price certificate of an executive officer of

Tricon addressed to the Purchaser and certified as being prepared by Tricon, on behalf of the Vendors, in good faith and on a reasonable basis (the "**Purchase Price Certificate**"), together with a draft of the Closing Date Statement (the "**Preliminary Closing Date Statement**") on which the Purchase Price Certificate is based. The Purchase Price Certificate shall set forth an estimate of each of the following as at the Closing Date: (a) the Closing CC Receivables Amount, and if applicable, the proposed CC Receivables Adjustment (the "**Preliminary CC Receivables Adjustment**"); and (b) the Estimated Post-Closing CC Production Costs, the Pre-Closing CC Production Costs, and if applicable, the proposed CC Production Cost Adjustment (the "**Preliminary CC Production Cost Adjustment**"). The Purchase Price Certificate shall set out in reasonable detail, to the satisfaction of the Purchaser acting reasonably, the basis of such determinations.

(3) Within three (3) Business Days following the Closing Date, Tricon, on behalf of the Vendors and the CC Corporation, shall prepare and deliver to the Purchaser, with a copy delivered concurrently to the Monitor and the Lender, a purchase price certificate of an executive officer of Tricon addressed to the Purchaser and certified as being prepared by Tricon, on behalf of the Vendors, in good faith and on a reasonable basis (the "**Post-Closing Certificate**"), together with what it considers to be the final Closing Date Statement on which the Post-Closing Certificate is based. The Post-Closing Certificate shall set forth, as at the Closing Date: (a) the Closing CC Receivables Amount, and if applicable, the amount of the final adjustment required to be made to the Closing Date Payment Amount based on the difference between the Preliminary CC Receivables Adjustment and the final CC Receivables Adjustment; and (b) the Estimated Post-Closing CC Production Costs, the Pre-Closing CC Production Costs, and if applicable, the amount of the final adjustment required to be made to the Closing Date Payment Amount based on the difference between the Preliminary CC Production Cost Adjustment and the final Preliminary CC Production Cost Adjustment.

(4) Following delivery of the Closing Date Statement referred to in Section 2.04(3), the Purchaser and the Lender shall have a period of five (5) Business Days to review, and if applicable, provide comments to Tricon on such Closing Date Statement. During such five (5) Business Day period, (i) Tricon and the Purchaser and (ii) Tricon and the Lender shall cooperate for the purposes of finalizing such Closing Date Statement, and Tricon shall ensure reasonable access to and cooperation during normal business hours from the appropriate representatives of senior management and accounting personnel of the Vendors and the Lender to assist the Purchaser in reviewing such statement. On or prior to the expiry of such five (5) Business Day period, the Purchaser and/or the Lender, as applicable, shall notify Tricon if there is any disagreement with the amounts set forth in such Closing Date Statement, which notice shall specify the nature of such disagreement in reasonable detail and shall state the opinion of the Purchaser and/or the Lender, as applicable, as to the correct amount. If neither the Purchaser nor the Lender notifies Tricon of any such disagreement within such five (5) Business Day period, the Purchaser and the Lender will each be deemed to have accepted the amounts set forth in such Closing Date Statement.

(5) If Tricon, the Purchaser and the Lender cannot reach agreement on the Closing Date Statement within the five (5) Business Day period referred to in Section 2.04(4), then immediately upon the expiration of such five (5) Business Day period, the dispute will be referred for determination to the Monitor. The determination by the Monitor will be made within five (5) Business Days of such referral.

(6) The amount of any final adjustment to the Closing Date Payment Amount as determined under Section 2.04(4) or 2.04(5) shall be paid to the Purchaser or Tricon, on behalf of the Vendors, as the case may be, within two (2) Business Days of the date on which the period referred to in Section 2.04(4) expires, assuming there is no dispute with the amount set forth in the statement delivered under Section 2.04(3), or if there is any dispute with the amounts set forth in such statement, within two (2) Business Days of the date upon which any determination is made under Section 2.04(4) or 2.04(5). The statement delivered pursuant to Section 2.04(3) if there is no dispute with respect thereto, or as finally resolved pursuant to Section 2.04(4) or Section 2.04(5), if there is such a dispute, shall constitute the "Closing Date Statement" for purposes of this Agreement.

(7) Each of Tricon, the Purchaser and the Lender will each be responsible for all of its own costs and expenses related to a dispute regarding the final adjustment to the Closing Date Payment Amount, including all fees and disbursements of its counsel and "out of pocket" costs.

2.05 Allocation of Purchase Price

The Parties agree to the allocation of the Base Purchase Price among each of the Vendors and among the Purchased Assets as set out on Schedule 2.05. Any adjustment to the Base Purchase Price as a result of Section 2.04 shall be allocated to the amount paid for the CC Receivables held by Tricon. The Vendors and the Purchaser will make and file all tax returns and filings on a basis which is consistent with the amount and allocation of the Purchase Price.

2.06 Payment of Purchase Price

- (1) At the Time of Closing, the Purchase Price will be satisfied as follows:
 - (a) subject to Section 2.08, the assumption by the Purchaser of the Assumed Liabilities;
 - (b) the application of the Deposit against the Purchase Price; and
 - (c) the payment by the Purchaser of the Closing Date Payment Amount by wire transfer of immediately available funds to an account of the Monitor specified in writing by the Monitor not less than two (2) Business Days prior to the Closing Date.

(2) Any adjustments to the Closing Date Payment Amount determined under Section 2.04(3) or (4) shall be made by the parties following the Closing Date as provided in such section.

2.07 Taxes

All amounts payable by the Purchaser pursuant to this Agreement are exclusive of GST/HST, sales, use and value added taxes (collectively, "Sales Taxes"). To the extent that the Vendors are required by Applicable Law to collect such Sales Taxes in respect of the Purchased Assets, the Purchaser shall pay such Sales Taxes concurrently with the consideration upon which such Sales Taxes are calculated.

2.08 Purchased Contracts

(1) Each of the Vendors will use its commercially reasonable efforts to obtain all Consents necessary to permit the assignment to, and assumption by, the Purchaser of all the Purchased Contracts and the Assumed Liabilities in respect thereof to be assigned to and assumed by the Purchaser pursuant to this Agreement; provided, that, except as provided in this Agreement, such efforts will not require any Vendor or the Purchaser to pay any amounts. The Purchaser will provide its reasonable cooperation to assist the Vendors to obtain such Consents.

(2) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contract for which any requisite Consent has not been obtained or which as a matter of Applicable Law or by its terms is not assignable. If any Consent in respect of a Purchased Contract has not been obtained on or prior to the Time of Closing, to the extent permitted by Applicable Law, at the Purchaser's option, the Vendors will use reasonable commercial efforts to enter into arrangements with the Purchaser to provide the benefits thereof to the Purchaser, including holding such Purchased Contract as agent or in trust for the benefit of the Purchaser for a period of 120 days from the Closing Date, and during such period, the Purchaser will perform the obligations of the relevant Vendor thereunder and be entitled to receive all money becoming due and payable under and other benefits derived from the Purchased Contract immediately after receipt by the applicable Vendor. For certainty, nothing in this Section 2.08 shall affect the Purchaser's right to terminate this Agreement pursuant to Sections 5.02(f) and 5.05(c).

(3) The Purchaser will be responsible for payment, upon or following the Closing Date, of all Cure Costs in respect of any Purchased Contracts, up to a maximum of \$ [REDACTED]

(4) At any time prior to the Time of Closing, the Purchaser may elect to exclude any Contracts from the Purchased Contracts, other than Contracts to which the CC Corporation is a party, by giving written notice to Tricon of its intention to do so. No changes to the Purchase Price shall result from the exclusion of any Contracts from the Purchased Contracts pursuant to this Section 2.08(4).

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.01 Vendors' and CC Corporation's Representations and Warranties

Each of the Vendors, jointly and severally, and the CC Corporation, as applicable, hereby represents and warrants to the Purchaser as follows:

(1) *Organization and Corporate Power*

- (a) Each of the Vendors and the CC Corporation is a corporation duly incorporated or established and validly existing under the laws of its governing jurisdiction and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.

(b) Subject to the CCAA Proceedings, the Initial Order, the Approval and Vesting Order and the CCAA Distribution Approval Order and receipt of any other orders required from the Court in connection with the transactions contemplated hereby, each of the Vendors and the CC Corporation has the requisite power to enter into, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party and to own its assets and to carry on its business as it is being conducted.

(2) *Authorization*

(a) Subject to the CCAA Proceedings, the Initial Order, the Approval and Vesting Order, and the CCAA Distribution Approval Order, the execution, delivery and performance by each of the Vendors and the CC Corporation of this Agreement and the other Transaction Documents to which it is a party (i) has been duly authorized by each of the Vendors and the CC Corporation, as applicable, and constitutes a valid and legally binding obligation of each Vendor and the CC Corporation, enforceable against each in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and (ii) do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, a breach of, or constitute a default under, (A) the Constating Documents of any of the Vendors or the CC Corporation or any resolution adopted by the board of directors or shareholders of any of the Vendors or the CC Corporation; (B) any order of any Governmental Authority applicable to any of the Vendors or the CC Corporation or by which any of their respective properties or assets are bound; or (C) any Applicable Law to which any of the Vendors or the CC Corporation or any of their respective properties or assets are subject.

(3) *Canadian Tax Matters*

Except as disclosed in Schedule 3.01(3):

- (a) Each of the Vendors is not (i) a non-resident of Canada for purposes of the Tax Act or (ii) a partnership, other than a "Canadian partnership", as defined in the Tax Act.
- (b) The Vendors are registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and their registration numbers are listed in Schedule A.
- (c) The CC Corporation is registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and its registration number is 81103 3596 and, if applicable, under any equivalent or analogous provincial Tax Law is so duly registered.
- (d) None of the Vendors which are non-residents of Canada have used the Purchased Assets in carrying on a business in Canada.
- (e) The CC Corporation is a "qualified corporation" as that term is defined in section 125.4 of the Tax Act.

- (f) Counterfeit Cat is a "Canadian film or video production" as that term is defined in subsection 1106(4) of the Income Tax Regulations.
- (g) The production Counterfeit Cat is not a tax shelter investment and no interest in a person or partnership that has, directly or indirectly, an interest in the production is a tax shelter investment for the purpose of section 143.2 of the Tax Act.
- (h) Prior to the Time of Closing, the CC Corporation has, to the knowledge of Tricon, complied with all material requirements to qualify for the Tax Credit Assets relating to Counterfeit Cat.
- (i) The CC Corporation has to date complied with all requirements to qualify for the Tax Credit Assets relating to Counterfeit Cat.
- (j) The CC Corporation has prepared and filed when due with each relevant Governmental Authority all material Tax Returns required to be filed by or on behalf of it in respect of any Taxes. All such Tax Returns are true, correct and complete in all material respects.
- (k) The CC Corporation has paid in full and when due all material Taxes, including deposits and instalments, required to be paid by it, whether or not shown on any Tax Return and has paid all material assessments and reassessments received in respect of Taxes.
- (l) The CC Corporation has withheld from each payment made to any Person, including its present or former employees, officers and directors and all Persons who are or are deemed to be non-residents of Canada for purposes of the Tax Act, all material amounts required by Applicable Law to be withheld, and has remitted such withheld amounts within the prescribed periods to the appropriate Governmental Authority.
- (m) The CC Corporation has remitted all material Canada Pension Plan contributions, provincial pension plan contributions, and employment insurance premiums, to the appropriate Governmental Authority within the time required under Applicable Law.
- (n) The CC Corporation has charged, collected and remitted on a timely basis all material Taxes as required under Applicable Law on any sale, supply or delivery, made by it.
- (o) Full and adequate provision has been made by the CC Corporation in the Financial Statements for all Taxes for any period for which Tax Returns are not yet required to be filed, or for which Taxes are not yet due or payable, up to the date of the Financial Statements.
- (p) No audit, investigation or other proceeding by any Governmental Authority is pending or, to the knowledge of the Vendors, threatened with respect to the CC Corporation, and no Governmental Authority has given written notice to the Vendors or the CC Corporation of any intention to assert any deficiency or claim for

additional Taxes against the CC Corporation, and there are no matters under discussion, audit or appeal with any Governmental Authority.

- (q) No Governmental Authority of a jurisdiction in which the CC Corporation does not currently file Tax Returns has made any written claim that the CC Corporation is or may be subject to taxation by such jurisdiction. To the knowledge of the Vendors, there is no basis for a claim that the CC Corporation is subject to Tax in a jurisdiction in which it does not currently file Tax Returns.

- (r) There are no outstanding agreements, waivers, objections or arrangements extending the statutory period of limitations applicable to any claim for Taxes due from or with respect to the CC Corporation for any taxable period, nor has any such agreement, waiver, objection or arrangement been requested. The CC Corporation is not bound by any Tax sharing, allocation or indemnification or similar agreement.

- (s) There are no Liens for Taxes upon any property or assets of the CC Corporation.

- (4) *Litigation and Intellectual Property*
 - (a) Except for the CCAA Proceedings, to the knowledge of the Vendors and the CC Corporation, there are no Claims, injunctions, investigations or other proceedings, including appeals and applications for review, in progress or, to the knowledge of the Vendors and the CC Corporation, pending or threatened against or relating to the Vendors or the CC Corporation which, if determined adversely to such entities, would result in a Material Adverse Effect on the Vendors or the CC Corporation.

 - (b) The CC Corporation owns or has the right to use all relevant Intellectual Property used in the CC Business as currently conducted, except where the failure to own or right to use would not result in a Material Adverse Effect on the CC Corporation. To the knowledge of the CC Corporation, the CC Corporation has not received written notice of any pending claim, nor is it aware of any pending claims that the ownership or use, as applicable, of the Intellectual Property used in the CC Business infringes or otherwise violates the Intellectual Property rights of any third party.

 - (c) The CC Corporation has obtained from the authors of any works forming part of the Intellectual Property of the CC Business, a waiver of all moral rights (or other similar rights) relating to or associated with such works in favour of the CC Business and its successors and assigns, except where the failure to have obtained such a waiver would not result in a Material Adverse Effect on the CC Corporation.

 - (d) Each of the Vendors owns its interest in the Development Pipeline that it purports to own and has the right to exploit such interest in the Development Pipeline, except where the failure to own or right to exploit would not have a Material Adverse Effect on the Vendors.

- (e) To the knowledge of the Vendors, the use of the Purchased Intellectual Property by the Vendors, and the operation of the production development business as conducted by the Vendors as of the date hereof does not materially infringe or otherwise materially violate the rights of any person in respect of any Intellectual Property.
 - (f) Each Vendor has obtained from the authors of the Development Pipeline a waiver of all moral rights (or other similar rights) relating to or associated with the Development Pipeline in favour of such Vendor and its successors and assigns, except where the failure to have obtained such a waiver would not result in a Material Adverse Effect on the Vendors.
 - (g) For the purpose of Section 4.03 of this Agreement, subject to the execution of the trademark assignment agreement contemplated by Section 5.02(i), the Vendors and the CC Corporation shall provide all material documentation and material information that is relevant to the ownership of the Intellectual Property of the Vendors and the CC Corporation and the waivers of moral rights in respect of the Development Pipeline to the extent such waivers of moral rights exist.
- (5) *Purchased Assets*
- (a) Tricon is the sole holder of record and is the only beneficial owner of the Purchased Shares. There are no outstanding securities of CC Corporation other than the Purchased Shares. Tricon now has, and at the Time of Closing, the Purchaser shall acquire, good title to the Purchased Shares, free and clear of all Liens.
 - (b) Subject to the execution of the trademark assignment agreement contemplated by Section 5.02(i), the CC Assets and the Purchased CC Contracts constitute all of the material property, undertaking and assets used or held for use by the Vendors and required in carrying on the CC Business.
 - (c) To the knowledge of the Vendors and the CC Corporation, at the Time of Closing, the CC Assets and the Purchased CC Contracts will be sufficient to permit the Purchaser to conduct the CC Business substantially in the same manner as it is conducted on the date hereof.
- (6) *Employees*
- (a) The Vendors do not sponsor or participate in a registered or unregistered pension plan (whether defined benefit or defined contribution).
 - (b) To the knowledge of the Vendors and the CC Corporation, there are no labour disputes, grievances, strikes or lockouts currently in existence or threatened with respect to the Vendors' business, the CC Business or any of the Subject Employees.
 - (c) To the knowledge of the Vendors and the CC Corporation, (i) there are no collective agreements in force with respect to the Subject Employees; (ii) no person holds bargaining rights with respect to any of the Subject Employees, (iii) no person has applied to be certified as the bargaining agent of any Subject Employees, and (iv) no

part of the CC Business has been certified as a unit appropriate for collective bargaining by which the Purchaser will be bound as a result of the purchase of the CC Business or the Purchased Assets or engagement of the Subject Employees.

(7) *Liabilities*

- (a) To the knowledge of the Vendors and the CC Corporation, the CC Corporation has no material Liabilities other than
- (i) Liabilities disclosed in the Financial Statements; and
 - (ii) Liabilities incurred by the CC Corporation since the date of the Financial Statements in the ordinary course of business and consistent with Schedule H.
- (b) To the knowledge of the Vendors and the CC Corporation, there are no facts or circumstances that might impair (i) the collectability in full of the Tax Credit Assets of the CC Business, or (ii) the good standing and enforceability of any Contract relating to the CC Business.

(8) *Material Contracts*

- (a) Schedule 3.01(8)(a) contains a complete and accurate listing and description of Contracts to which the CC Corporation or a Vendor is a party and by which the CC Corporation or a Vendor is bound which is material to the operation of the CC Business (the "Material Contracts"). Correct and complete copies of the Material Contracts have been made available to the Purchaser.

(9) *Brokers*

- (a) Except for fees and commissions that will be paid by Tricon (which, for certainty, are and will remain the sole liability of Tricon), no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Documents based upon arrangements made by or on behalf of any of the Vendors or any of their respective Affiliates.

(10) *Competition Act*

- (a) Neither the aggregate value of the assets of the CC Corporation (or corporations controlled by that corporation) nor the annual gross revenues from sales in or from Canada generated from such assets do not exceed, in either case, \$87 million as determined pursuant to subsection 110(3) of the Competition Act.

3.02 **Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to the Vendors as follows:

- (1) *Organization and Corporate Power*
 - (a) The Purchaser is a corporation duly organized and validly existing under the laws of the Province of Ontario and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business make such qualification necessary.
- (2) *Authorization*
 - (a) The execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party (i) has been duly authorized by the Purchaser and constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and to the fact that specific performance is an equitable remedy available only in the discretion of the court; and (ii) do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, a breach of, or constitute a default under (A) the Constatng Documents of the Purchaser; or (B) any Applicable Law to which the Purchaser or any of the Purchaser's assets are subject.
- (3) *Sufficient Funds*
 - (a) The Purchaser has available to it, or the Purchaser has a firm written commitment from a lending institution for, and will have available to it on the Closing Date, sufficient funds to pay the Purchase Price, any fees and expenses of the Purchaser related to the transactions contemplated by this Agreement and to consummate all other transactions contemplated by this Agreement to be so consummated by the Purchaser.
- (4) *Purchaser Acknowledgments*
 - (a) THE PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.01 OR ANY CERTIFICATE PROVIDED PURSUANT TO THIS AGREEMENT, ALL ASSETS PURCHASED AND LIABILITIES ASSUMED BY THE PURCHASER PURSUANT TO THIS AGREEMENT WILL BE ACQUIRED BY THE PURCHASER ON AN "AS IS, WHERE IS" BASIS AND "WITH ALL KNOWN AND UNKNOWN FAULTS".
 - (b) The Purchaser acknowledges and agrees that, except for the representations and warranties set out in Section 3.01, none of the Vendors, or any employee, officer, trustee, director, accountant, financial, legal or other representative of any of the Vendors or the Monitor has made any representation or warranty, express or implied, as to the Purchased Assets or the Assumed Liabilities (including any implied

representation or warranty as to the condition, merchantability, suitability or fitness for a particular purpose of any of the Purchased Assets), title to the Purchased Assets or the Assumed Liabilities, or as to the accuracy or completeness of any information regarding any of the foregoing that any of the Vendors, or any other person furnished or made available to the Purchaser or its representatives (including any projections, estimates, budgets, offering memoranda, management presentations or due diligence materials).

- (c) The Purchaser acknowledges and agrees that, in determining whether to enter into this Agreement, it (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets to be acquired and obligations and liabilities to be assumed in entering into this Agreement; and (ii) except for the representations and warranties set out in Section 3.01 or a Transaction Document, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of Applicable Law or otherwise) from or by any of the Vendors, or the Monitor or any of their partners, employees, agents, advisors or representatives or any employee, officer, director, accountant, financial, legal or other representative of any of the Vendors or the Monitor, regarding the Purchased Assets or the Assumed Liabilities or the completeness of any information provided in connection therewith, except as expressly stated herein.
 - (d) The Purchaser acknowledges and agrees that except as expressly provided herein, no representations or warranties, express or implied have or will be made by the Vendors in respect of the recoverability of the Tax Credit Assets of the CC Corporation insofar as the Tax Credit Assets are affected by: (i) the Purchaser's acquisition of the CC Business, or (ii) the operation of the CC Business by the Purchaser or its Affiliates following the Time of Closing.
 - (e) The Purchaser acknowledges and agrees that this Agreement is subject to the CCAA Proceedings, the Approval and Vesting Order, and the CCAA Distribution Order.
- (5) *Brokers*
- (a) Except for fees and commissions that will be paid by the Purchaser, no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Documents based upon arrangements made by or on behalf of the Purchaser or any of its Affiliates.
- (6) *GST/HST Registration*
- (a) At the Time of Closing, the Purchaser will be registered for GST/HST purposes under Part IX of the *Excise Tax Act* (Canada) and will provide its registration number to the Vendors prior to the Time of Closing.

ARTICLE 4 - COVENANTS

4.01 Court Orders

(1) *CCAA Proceedings*

- (a) The Vendors and the Purchaser will effectuate the transactions described in this Agreement pursuant to the CCAA Proceedings.
- (b) Without limiting the generality of Section 4.01(1)(a), the Vendors will serve and file as soon as practicable following the execution of this Agreement one or more motion records seeking an order, *inter alia*, approving the sale and purchase of the Purchased Assets pursuant to this Agreement and providing for the vesting in the Purchaser absolute title free and clear of all Claims, Liabilities and Liens to the Purchased Assets, in the form attached as Schedule 4.01(1)(b) (with only such changes as the Purchaser and the Vendors approve in their reasonable discretion (provided prior written consent to such changes is obtained by Tricon from the Lender)) (the "**Approval and Vesting Order**") and the CCAA Distribution Approval Order, using commercially reasonable efforts to obtain such orders of the Court.

(2) *Consultation; Notification*

- (a) The Vendors will promptly take such actions as are reasonably necessary or requested by the Purchaser to obtain entry of each order referred to in Section 4.01(1)(b). All motions brought by the Vendors or the Monitor (as applicable) in respect of any such order will be brought on not less than five (5) Business Days' prior notice to such parties as may be reasonably required by the Purchaser, in addition to any parties to whom notice is required by the Court to be given. The Vendors will use commercially reasonable efforts to provide the Purchaser with reasonable opportunity to review and comment on the service list for any such motion prior to serving any motion materials. The motion materials for the Court Approvals will be in form and substance acceptable to the Purchaser, acting reasonably and in a timely manner, and the Vendors will use commercially reasonable efforts to provide the Purchaser with a reasonable opportunity to review and comment on such motion materials.
- (b) The Purchaser and the Vendors will each promptly provide to the other of them all such information and assistance as may be reasonably requested to obtain issuance and entry of any Court Approval. The Purchaser and the Vendors will each make available qualified witnesses, where necessary, to provide affidavit evidence or to testify at any hearing before the Court seeking a Court Approval or part thereof.
- (c) The Purchaser and the Vendors will cooperate in obtaining entry of the Approval and Vesting Order and the CCAA Distribution Approval Order, and the Vendors will deliver, or will request the Monitor to deliver, as applicable to the Purchaser prior to service and filing, and as early in advance as is practicable to permit adequate and reasonable time for the Purchaser and its counsel to review and comment, copies of all proposed pleadings, motions, notices, statements, schedules, applications, reports

and other material papers to be filed by the Vendors or the Monitor, as applicable, in connection with such motions and relief requested therein and any objections thereto.

- (d) The Purchaser, at its own expense, will promptly provide to the Vendors and the Monitor all such information within its possession or under its control as the Vendors or the Monitor may reasonably require in order to obtain the Approval and Vesting Order and the CCAA Distribution Approval Order.

4.02 Operation of the Purchased Businesses

(1) The parties acknowledge that the Vendors and the CC Corporation are the subject of the CCAA Proceedings and, as of the date hereof, the Vendors are, except in connection with distribution activities and related activities, in the process of winding down their operations and the CC Corporation's operations are limited to the ongoing production of Counterfeit Cat and related activities. The Vendors and the CC Corporation covenant that, from and after the date hereof until the Closing Date, subject to any limitation imposed as a result of being subject to the CCAA Proceedings or any order of the Court and except as (i) is reasonably necessary in connection with the winding down by the Vendors and the CC Corporation of their operations, in each case, as described in the preceding sentence; (ii) the Purchaser may otherwise approve in writing (provided Tricon has also obtained the consent of the Monitor and the Lender); (iii) required by Applicable Law (including the CCAA); (iv) otherwise expressly contemplated or permitted by this Agreement or the Distribution Agreement; or (v) relating solely to Excluded Liabilities; each Vendor will, and will cause the CC Corporation to:

- (a) use commercially reasonable efforts to preserve intact the Purchased Assets and the CC Assets and maintain the Purchased Assets and the CC Assets;
- (b) use commercially reasonable efforts to continue production of Counterfeit Cat and to continue to incur CC Production Costs, and pay such CC Production Costs when due, in the ordinary course of the CC Business, consistent with past practice;
- (c) not sell, lease, license, transfer or otherwise dispose of, or agree to sell, lease, license, transfer or otherwise dispose of, any of the Purchased Assets or the CC Assets except in the ordinary course of the Vendors' business or the CC Business, consistent with past practice;
- (d) subject to the ordinary course of operations, use all reasonable efforts to keep available the services of the Subject Employees, each of whom is currently involved in the Vendors' business or the CC Business for the Purchaser and subject to the ordinary course of operations, to maintain relations and goodwill with suppliers, customers and others having business relations with the Vendors or the CC Corporation as such relations relate to the Vendors' business or the CC Business;
- (e) pay to all Subject Employees all wages (including overtime claims), salaries, bonuses and commissions, and all earned but unpaid vacation pay and sick leave pay and other entitlements earned or accrued in ordinary course of operations prior to the Time of Closing;

- (f) not incur or commit to incur any Lien on any Purchased Assets or CC Assets, other than Liens that will be discharged at or prior to the Time of Closing;
- (g) take all steps required for CC Corporation to qualify for Tax Credit Assets relating to the CC Business and not take any steps which would disentitle CC Corporation from qualifying for the Tax Credit Assets relating to the CC Business;
- (h) not breach (except as a result of the commencement of the CCAA), amend, disclaim or reject, or enter into any material amendment to, any Purchased Contract, or commit to do any of the foregoing; and
- (i) except for CC Production Costs, not make or commit to make any expenditure or commitment that would result in a Liability to the Purchaser after the Time of Closing.

4.03 **Examination of Records and Assets**

Subject to the terms and conditions of any Contract between the Purchaser or any of its Affiliates and any of the Vendors and to solicitor-client and attorney-client privilege and Applicable Law, the Vendors will, upon reasonable notice to the relevant Vendors, (i) forthwith make available to the Purchaser, its Affiliates and their authorized representatives all data bases recorded or stored by means of any device, including in electronic form, title documents, abstracts of title, deeds, surveys, leases, certificates of trademarks and copyrights, contracts and commitments in its possession or under its control relating to the CC Business, the CC Corporation, the Purchased Assets or the Assumed Liabilities; and (ii) give the Purchaser, its Affiliates and their authorized representatives every reasonable opportunity to have access to and to inspect the Purchased Assets and the CC Assets. The exercise of any rights of access or inspection by or on behalf of the Purchaser under this Section 4.03 will be made during the normal business hours of the relevant Vendors and will not affect or mitigate the covenants, representations and warranties of the Vendors in this Agreement, which will continue in full force and effect.

4.04 **Bulk Sales Laws**

Subject to the entry of the Approval and Vesting Order, each party waives compliance by the other party with the *Bulk Sales Act* (Ontario) and section 6 of the *Retail Sales Act* (Ontario).

4.05 **Subject Employees**

The Purchaser will, effective as of the opening of business on the Closing Date, offer to engage on and after the Closing Date, the Subject Employees on terms and conditions more particularly set out in an independent contractor agreement that Subject Employees will be required to execute as a condition of Closing (each an "**Independent Contractor Agreement**"). Such offers of engagement will be made to Subject Employees no less than three (3) Business Days prior to the Closing Date.

4.06 Cooperation on Tax Matters

Each of the Vendors and the Purchaser will furnish or cause to be furnished to each other, each at its own expense, as promptly as practicable, such reasonable information and reasonable assistance, and provide additional information and explanations of any material provided, relating to the CC Corporation as is reasonably necessary for the filing of any Tax Returns, for the collection of the Tax Credit Assets, for the preparation of any audit, and for the prosecution or defence of any Claim relating to any adjustment or proposed adjustment with respect to Taxes. Such covenant is qualified by the ability of the Monitor to provide the relevant cooperation and in no event shall require any party to incur or expend more than a nominal sum of money.

4.07 Actions to Satisfy Closing Conditions

(1) Each of the parties shall use commercially reasonable efforts to take all such actions as are within its power to control, and to cause other actions to be taken which are not within its power to control, so as to fulfill and satisfy the conditions set forth in Sections 5.01, 5.02 and 5.03.

(2) The Purchaser will promptly notify Tricon and the Monitor and Tricon will promptly notify the Purchaser, the Monitor and the Lender upon:

- (a) becoming aware of any order, pending or threatened or any complaint requesting an order prohibiting, preventing or making illegal the consummation of any of the transactions contemplated hereby; or
- (b) receiving any notice from any Governmental Authority of its intention:
 - (i) to institute a suit or proceeding to prohibit, prevent or make illegal the consummation of any of the transactions contemplated hereby; or
 - (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

ARTICLE 5 - CONDITIONS AND TERMINATION

5.01 Conditions to Each Party's Obligation

The sale by the Vendors and the purchase and assumption by the Purchaser of the Purchased Assets and the Assumed Liabilities is subject to the following conditions, which are for the benefit of the Purchaser and the Vendors, respectively, and which are to be complied with at or prior to the Time of Closing:

- (a) there will be in effect no Applicable Law, or any order, injunction, decree or judgment of any court or other Governmental Authority prohibiting, preventing or making illegal the consummation of any of the transactions contemplated hereby;

- (b) the Distribution Agreement will have been entered into between certain of the Vendors, the Purchaser and the Lender substantially in the form set out in Schedule D;
- (c) the Services Agreement will have been entered into between the Vendors, the Purchaser and Andrea Gorfolova;
- (d) the Status Opinion obtained by the Purchaser shall not have been revoked; and
- (e) the Initial Order, the Approval and Vesting Order and the CCAA Distribution Approval Order will have been granted by the Court and such orders will not have been stayed, varied in any material respect, set aside or appealed (or any such appeal will have been dismissed with no further appeal therefrom).

5.02 Conditions for the Benefit of the Purchaser

The sale by the Vendors and the purchase and assumption by the Purchaser of the Purchased Assets and the Assumed Liabilities is subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the Employment Agreement will have been entered into between the Purchaser and Andrea Gorfolova;
- (b) each of the Subject Employees will have accepted the Purchaser's offer of engagement pursuant to an Independent Contractor Agreement, and shall not have rescinded such signed Independent Contractor Agreement prior to the Time of Closing;
- (c) the representations and warranties of the Vendors set forth in Section 3.01 will be true and correct in all material respects (and for this purpose all materiality qualifications in such representations and warranties shall be disregarded at the Time of Closing) with the same force and effect as if made at and as of such time;
- (d) each of the Vendors will have performed or complied in all material respects with all of the obligations and covenants of this Agreement and of all other Transaction Documents to which it is a party to be performed or complied with by such Vendor at or prior to the Time of Closing;
- (e) there shall have been no Material Adverse Effect;
- (f) the Purchaser will be furnished with the Consents set out in Schedule B;
- (g) the Purchaser will be furnished with a certificate signed by an officer of each Vendor and the CC Corporation (not in her personal capacity and without personal liability), dated the Closing Date, to the effect that (i) the obligations and covenants contained in this Agreement or in any other Transaction Document to which it is a party to have been performed or complied with by the Vendors at or prior to the Time of Closing

have been performed or complied with in all material respects, and (ii) all of the representations and warranties of the Vendors and the CC Corporation set forth in Section 3.01 are true and correct at the Time of Closing in all material respects (and for this purpose all materiality qualifications in such representations and warranties shall be disregarded at the Time of Closing) and with the same force and effect as if made at and as of the Time of Closing;

- (h) the production of Counterfeit Cat will be continuing or will have been completed;
- (i) execution of a trademark assignment agreement providing for the assignment of the Assigned Trademark from Tricon to CC Corporation in the form of the trademark assignment agreement attached hereto as Schedule 5.02;
- (j) the Purchaser will be furnished with evidence, to the satisfaction of the Purchaser, that the Pre-Closing Intercompany Reorganization has been completed; and
- (k) each of the deliveries required to be made to the Vendors pursuant to Sections 6.02(b)(i), 6.02(b)(ii), 6.02(b)(iii), 6.02(b)(iv), 6.02(b)(v), 6.02(b)(vi), 6.02(b)(vii), 6.02(b)(viii) and 6.02(b)(xvi) shall have been so delivered.

5.03 Conditions for the Benefit of the Vendors

The sale by the Vendors and the purchase and assumption by the Purchaser of the Purchased Assets and the Assumed Liabilities is subject to the following conditions, which are for the exclusive benefit of the Vendors and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in Section 3.02 will be true and correct in all material respects (and for this purpose all materiality qualifications in such representations and warranties will be disregarded at the Time of Closing) with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied in all material respects with all of the obligations and covenants of this Agreement and of all other Transaction Documents to which it is a party to be performed or complied with by the Purchaser at or prior to the Time of Closing;
- (c) the Vendors will be furnished with a certificate signed by an officer of the Purchaser (not in his personal capacity and without personal liability), dated the Closing Date, to the effect that: (i) the obligations and covenants contained in this Agreement or in any other Transaction Document to which it is a party to have been performed or complied with by the Purchaser at or prior to the Time of Closing have been performed or complied with in all material respects, and (ii) all of the representations and warranties of the Purchaser set forth in Section 3.02 are true and correct at the Time of Closing in all material respects (and for this purpose all materiality qualifications in such representations and warranties will be disregarded at the Time of Closing) and with the same force and effect as if made at and as of the Time of Closing; and

- (d) each of the deliveries required to be made to the Purchaser pursuant to Sections 6.02(a)(i) and 6.02(a)(iii) shall have been so delivered.

5.04 Waiver of Condition

The Purchaser, in the case of a condition set out in Sections 5.01 or 5.02, and Tricon with the consent of the Monitor and the Lender, on behalf of the Vendors, in the case of a condition set out in Sections 5.01 or 5.03, will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon without prejudice to any of its rights in the event of non-performance of or non-compliance with any other condition in whole or in part. Any such waiver will not constitute a waiver of any other conditions in favour of the waiving party. Such waiving party will retain the right to complete the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities herein contemplated.

5.05 Termination

This Agreement may, and in the case of Section 5.05(e) will, be terminated as follows and in no other manner:

- (a) by written agreement of the Purchaser and the Vendors and the CC Corporation, but only if prior written consent to the termination is obtained by Tricon from the Lender;
- (b) upon written notice by Tricon but only if prior written consent to the termination is obtained from the Lender, on behalf of the Vendors and the CC Corporation, on the one hand, or by the Purchaser, on the other hand, if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by the other party and such breach has not been waived or cured within ten (10) days following the date on which the non-breaching party notifies the other party of such breach (but not later than the Outside Date);
- (c) upon written notice by the Purchaser if any condition in Section 5.01 or 5.02 has not been satisfied as of the Time of Closing or if it becomes apparent that such condition cannot be satisfied as of the Time of Closing (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived such condition on or before the Closing Date;
- (d) upon written notice by Tricon but only if prior written consent to the termination is obtained from the Lender, on behalf of the Vendors and the CC Corporation, if any condition in Section 5.01 or Section 5.03 has not been satisfied as of the Time of Closing or if it becomes apparent that such condition cannot be satisfied as of the Time of Closing (other than through the failure of a Vendor or the CC Corporation to comply with its obligations under this Agreement) and the Vendors and the CC Corporation have not waived such condition on or before the Closing Date; and
- (e) automatically if the completion of the sale and purchase and assumption of the Purchased Assets and Assumed Liabilities herein contemplated has not occurred on or before the Outside Date.

5.06 **Effect of Termination**

Each party's right of termination under Section 5.05 is in addition to any other rights it may have under this Agreement or otherwise. Notwithstanding the foregoing, if this Agreement is terminated pursuant to Section 5.05: (a) all further obligations of the parties under this Agreement will terminate, except that the obligations in Sections 5.07, 6.04(1), 8.03, 8.04, 8.05 and 8.06 will survive, and each of the parties will be released from all obligations hereunder; and (b) subject only to Section 5.07(1), no party will be liable to the other 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 this Agreement.

5.07 **Deposit**

- (1) If this Agreement is terminated:
 - (a) by Tricon, on behalf of the Vendors or the CC Corporation:
 - (i) in accordance with Section 5.05(b) **[Breach of Rep]**, or
 - (ii) in accordance with Section 5.05(d) **[Closing Conditions not Satisfied]**, other than as a result of a condition in Section 5.01 having not been satisfied, and the reason for the condition(s) in Section 5.03 having not been satisfied is as a result of a failure of the Purchaser to comply with its obligations under this Agreement, or
 - (b) by the Purchaser in accordance with Section 5.05(c) **[Closing Conditions not Satisfied]** but only as a result of a condition in Section 5.02(a) **[Employment Agreement]**, Section 5.02(b) **[Subject Employees]**, Section 5.02(f) **[Consents]** and Section 5.02(i) **[Misc.]** not being satisfied, and the reason for the condition(s) in Section 5.02 having not been satisfied is as a result of a failure of the Purchaser to comply with its obligations under this Agreement,

and none of the Vendors or CC Corporation is then in breach of any provision of this Agreement, then Tricon, on behalf of the Vendors and the CC Corporation, shall be entitled to keep the Deposit and the Purchaser shall have no further recourse thereto. The parties hereto agree that if the Deposit is kept by Tricon pursuant to this Section 5.07(1), such Deposit is a genuine pre-estimate of liquidated damages and shall constitute compensation and not a penalty. The parties acknowledge and agree that the Vendors' and the CC Corporation's harm or actual damages caused by a termination of this Agreement for a reason set forth in this Section 5.07(1) would be impossible or very difficult to accurately estimate, and that the Deposit is a reasonable estimate of the anticipated or actual harm or actual damages that might arise from a termination of this Agreement for a reason set forth in this Section 5.07(1). Each Vendor acknowledges and agrees that the Deposit is the Vendors' and the CC Corporation's exclusive remedy for a termination of this Agreement for any reason set forth in this Section 5.07(1).

- (2) If this Agreement is terminated by any party for any reason other than as set forth in Section 5.07(1), the Deposit shall be returned to the Purchaser as soon as reasonably practicable following such termination, but in any event within three (3) Business Days thereof.

ARTICLE 6 - CLOSING ARRANGEMENTS

6.01 Closing

The sale and purchase of the Purchased Assets and the assumption of the Assumed Liabilities will be completed at the Time of Closing at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6.

6.02 Closing Deliveries

At the Time of Closing:

- (a) the Purchaser will deliver, or cause to be delivered:
 - (i) the Closing Date Payment Amount in accordance with Section 2.06;
 - (ii) evidence satisfactory to the Vendors, acting reasonably, of payment by the Purchaser of Cure Costs, if any;
 - (iii) an assignment and assumption agreement providing for the assumption of the Assumed Liabilities executed by the Purchaser, or an Affiliate of the Purchaser, as may be required by either the Vendors or the counterparties thereto, in respect of the Purchased Contracts;
 - (iv) an intellectual property assignment in respect of the Purchased Intellectual Property, duly executed by the Purchaser and the License Agreement in respect of the Excluded Intellectual Property in the form set out at Schedule F duly executed by the Purchaser;
 - (v) the officer's certificate required to be delivered pursuant to Section 5.03(c);
 - (vi) the Services Agreement duly executed by the Purchaser;
 - (vii) the Distribution Agreement duly executed by the Purchaser; and
 - (viii) all other documents reasonably required by the Vendors to be entered into or delivered by the Purchaser at the Time of Closing pursuant to the terms of this Agreement.

To the extent an item in the foregoing 6.02(a) is not required by Section 5.03 to have been delivered prior to the Time of Closing and such item has not been delivered at the Time of Closing, the Purchaser shall, following the Time of Closing, continue to use commercially reasonable efforts to take all such actions as are within its power and control, and to cause other actions to be taken which are not within its power to control, so as to deliver, or cause to be delivered, such item as soon as practicable following the Time of Closing, unless the delivery of such item has been explicitly waived by Tricon, on behalf of the Vendors.

- (b) the Vendors will deliver, or cause to be delivered:

- (i) all certificates in Tricon's possession or control representing the Purchased Shares;
- (ii) a share transfer form in respect of the Purchased Shares, duly executed by Tricon;
- (iii) one or more bills of sale and/or general conveyances executed by the applicable Vendor(s) to convey the Purchased Assets to the Purchaser, or as the Purchaser directs, free and clear of all Liens;
- (iv) an assignment and assumption agreement providing for the assumption of the Assumed Liabilities by the Purchaser, or an Affiliate of the Purchaser, executed by the applicable Vendor(s), as may be required by either the Vendors or other counterparties thereto;
- (v) an intellectual property assignment in respect of the Purchased Intellectual Property duly executed by the applicable Vendors and the License Agreement in respect of the Excluded Intellectual Property in the form set out at Schedule F duly executed by the applicable Vendors;
- (vi) one or more releases and/or discharges executed by Lender, each in a form and substance acceptable to the Purchaser, acting reasonably, in favour of the Purchaser permanently releasing and discharging all Claims, Liabilities and Liens which the Lender may have in, to or in respect of the assets, undertakings and properties of CC Corporation (which, for greater certainty, shall not release the Lender's interests in the proceeds of the sale of the Purchased Assets pursuant to this Agreement);
- (vii) a copy of all Court Approvals;
- (viii) an executed copy of each Consent set out in Schedule B;
- (ix) a certified copy of the minutes or unanimous written resolutions of the directors of the CC Corporation approving the transfer of the Purchased Shares from Tricon to the Purchaser;
- (x) the minute books, share certificate books and corporate seal (if applicable) of the CC Corporation;
- (xi) the written resignation of Andrea Gorfolova in her roles with the CC Corporation, with effect as at the Time of Closing, in form and substance satisfactory to the parties, acting reasonably;
- (xii) the written resignation of each director and officer of the CC Corporation designated by the Purchaser, each with effect as at the Time of Closing and each in form and substance satisfactory to the parties, acting reasonably;
- (xiii) the officer's certificate required to be delivered pursuant to Section 5.02(g);

- (xiv) the Services Agreement duly executed by the Vendors and Andrea Gorfolova;
- (xv) the Distribution Agreement duly executed by the Vendors;
- (xvi) evidence of notice of assignment of the Distribution Agreement between Tricon Films and Wildseed Kids Counterfeit Cat Limited, dated as of June 16, 2015, as amended July 15, 2016, having been sent to Coutts & Co. and Film Finances, Inc.; and
- (xvii) all other documents reasonably required by the Purchaser to be entered into or delivered by the Vendors at the Time of Closing pursuant to the terms of this Agreement.

To the extent an item in the foregoing 6.02(b) is not required by Section 5.02 to have been delivered prior to the Time of Closing and such item has not been delivered at the Time of Closing, the Vendors shall, following the Time of Closing, continue to use commercially reasonable efforts to take all such actions as are within its power and control, and to cause other actions to be taken which are not within its power to control, so as to deliver, or cause to be delivered, such item as soon as practicable following the Time of Closing, unless the delivery of such item has been explicitly waived by the Purchaser.

6.03 Delivery of Monitor's Certificate

When each party has advised the others that it is satisfied with the documents delivered to it at or before the Time of Closing, the Purchaser and the Vendors will each deliver to the Monitor written confirmation that the conditions set out in Sections 5.01, 5.02 and 5.03, as applicable, have been satisfied or waived following which the Monitor will deliver an executed copy of the Monitor's Certificate to the Purchaser's counsel in escrow upon the sole condition of the Monitor receiving confirmation of receipt by the Vendors of the amounts referred to in Section 2.06 being paid in accordance with Section 2.06. Following written confirmation of receipt by the Vendors of such funds, the Monitor's Certificate will be released from escrow to the Purchaser. Upon such delivery, the Time of Closing will be deemed to have occurred. The Monitor will promptly file a copy of the Monitor's Certificate with the Court and provide evidence of such filing to the Purchaser.

6.04 Confidentiality

(1) Both prior to the Closing Date and, if the sale and purchase and assumption of the Purchased Assets and Assumed Liabilities hereunder fails to occur for whatever reason, thereafter each of the Purchaser and its Affiliates who received confidential information will not disclose to anyone, other than the Court in connection with the CCAA Proceedings, or use for its own or for any purpose other than the purpose contemplated by this Agreement or in connection with the CCAA Proceedings any confidential information concerning the Vendors, the CC Corporation, the Purchased Assets or the Assumed Liabilities obtained by the Purchaser or its Affiliates pursuant hereto, will hold all such information in the strictest confidence and, if the sale and purchase and assumption of the Purchased Assets and Assumed Liabilities hereunder fails to occur for whatever reason, will, upon written request of Tricon, promptly and in any event within ten (10) Business Days, either, at the option of the Purchaser, return or destroy all documents, records and all other

information or data relating to the Vendors or to the CC Corporation, the Purchased Assets and the Assumed Liabilities which the Purchaser obtained pursuant to this Agreement. Notwithstanding the foregoing, the Purchaser or its Affiliates who received confidential information shall be permitted to retain such copies of confidential information as are necessary to meet any requirements of Applicable Law or *bona fide* internal document retention policies, or copies created pursuant to automatic archiving and back-up procedures to the extent such files are not available to an end user, provided that such copies will be held by the Purchaser or its Affiliates, as applicable, and kept confidential in accordance with this Agreement.

(2) From and after the Time of Closing the Vendors will not disclose to anyone, other than the Court in connection with the CCAA Proceedings, or use for any purpose any confidential information concerning the CC Corporation, the Purchased Assets purchased by the Purchaser or the Assumed Liabilities assumed by the Purchaser pursuant to this Agreement and will hold all such information in the strictest confidence.

(3) The foregoing confidentiality requirements will not include information which: (i) is proven to have been in the possession of the Purchaser or its Affiliates on a non-confidential basis prior to the date of disclosure of such information, (ii) is already published or has been in the public domain prior to the date of disclosure of such information, (iii) later becomes part of the public domain by publication or by other means except by means of an unauthorized act or omission on the part of the Purchaser or its Affiliates, (iv) is lawfully received in good faith from a third party who is not subject to confidentiality obligations to the Vendors, or (v) is required to be disclosed by order of a court or Governmental Authority.

ARTICLE 7 - SURVIVAL

7.01 Survival

No covenants, representations and warranties of each party contained in this Agreement or any certificate provided pursuant to this Agreement will survive the completion of the sale and purchase of the Purchased Assets and assumption of the Assumed Liabilities hereunder, except for the covenants that by their terms are to be satisfied or survive after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

ARTICLE 8 - GENERAL

8.01 Further Assurances

Each of the Vendors and the Purchaser will from time to time at the request and expense of the other execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 Time of the Essence

Time is of the essence of this Agreement.

8.03 Fees, Commissions and other Costs and Expenses

Each of the Vendors and the Purchaser will pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

8.04 Public Announcements

Except as required by Applicable Law, no public announcement or press release concerning the sale and purchase of the Purchased Assets or the assumption of the Assumed Liabilities may be made by the Vendors or the Purchaser without the prior consent and joint approval of the Vendors and the Purchaser.

8.05 Monitors Capacity

The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of the Vendors in the CCAA Proceedings, will have no Liability in connection with this Agreement whatsoever in its capacity as Monitor, in its personal capacity or otherwise.

8.06 Relationship with Lender

In this Agreement, references to a required consent from the Lender are in reference to obligations of Tricon only and, as they relate to the Purchaser, such references are only for informational purposes. In no event shall the Purchaser have an obligation to obtain consent from the Lender nor shall the Purchaser be required to inquire or satisfy itself that, where required by this Agreement, consent of the Lender has been obtained by Tricon. The failure by Tricon to satisfy an obligation of Tricon set out in the Agreement will constitute a breach of such obligation regardless of the reason for such failure, including if such failure is as a result of Tricon's inability to obtain the Lender's consent, where required by this Agreement. The parties hereto acknowledge that the Purchaser shall have no obligation or liability to the Lender whatsoever as a result of or arising out of this Agreement, and the Lender shall have no obligation or liability to the Purchaser or to the Tricon Entities whatsoever as a result of or arising out of this Agreement.

8.07 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

8.08 Entire Agreement

This Agreement (including the agreements contemplated hereby) constitutes the entire agreement between the parties with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements,

express, implied or statutory, between the parties other than as expressly set forth in this Agreement (including the agreements contemplated hereby).

8.09 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

8.10 Assignment

This Agreement may not be assigned by the Vendors or the Purchaser without the written consent of the other provided that the Purchaser may assign this Agreement without the consent of the Vendor to an Affiliate of the Purchaser provided that: (i) such Affiliate enters into a written agreement with the Vendors to be bound by the provisions of this Agreement in all respects and to the same extent as the Purchaser is bound, and (ii) that the Purchaser will continue to be bound by all the obligations hereunder as if such assignment had not occurred and perform such obligations to the extent that such Affiliate fails to do so.

8.11 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To the Vendors:

1462598 Ontario Inc. (d/b/a Tricon Films and Television)
50 Hewitt Avenue
Toronto, Ontario M6R 1Y3

Email: Andrea@triconfilms.com

Attention: Andrea Gorfolova

With copies to (which will not constitute notice)

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Email: Harvey@chaitons.com

Attention: Harvey G. Chaiton

To the Monitor:

KSV Advisory Inc.
150 King Street West, Suite 2308
Toronto, Ontario M5H 1J9

Email: dsieradzi@ksvadvisory.com

Attention: David Sieradzki

With copies to (which will not constitute notice)

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4 Canada

Email: ZweigS@bennettjones.com

Attention: Sean Zweig

To the Purchaser:

Sonar Canada Inc.
c/o Sonar Entertainment, Inc.
2121 Avenue of the Stars
Los Angeles, California 90067

Email: tlesinski@sonarent.com

Attention: Tom Lesinski

With copies to (which will not constitute notice)

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Email: sbrotman@fasken.com / jcattonrinaldi@fasken.com

Attention: Stuart Brotman / Jessica Catton Rinaldi

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

8.12 Remedies Cumulative

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

8.13 No Third Party Beneficiaries

This Agreement is solely for the benefit of

- (a) the Vendors, and their successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and
- (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Vendors under this Agreement

and this Agreement will not be deemed to confer upon or give to any other person any Claim or other right or remedy.

8.14 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8.15 Attornment

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. Each of the parties attorns to the jurisdiction of the courts of the Province of Ontario.

8.16 Severability

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect.

8.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

8.18 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.


[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

1462598 ONTARIO INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*


TRICON TELEVISION82 INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

OPERATOR POST INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

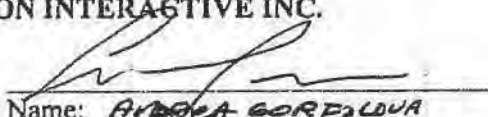
TRICON EDUCATION INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*


TRICON FILMS INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

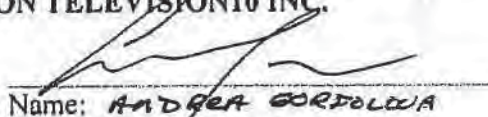
TRICON INTERACTIVE INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*


TRICON TELEVISION INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

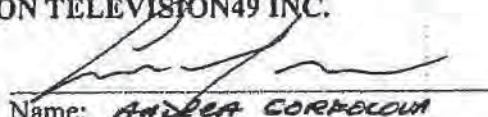
TRICON TELEVISION10 INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

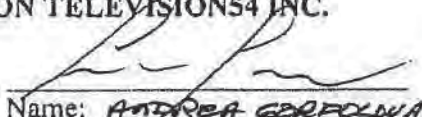
TRICON TELEVISION44 INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*


TRICON TELEVISION49 INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

TRICON TELEVISION54 INC.

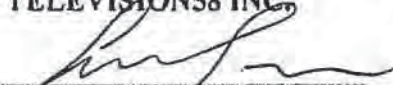
Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*

TRICON TELEVISION55 INC.

Per: 
Name: *ANDREA GORFLOVA*
Title: *PRESIDENT*


TRICON TELEVISION58 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

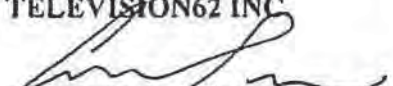
TRICON TELEVISION59 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

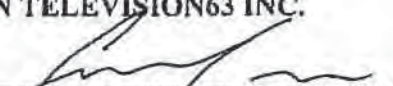
TRICON TELEVISION62 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

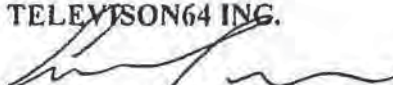
TRICON TELEVISION63 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

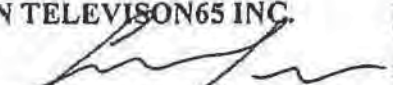
TRICON TELEVISION64 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

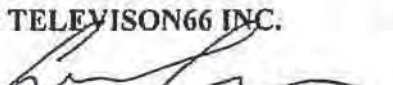
TRICON TELEVISION65 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

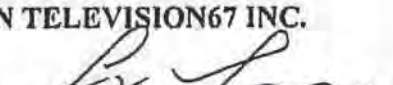
TRICON TELEVISION66 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT


TRICON TELEVISION67 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

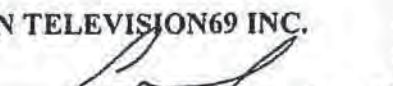
TRICON TELEVISION68 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

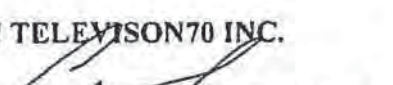
TRICON TELEVISION69 INC.

Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

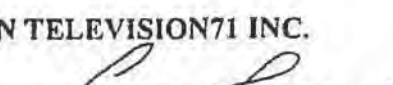
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Per:

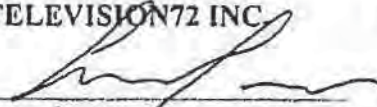

Name: ANDREA CORFOLOVA
Title: PRESIDENT

TRICON TELEVISION71 INC.

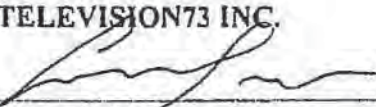
Per:


Name: ANDREA CORFOLOVA
Title: PRESIDENT

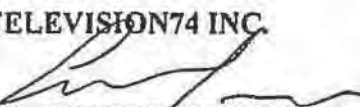
TRICON TELEVISION72 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

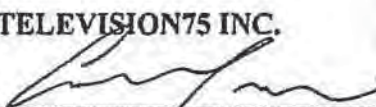
TRICON TELEVISION73 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

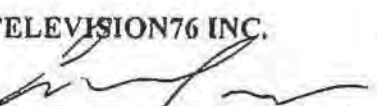
TRICON TELEVISION74 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

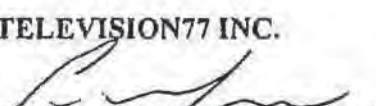
TRICON TELEVISION75 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

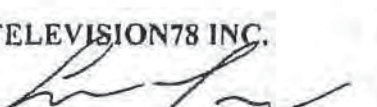
TRICON TELEVISION76 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

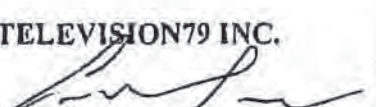
TRICON TELEVISION77 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

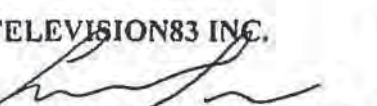
TRICON TELEVISION78 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

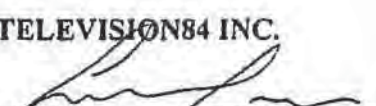
TRICON TELEVISION79 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

TRICON TELEVISION83 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

TRICON TELEVISION84 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

TRICON TELEVISION85 INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

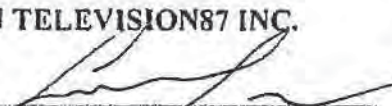
TRICON TELEVISION86 INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

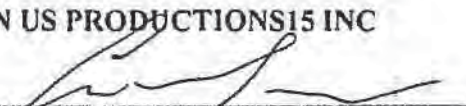
TRICON TELEVISION87 INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

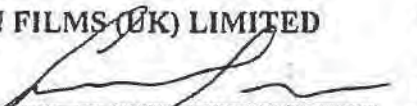
TRICON US PRODUCTIONS15 INC

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

TRICON FILMS (UK) LIMITED

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT


TRICON MEDIA HOLDINGS, INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

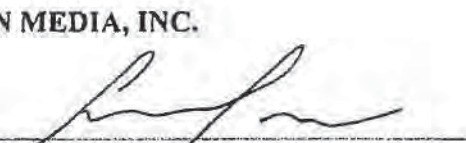
TRICON MEDIA PRODUCTIONS,
INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

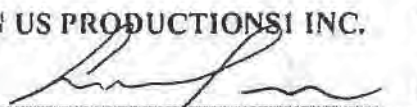
TRICON MEDIA, INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT


TRICON US PRODUCTIONS1 INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

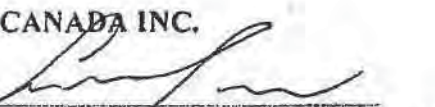
TRICON US PRODUCTIONS1A INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

SONAR CANADA INC.

Per:


Name: ANDREA GORFLOVA
Title: PRESIDENT

TRICON TELEVISION85 INC.

Per: _____
Name:
Title:

TRICON TELEVISION86 INC.

Per: _____
Name:
Title:

TRICON TELEVISION87 INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS15 INC

Per: _____
Name:
Title:

TRICON FILMS (UK) LIMITED

Per: _____
Name:
Title:

TRICON MEDIA HOLDINGS, INC.

Per: _____
Name:
Title:

**TRICON MEDIA PRODUCTIONS,
INC.**

Per: _____
Name:
Title:

TRICON MEDIA, INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS1 INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS14 INC.

Per: _____
Name:
Title:

SONAR CANADA INC.

Per: _____
Name: Jeffrey R Smith
Title: Vice President

SCHEDULE A

VENDORS

(INCLUDING GST/HST REGISTRATION NUMBERS)

1.	OPERATOR POST INC.	864876885
2.	TRICON EDUCATION INC.	
3.	TRICON FILMS INC.	
4.	TRICON INTERACTIVE INC.	
5.	TRICON TELEVISION INC.	
6.	TRICON TELEVISION10 INC.	
7.	TRICON TELEVISION44 INC.	
8.	TRICON TELEVISION49 INC.	
9.	TRICON TELEVISION54 INC.	
10.	TRICON TELEVISION55 INC.	
11.	TRICON TELEVISION58 INC.	
12.	TRICON TELEVISION59 INC.	
13.	TRICON TELEVISION62 INC.	
14.	TRICON TELEVISION63 INC.	
15.	TRICON TELEVISION64 INC.	
16.	TRICON TELEVISION65 INC.	
17.	TRICON TELEVISION66 INC.	
18.	TRICON TELEVISION67 INC.	
19.	TRICON TELEVISION68 INC.	
20.	TRICON TELEVISION69 INC.	
21.	TRICON TELEVISION70 INC.	
22.	TRICON TELEVISION71 INC.	

23.	TRICON TELEVISION72 INC.		
24.	TRICON TELEVISION73 INC.		
25.	TRICON TELEVISION74 INC.		
26.	TRICON TELEVISION75 INC.		
27.	TRICON TELEVISION76 INC.		
28.	TRICON TELEVISION77 INC.		
29.	TRICON TELEVISION78 INC.		
30.	TRICON TELEVISION79 INC.		
31.	TRICON TELEVISION83 INC.		
32.	TRICON TELEVISION84 INC.		
33.	TRICON TELEVISION85 INC.		
34.	TRICON TELEVISION86 INC.		
35.	TRICON TELEVISION87 INC.		
36.	TRICON FILMS (UK) LIMITED		
37.	TRICON MEDIA HOLDINGS, INC.		
38.	TRICON MEDIA PRODUCTIONS, INC.		
39.	TRICON MEDIA, INC.		
40.	TRICON US PRODUCTIONS1 INC.		
41.	TRICON US PRODUCTIONS14 INC.		
42.	TRICON US PRODUCTIONS15 INC.		

SCHEDULE B

CONSENTS

See attached.

Date	Counterparty	Contract	Contract Description
2015.06.14	Widened Cat Counterpart Ltd.	2015.06.14 Distribution Agreement with TFI as amended 2015.07.15 and as further amended 2015.11.26 License Agreement, b/w TFI and BVI	Consent of Widened required to assign all rights under the Agreement
2015.07.21	Counterpart Cat	2015.07.21 License Agreement Counterpart Cat Deal Special Conditions, b/w TFI and BVI	Consent of Widened and TFI required to assign all rights under the Agreement
2015.09.30	ABC Cable Networks Group (ACNG)	2015.09.30 License Agreement Counterpart Cat Deal Special Conditions, b/w TFI and BVI	Consent of Widened and TFI required to assign all rights under the Agreement
2015.08.19	ABC Cable Networks Group (ACNG)	2015.08.19 License Agreement, b/w TFI and ABC	Consent of ACNG will be required
2015.11.28	Buenos Aires International, Inc. (BAI)	2015.11.28 License Agreement with TFI	Consent of BAI required to transfer the agreement to a Sinar entity
2015.12.15	Counterpart Cat	2015.12.15 License Agreement Counterpart Cat Deal Special Conditions, with TFI	Consent of BVI required to transfer the agreement to a Sinar entity
2015.05.30	TFCOM Films Inc.	2015.05.30 License Agreement Counterpart Cat Deal Special Conditions, with TFI	Consent of BVI required to transfer the agreement to a Sinar entity
2015.05.23	TFCOM Films Inc.	2015.05.23 Sub-Distribution Agreement, b/w TFI and TFI	Consent of TFCOM Films would be required for any assignment by TFCOM Films.
2015.12.14	The Ben Hurston Company	2015.12.14 Deal Memo with 1462388 Ontario Inc. (cosh) TFCOM Films & Television	Consent is required from The Ben Hurston Company, Inc. for the assignment of contract
2016.10.26	TVY Canada, Inc.	2016.10.26 Development Agreement (Phase B) with TFCOM Television 10 Inc.	Consent is required from TVY Canada, Inc. for the assignment of the contract

SCHEDULE C
DEVELOPMENT PIPELINE

Titles



1. 1786
2. 1 Did It For
3. 5 Dishes
4. 7 Days To Live
5. Abbey Sharpe
6. Adam'S Life
7. Amazon Gold
8. American Extremist
9. Animal Invaders
10. [Intentionally deleted]
11. Arizona Flip
12. Auction Block Party
13. Audition Hero
14. Back Country Killers
15. Bad Through History
16. BC Gold Bush Plane
17. Beasts of the Wild
18. Big House Rescue
19. Bigfoot
20. Billion Dollar Billy
21. Bishop
22. Bitten
23. Booth Brothers
24. Boxing Gym
25. Breakfast Anytime
26. Breakneck Builds 2 and all subsequent seasons
27. Building The View
28. Built For Kids
29. Bunkie Builders
30. Cabin Fever
31. Castings
32. Cave Men Contractors
33. Changing Lanes
34. Chariots Of The Gods
35. Charlie's Burgers (Secret Service)
36. Christine Flynn

37. Country Contractor
38. Crash Therapy
39. Crazy Women Realty
40. Criminal Defense
41. Cymphonique
42. D&D
43. Dark Science
44. Dead End Dating
45. Dear Neighbours
46. Deedee The Great
47. Desserted
48. Dish It
49. Divorced And Dating
50. DIY Playbook
51. DJ Premier
52. Duncan Quinn
53. Ekstensive Auto
54. Ekstensive Metal Works
55. Endless Winter
56. Escobar
57. Escobars Gold
58. Expandables 3 and all subsequent seasons
59. Extreme Scaffolding
60. False Security
61. Famely
62. Family Dinner Fix
63. Famous Finds
64. Farmer's Daughters
65. Fashion 2.0
66. Fashion Miami
67. Fashion Twins
68. Fat Drunk and Happy
69. Finding Escobar
70. Fish Out Of Water
71. Flip It Sisters
72. Flying
73. Food In A Flash
74. Foods Greatest Hits 2 and all subsequent seasons
75. Foxes In Boxes
76. Frankie Pickle
77. Freedom Town
78. Freerunner
79. Friday Night Flips

80. Full Throttle
81. Geokey's In Nashville
82. Ghost Ships
83. Glass House Gurus
84. Go Away Unicorn
85. Golden State Flippers
86. Graham Hill
87. Great Bear Rainforest
88. Hauling History
89. Hector Hernandez
90. Hello Elo
91. Here Puppy
92. Hillbilly Hotdogs
93. Hired Guns
94. His & Her's Flips
95. Home Suite Home
96. Hopkins Family Flip
97. Hospitality Brothers
98. Human Nature
99. Humble Home Hunters 2 and all subsequent seasons
100. I did it For Lil CEO's
101. ICyclone
102. In Betweeners
103. Jacque La Merde
104. John Salley
105. Keisha Cooks
106. Kick
107. Kids Diner
108. Kids Vs. Zombies
109. Killing Seas
110. Kollaff Sisters
111. Las Vegas Flip
112. Life's Game
113. Lifestyles
114. Live or Die
115. Liza & Alfee (Lala Land)
116. Luna World
117. Machine Men
118. Man Down
119. Man Of The North
120. Marine Animal Rescue
121. Mark Allen Johnson
122. Me Myself

123. Melissa Andre
124. Mgh Paranormal
125. Mountain Medicine
126. Ms. Sue
127. Murdered by Ghosts
128. Music
129. My Big Red Head
130. My Selfie (same as #122)
131. Mysteries of The Wild
132. Mysterious Creature
133. Never Say Die
134. Noah of the North
135. Ocean Outlaws
136. Off Season Secrets
137. Off The Grid
138. Our Absurd Life
139. Parents Trip
140. Party Monsters
141. Peanut Butter
142. Picture This
143. Pirates Of The Mississippi
144. Playing God
145. Pop Island
146. Punch Up
147. React To That
148. Rednecks With Paychecks
149. Renegade Entrepreneurs
150. Rental Kinds
151. Reverse Survival
152. Rocky Mountain Fire
153. Rocky Mountain Reno 2 and all subsequent seasons
154. Salon La Rouge
155. Science Fact Or Fiction
156. Seattle Flippers
157. Secret Chef
158. Sex Lies & Alibis
159. Shop Hers
160. Silo Homes
161. Son Of Man
162. Stranded
163. Sublime Doughnuts
164. SWAGG
165. Ted Vs. Evil

- 166. Tee'd Off
- 167. The Doll People
- 168. The Extractor
- 169. The Faculty
- 170. The Killing Seas
- 171. The Last Case (Quest For Justice)
- 172. The Last Fays
- 173. The Outsiders
- 174. The Parent Trip
- 175. The Slippers
- 176. Too Young To Die
- 177. Toy Testers 2 and all subsequent seasons
- 178. Train Like An Athlete
- 179. Vanity Vacation
- 180. Virtual Reality 260
- 181. Vox
- 182. W Network
- 183. Washington Prep
- 184. We're All Gonna Die
- 185. What Are the Odds
- 186. What The Flip
- 187. Wonder Kids
- 188. Woodland Jamboree
- 189. Worst Party Ever
- 190. Worth the Wait
- 191. Wyclef Jean

Contracts

1. Deal Memo dated December 14, 2015 between The Jim Hensen Company, Inc. and Tricon.
2. Development Agreement (Phase I) "Inbetweeners" made on October 26, 2016 between YTV Canada, Inc. and Tricon Television 10 Inc.

SCHEDULE D
FORM OF DISTRIBUTION AGREEMENT

See attached.

DISTRIBUTION AGREEMENT

THIS AGREEMENT dated as of April 4, 2017 (the "Agreement").

BETWEEN:

1462598 ONTARIO INC., a corporation duly incorporated under the laws of the Province of Ontario (hereinafter called "Tricon");

OF THE FIRST PART

- and -

THE AFFILIATES OF TRICON LISTED IN SCHEDULE "A" HERETO, each of which is an entity duly organized under the laws of its jurisdiction of organization (together with Tricon, hereinafter called the "Tricon Entities" and each a "Tricon Entity");

OF THE SECOND PART

- and -

SONAR CANADA INC., a corporation duly incorporated under the laws of the Province of Ontario (hereinafter called the "Distributor");

OF THE THIRD PART

- and -

SUNTRUST BANK, INC., a banking corporation duly incorporated under the laws of Georgia (hereinafter called the "Lender"), solely with respect to Sections 10.1.4, 11.2 and 18.6 hereof;

OF THE FOURTH PART

WHEREAS each of the Tricon Entities, Tricon Television80 Inc., Tricon Television81 Inc. and Tricon Television82 Inc. is a debtor in proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA") and subject to an Amended and Restated Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated December 20, 2016, as further amended on February 28, 2017 (the "Initial Order");

WHEREAS the Tricon Entities control various distribution rights to audio visual works as further defined in Schedule B ("Program" or "Programs");

WHEREAS the Tricon Entities, Tricon Television82 Inc. and the Distributor are parties to a purchase agreement made as of April 4, 2017 (the "Purchase Agreement") pursuant to which, *inter alia*, the Tricon Entities and Tricon Television82 Inc. agree to sell to Distributor and Distributor agrees to purchase certain Purchased Assets (as defined in the Purchase Agreement);

WHEREAS the Purchase Agreement contemplates, *inter alia*, that the Tricon Entities will appoint Distributor as their exclusive agent for the limited purpose of exhibiting, distributing and otherwise exploiting certain Programs that do not form part of the Purchased Assets;

WHEREAS, in furtherance of the Purchase Agreement, the Tricon Entities wish to grant to Distributor, as their exclusive agent, the right to exhibit, distribute and otherwise exploit the Programs in the Territory during the Term (as those terms are hereinafter defined) on the conditions set forth herein;

WHEREAS Distributor is willing to serve as the Tricon Entities' exclusive agent to exhibit, distribute and otherwise exploit the Programs in the Territory during the Term subject to the terms and conditions set forth herein; and

WHEREAS the Lender has advanced certain loans (each a "Loan") to the Tricon Entities, Tricon Television80 Inc., Tricon Television81 Inc. and Tricon Television82 Inc. and is a secured creditor in respect of such Loans;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

Section 1. INTERPRETATION

1.1 **Defined Terms.** As used in this Agreement, the following words and phrases shall have the respective meanings ascribed thereto:

1.1.1 "Acceptable Share of Revenues" in respect of any OFTTC Eligible Production or CPTC Eligible Production has the meaning set forth in the Canadian Film or Video Production Tax Credit Guidelines issued by Canadian Audio-Visual Certification Office, and, in any event, is an amount that is not less than ■% of the net profits from the exploitation of the production;

1.1.2 "Agency Accounts" shall have the meaning set forth in Section 6.2 hereof;

1.1.3 "Agreement" means this distribution agreement, including the schedules and exhibits hereto, and any and all amendments made in accordance with Section 18.7 hereof;

1.1.4 "Applicable Action" shall have the meaning set forth in Section 1.2 hereof;

1.1.5 "Applicable Courts" shall have the meaning set forth in Section 1.2 hereof;

1.1.6 “**best knowledge**” means, as it applies to a party, the actual knowledge of any of the party’s directors and officers of a particular fact or the knowledge of such fact that an individual would have if they had conducted a diligent inquiry.

1.1.7 “**BIA**” shall have the meaning set forth in Section 18.5 hereof;

1.1.8 “**Business Day**” means a day other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario;

1.1.9 “**Canadian Broadcaster**” means a corporation that carries on a broadcasting undertaking licensed by the CRTC under the *Broadcasting Act* (Canada);

1.1.10 “**Carrying Costs**” means all of the costs and expenses incurred by the Tricon Entities and/or the Lender relating to: the CCAA Proceedings (including, but not limited to, all fees charged by the Monitor and legal fees); the distribution of the Programs pursuant to this Agreement (including, but not limited to, all costs associated with dubbing, digitization, residuals, transportation and material and foreign versioning); payments to third party producers; and administrative fees;

1.1.11 “**CCAA Proceedings**” means the ongoing proceedings in respect of the Tricon Entities and Tricon Television82 Inc. under the CCAA pursuant to the Initial Order;

1.1.12 “**CCAA Protections**” shall have the meaning set forth in Section 8.1.17 hereof;

1.1.13 “**Court**” shall have the meaning set forth in the Recitals;

1.1.14 “**CPTC Eligible Production**” means each of the Owned Titles governed by this Agreement in respect of which a Tricon Entity has received, applied for or is in the process of applying for a tax credit under section 125.4 of the Tax Act;

1.1.15 “**Defaulting Party**” shall have the meaning set forth in Section 13.1 hereof;

1.1.16 “**Delivery Materials**” means the delivery materials described in Schedule C hereto to be delivered to Distributor;

1.1.17 “**Distribution Advance**” shall have the meaning set forth in Section 5.1 hereof;

1.1.18 “**Distribution Approval Order**” means an order of the Court, in the form attached hereto as Schedule D (or in such other form as may be agreed by each of Distributor and the Tricon Entities (but, in the case of the Tricon Entities, only if prior written consent is obtained by Tricon from the Lender)), *inter alia*, approving the terms of this Agreement and each of the transactions contemplated hereby, authorizing each of the Tricon Entities and Distributor to take any and all actions as may be necessary or desirable to implement this Agreement, extending to the Distributor the benefit of the

stays of proceedings in the Initial Order, and establishing in favour of the Distributor a valid and perfected first ranking security interest and charge as described in Section 14.1 hereof;

1.1.19 “**Distribution Expenses**” shall have the meaning set forth in Section 6.4.2 hereof;

1.1.20 “**Distribution Fee**” shall have the meaning set forth in Section 6.4.1 hereof;

1.1.21 “**Distribution Rights**” shall have the meaning set forth in Section 2.2 hereof;

1.1.22 “**Effective Date**” means the date upon which each of the following conditions has been satisfied: (a) the Distribution Approval Order has been obtained and has not been stayed, varied in any material respect, set aside or appealed (or any such appeal will have been dismissed with no further appeal therefrom); (b) the Status Opinion has not been revoked; and (c) the closing of the transactions described in the Purchase Agreement have occurred;

1.1.23 “**Eligible Canadian**” means either a person that is: (a) an individual who is (i), a citizen as defined in subsection 2(1) of the *Citizenship Act*, or (ii) a permanent resident, as defined in subsection 2(1) of the *Immigration and Refugee Protection Act*; or (b) a corporation that is a Canadian-controlled entity, as determined under sections 26 to 28 of the *Investment Canada Act* (Canada);

1.1.24 “**Fair Market Value**” shall have the meaning set forth in Section 10.2 hereof;

1.1.25 “**Force Majeure**” shall have the meaning set forth in Section 15.1 hereof;

1.1.26 “**Existing Accounts Receivable**” means any accounts receivable that are owing to a Tricon Entity by any third party prior to the Effective Date other than the CC Receivables and Assigned Receivables (as such terms are defined in the Purchase Agreement) assigned to the Distributor under the Purchase Agreement;

1.1.27 “**Gross Receipts**” shall have the meaning set forth in Section 6.1 hereof and shall be exclusive of GST/HST collected or collectible;

1.1.28 “**GST/HST**” means the taxes imposed under Part IX of the *Excise Tax Act* (Canada) and any similar provincial value added tax;

1.1.29 “**Initial Order**” shall have the meaning set forth in the Recitals;

1.1.30 “**Intellectual Property Rights**” shall have the meaning set forth in Section 8.1.15 hereof;

1.1.31 “**Judgment**” shall have the meaning set forth in Section 1.2 hereof;

1.1.32 **"Lender"** shall have the meaning set forth in the Recitals;

1.1.33 **"Licensed Titles"** refer to the Programs listed as "Licensed Titles" in Schedule B;

1.1.34 **"Loan"** shall have the meaning set forth in the Recitals;

1.1.35 **"Monitor"** means KSV Kofman Inc.;

1.1.36 **"Net Receipts"** shall have the meaning set forth in Section 6.4.4 hereof;

1.1.37 **"Non-Litigious Party"** shall have the meaning set forth in Section 12.1 hereof;

1.1.38 **"OFTTC Eligible Production"** means each of the Owned Titles governed by this Agreement in respect of which a Tricon Entity has received, applied for or are in the process of applying for a tax credit under section 91 of the *Taxation Act* (Ontario);

1.1.39 **"Owned Titles"** refer to the Programs listed as "Owned Titles" under Schedule B;

1.1.40 **"parties"** means the Distributor and the Tricon Entities;

1.1.41 **"Program"** or **"Programs"** shall have the meaning set forth in the Recitals;

1.1.42 **"Program Rights"** shall have the meaning set forth in Section 2.2 hereof;

1.1.43 **"Program Term"** means, with respect to each Program, the period of time commencing on the Effective Date and ending on the earlier of: (i) the end of the Term; and (ii) the end of the term of the distribution right in respect of a Program granted under a Third-Party Distribution Agreement; as indicated on a Program by Program basis in Schedule B;

1.1.44 **"Purchase Agreement"** shall have the meaning set forth in the Recitals;

1.1.45 **"Security Interest"** shall have the meaning set forth in Section 14.1 hereof;

1.1.46 **"Services Agreement"** means the services agreement to be entered into and executed among the Tricon Entities, the Purchaser or an affiliate of the Purchaser, and Andrea Gorfolova on the date the closing of the transactions described in the Purchase Agreement have occurred;

1.1.47 **"Status Opinion"** means an opinion dated February 17, 2017 under section 37 from the Minister of Canadian Heritage confirming the Distributor's status as a "Canadian" for the purposes of the *Investment Canada Act* (Canada);

1.1.48 **"Tax Act"** means the *Income Tax Act* (Canada);

1.1.49 **"Tax Credit Assets"** means the Canadian Film or Video Production Tax Credit, the Film or Video Production Services Tax Credit, the Ontario Film and Television Tax Credit, the Ontario Production Services Tax Credit, and any other film and television incentive tax credit pursuant to the Tax Act and the *Taxation Act* (Ontario), for which, in each case, any Tricon Entity has applied or is in the process of applying, for so long as such tax credits have not been received and remain outstanding, in connection with the following productions: A Bryk At a Time, Mission: 4 Count, Off the Map with Shannen & Holly, Summer Beach Bash 1, Sunny Megatron, Breakneck Builds, The Incredible Food Race, Summer Beach Bash 2, On the Record with Mick Rock, Humble Home Hunters and Food's Greatest Hits;

1.1.50 **"Term"** means the term of this Agreement, which shall commence as of the Effective Date and shall continue thereafter for a period of five (5) years unless sooner terminated pursuant to Section 10.1 hereof;

1.1.51 **"Territory"** means the territory as indicated on a Program by Program basis in Schedule B; and

1.1.52 **"Third-Party Distribution Agreement"** means a distribution agreement in respect of a Program between a Tricon Entity and the rights holder by which the applicable Tricon Entity acquired distribution rights in the Program.

1.2 **Jurisdiction.** Each of the parties hereby expressly: (a) consents to the exclusive personal jurisdiction of the courts of the Province of Ontario ("**Applicable Courts**"), and courts with appellate jurisdiction therefrom, with respect to any action, proceeding or other matter arising out of or in any way related to this Agreement or any of the transactions contemplated hereby ("**Applicable Action**"); (b) agrees that any such action, proceeding or other matter may be properly brought in, any of the Applicable Courts; (c) hereby irrevocably waives and agrees not to assert (by way of motion, as a defense or otherwise) in any Applicable Action brought in the Applicable Courts any claim (i) that it is not subject to the jurisdiction of such Applicable Court, (ii) that the Applicable Action is brought in an inconvenient forum, (iii) that the venue of the Applicable Action is improper, or (iv) that this Agreement or its subject matter may not for any other reason be enforced in such Applicable Court; (d) hereby irrevocably consents to service of process of such Applicable Court in the same manner as any other notice is served hereunder, and when so accomplished shall have the same force and effect as if personally served in the Province of Ontario, on a resident thereof; and (e) irrevocably agrees that final judgment (including the exhaustion of all rights to appellate review) in any Applicable Action ("**Judgment**") shall be conclusive and may be enforced in any other jurisdiction (i) by action, suit or proceeding on the Judgment, a certified and true copy of which shall be absolutely conclusive evidence of the fact and of the amount of any liability under or pursuant to the Judgment, or (ii) in any other manner not prevented by any applicable law.

1.3 **Captions.** Captions or paragraph headings are used herein for convenience of reference only and shall not constitute a part of this Agreement and shall not be utilized or referred to in the construction or interpretation of this Agreement.

Section 2. GRANT OF RIGHTS

2.1 **Appointment of Distributor to Distribute.** Subject to approval of the Court and effective as of the Effective Date, each of the Tricon Entities hereby irrevocably appoints Distributor, and Distributor hereby agrees to serve, as each of the Tricon Entities' exclusive agent solely to distribute the Programs on the terms and conditions set forth herein.

2.2 **Grant.** Subject to approval of the Court and effective as the Effective Date, the Tricon Entities hereby grant to Distributor the sole and exclusive right, license and privilege during the Term throughout the Territory (the "**Distribution Rights**") to exhibit, rent, lease, distribute, subdistribute, transmit, lend, broadcast and otherwise exploit (a) each Program, or any part or elements thereof, for the applicable Program Term, and (b) only to the extent necessary to exercise and exploit the rights herein granted to Distributor (and notwithstanding the last sentence of this Section 2.2), all allied, ancillary and subsidiary rights in and to the Programs (including, without limitation, music rights and music performance rights, as set forth in Section 8.1.11 and Section 8.1.12 hereof, respectively), in color and/or black and white prints, and on tapes or any other surface, and to license others to do so in accordance with this Agreement, in any and all media now known or hereinafter devised, including, without limitation, non-theatrically or by means of television, pay television, so-called Video on Demand, or other downloading, all forms of digital distribution, free television, or cable television, videocassette, video-disc, DVD, direct satellite broadcast, high definition, interactive and digital television, internet service, and any and all other means of projection, transmission, broadcasting, and exhibitions hereinafter more fully set forth and in any language version in which the Program or any part thereof may become available (collectively, the "**Program Rights**"). Notwithstanding the foregoing, the Distribution Rights will be modified on a Program by Program basis as indicated in Schedule B and, for certainty, the Distribution Rights do not include any rights to the Licensed Titles which the Tricon Entities do not have under the Third-Party Distribution Agreements.

2.3 To the extent that any Third-Party Distribution Agreement grants any Tricon Entity other rights in the Programs, including the right to receive payments, to collect retransmission royalties, and/or rights in or rights of first negotiation and/or last matching rights in merchandising or ancillary rights or subsequent productions (including sequels, prequels, remakes, adaptations or other subsequent related productions), subject to the approval of the Court and effective as of the Effective Date, the applicable Tricon Entity hereby grants to the Distributor, an exclusive license to exercise those rights and/or grant sublicenses to others in respect of those rights, during the Term and throughout the Territory, as agent on behalf of such Tricon Entity.

2.4 Except as expressly stated in this Agreement, the Distributor will have no right, title and interest in and to the Programs (including, but not limited to, all copyrights and trademarks pertaining thereto, including applications for the foregoing), prints and other materials provided by the Tricon Entities, and all such right, title and interest will remain the sole and exclusive property of the respective rights holders or owners.

2.5 The Distributor agrees, effective at the Effective Date, to perform all of the obligations of the Tricon Entities with respect to the Programs, including the obligations of the

Tricon Entities under any applicable Third-Party Distribution Agreement, and to be bound by the terms of and conditions of the obligations of the Tricon Entities under any applicable Third-Party Distribution Agreements, including but not limited to obligations to collect and/or remit payments, and financial or other reporting obligations.

Section 3. DELIVERY

3.1 **Delivery Date.** Each Tricon Entity agrees to use commercially reasonable efforts to deliver the Delivery Materials to the Distributor as soon as possible upon request of Distributor. The Tricon Entities acknowledge that the delivery of the Delivery Materials for a Program is imperative to the Distributor's ability to exercise the Distribution Rights granted to it hereunder. The Distributor will not be in material breach of this Agreement if such Delivery Materials are not provided to the Distributor, and as a consequence the Distributor is unable to perform its obligations under this Agreement; provided, that Distributor shall not be entitled to rely on this provision if Distributor is itself otherwise in breach of any provision of this Agreement (which breach is not a result of a Tricon Entity's failure to comply with its obligations regarding the delivery of Delivery Materials).

Section 4. TERM OF LICENSE

4.1 **Term.** The grant of the Distribution Rights for the Term shall be pursuant to Section 2.2 herein.

4.2 **First Opportunity to Renew.** Subject to the following sentence, if a Tricon Entity has the right to renew a Program Term under a Third-Party Distribution Agreement, such Tricon Entity shall, at the request of the Distributor in its sole discretion, exercise the renewal right to extend the Program Term to the maximum length possible under the Third-Party Distribution Agreement. Notwithstanding the foregoing, if the exercise by a Tricon Entity of a renewal right under a Third-Party Distribution Agreement requires any payment or advance, (a) the exercise of such renewal must be approved by Tricon (but only if prior written consent is obtained by Tricon from the Lender) and the Monitor, and (b) the Distributor must provide such payment or advance amounts to the Tricon Entities. If the Distributor is required to advance funds to the Tricon Entities pursuant to this Section 4.2, the Distributor can set-off such amount against money owing to the Tricon Entities pursuant to the other terms of this Agreement.

4.3 **Post-Term Rights.** On a Program by Program basis, after the end of the Term, Distributor shall have the right, on a non-exclusive basis, to liquidate any inventory of homevideo devices Distributor or its licensees then have on hand for a period of twelve (12) months after the end of the Program Term (or, as to any particular homevideo device sublicensee, for six (6) months after the end of the applicable homevideo device sublicense). In addition, Distributor shall have the right during the Program Term, except in the final six (6) months of the Program Term, to enter into subdistribution and sublicense agreements which are exclusive as to any medium or territory within the Territory and which may have a term which runs for not longer than two (2) years after the end of the Term. Not later than one hundred twenty (120) days prior to the end of the Term, Distributor shall give Tricon, on behalf of the Tricon Entities, a list of (i) the inventory of homevideo devices on hand with Distributor at the end of the Term, and (ii) sublicense or subdistribution agreements which extend beyond the

Term and the medium, territory and expiration date of such sublicense or subdistribution agreements.

Section 5. ADVANCE

5.1 **Distribution Advance.** The parties acknowledge that Distributor has provided Tricon, on behalf of the Tricon Entities, a fully recoupable distribution advance to the Tricon Entities in the amount of [REDACTED] Canadian Dollars (CAD\$ [REDACTED]) (the "Distribution Advance") on the Effective Date.

5.2 Each of the Tricon Entities irrevocably and unconditionally hereby directs the Distributor to pay the Distribution Advance to the Lender, which amount is paid to and received by the Lender on the Effective Date as a repayment of a portion of the principal amount of the Loan owing by the Tricon Entities. The Distribution Advance is to be recovered by the Distributor in accordance with the terms of Section 6.4.3 hereof and, if applicable, Section 10.1.4 hereof.

Section 6. APPLICATION OF GROSS RECEIPTS

6.1 **Gross Receipts.** "Gross Receipts" means all monies actually received by or credited to Distributor or Distributor's parents, subsidiaries or affiliates from licensing, exercising or otherwise exploiting Distribution Rights in the Territory on behalf of the Tricon Entities, including any recovery of cost from infringement or violation of any of the exclusive rights granted to the Distributor pursuant to any licensing agreements related to the Programs. Where Distributor uses a licensee or sublicensee, Gross Receipts shall be the amounts received by and credited to Distributor (or its parents, subsidiaries or affiliates) from such licensee or sublicensee, net of any distribution fees or expenses deducted by such licensee or sublicensee pursuant to applicable agreements. Gross Receipts shall in no event include monies received by (whether or not subsidiaries or divisions of Distributor) any broadcaster (including free, cable and pay television broadcasters), exhibitor, retailer, internet service, wireless or mobile supplier or service or any other user of the Program or rights therein; provided that any transaction between Distributor and a party that is controlled by, under common control with, or controls Distributor shall be negotiated on an "arm's-length" basis as if such transaction were between two unaffiliated third parties. Distributor will make commercially reasonable efforts to avoid or minimize any withholding Taxes on monies that would otherwise be obtainable from licensing, exercising or otherwise exploiting Distribution Rights in the Territory and agrees to cooperate with the Tricon Entities in any way reasonably requested to obtain any credits or refunds of such withholding Taxes that would otherwise reduce the amount of the Gross Receipts.

6.2 **Agency Accounts.** Distributor shall establish its own accounts, dedicated solely for the deposit of Gross Receipts and disbursement of amounts payable to the Tricon Entities hereunder (the "Agency Accounts"), and each of the Tricon Entities shall promptly, upon Distributor's reasonable request, execute and deliver all necessary documents to open and maintain the Agency Accounts. Subject to Distributor's compliance with all representations, warranties and covenants herein, Distributor shall exercise sole signing authority and control with respect to the Agency Accounts. Upon request, Distributor shall deliver to Tricon, on behalf of the Tricon Entities, copies of all bank statements and other information relating to the Agency

Accounts. None of the Tricon Entities shall be responsible for any bank fees and charges, including wire transfer charges, relating to the Agency Accounts, which fees and charges shall be Distribution Expenses. All Gross Receipts shall be deposited by Distributor into the Agency Accounts, to be held in trust as follows: (a) the 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 hereof, will be held in trust for the benefit of the Distributor and (b) all other amounts will be held in trust for the benefit of the Tricon Entities, all of which amounts are to be distributed in accordance with Section 6 hereof.

6.3 The Distributor will be responsible for the collection of the Gross Receipts plus applicable GST/HST, as agent on behalf of the Tricon Entities, and for the distribution of all payments to be made under this Agreement. The Distributor will enter into a billing agent election pursuant to section 177 of the *Excise Tax Act* (Canada) to allow the Distributor to collect and remit GST/HST collectible on the licence of the Programs, on behalf of the Tricon Entities. Each of the parties hereto acknowledges and agrees that the Distributor is not responsible, and will not be liable to the Tricon Entities or the Lender for any uncollected amounts payable to the Distributor, as agent for and on behalf of the Tricon Entities, by any third party, unless the failure to collect such uncollected amounts owing is due to the gross negligence or wilful misconduct of the Distributor.

6.4 **Waterfall.** Gross Receipts shall be applied by Distributor starting on August 14, 2017, every forty-five (45) days following the end of each of the Distributor's calendar quarters during which any Gross Receipts are received by the Distributor, from time to time in a manner and in the order of priority as provided for below:

6.4.1 First, to the payment to Distributor of the Distribution Fee. As used herein, the "**Distribution Fee**" is an amount equal to [REDACTED] percent ([REDACTED]%) of Gross Receipts, plus applicable GST/HST, provided that the Distributor provides the information prescribed by the *Excise Tax Act* (Canada) to entitle the Tricon Entities to claim input tax credits or refunds;

6.4.2 Second, from remaining Gross Receipts to the repayment to Distributor of Distribution Expenses until recoupment by Distributor of such Distribution Expenses. Distributor will not be responsible for dubbing, digitization, residuals, transportation and material and foreign versioning, and these functions will be the responsibility of the applicable Tricon Entity. As used herein, "**Distribution Expenses**" means all costs, expenses, taxes (other than income, branch profits or similar taxes) and charges paid or incurred by Distributor as agent for the Tricon Entities by reason of, in connection with, generating or collecting Gross Receipts, and includes all such expenses incurred by Distributor or its sub-distributors. Distribution Expenses will be capped at [REDACTED] percent ([REDACTED]%) of Gross Receipts. Such Distribution Expenses shall include, without limitation, the following:

6.4.2.1 **Marketing, Consulting and Advertising Costs.** All costs incurred in marketing, consulting, advertising, promoting and exploiting any Program throughout the Territory, as applicable, including but not limited to premieres, screenings, television advertising and independent advertising agents'

commissions and attending sales markets, allocated on a reasonable basis consistently for all productions in a group;

6.4.2.2 Miscellaneous Costs. All other costs incurred in connection with the exploitation of any Program throughout the Territory, as applicable, including, without limitation, all costs of insurance coverage for any and all risks of loss with respect to any Program and any components thereof, including errors and omissions insurance and loss or damage to prints and physical material insurance; and

6.4.2.3 Copyright Infringement Costs. All costs incurred in protecting the copyright in any Program for the benefit of the copyright owners thereof and their assigns and preventing any infringement of copyright or violation of rights in and to any Program or any elements thereof (whether by litigation or otherwise), including reasonable fees and expenses of outside counsel in connection therewith to the extent Distributor elects to conduct such litigation, it being understood that the final decision rests with the Distributor;

6.4.3 Third, from remaining Gross Receipts to the repayment to Distributor of the Distribution Advance; and

6.4.4 Fourth, remaining Gross Receipts shall be paid by the Distributor as agent for the Tricon Entities to Tricon on behalf of the Tricon Entities (as principal) ("Net Receipts") or, where a direction contemplated in Section 6.4.5 hereof is in force, will be paid by the Distributor as agent for the Tricon Entities to the Lender pursuant to such payment direction.

6.4.5 At the Effective Date the Tricon Entities and the Monitor will deliver the direction contemplated in the form attached hereto as Schedule E to the Lender and the Distributor. Such direction may be revoked by the Monitor on notice to the Lender and the Distributor in accordance with the terms hereof.

Section 7. ACCOUNTING

7.1 Statements. The Distributor agrees to account to Tricon, on behalf of the Tricon Entities (and Tricon will provide such accounts to the Lender) for the application of Gross Receipts and GST/HST collected and remitted by the Distributor pursuant to Section 6 hereof as follows: (a) starting on August 14, 2017, and subject to clause (b), thereafter, forty-five (45) days following the end of each of the Distributor's calendar quarters during which any Gross Receipts are received by the Distributor; and (b) starting on August 14, 2020, semi-annually. Each such accounting shall set forth in reasonable detail the amounts and sources of Gross Receipts and the receipt of Gross Receipts and application thereof pursuant to Section 6 hereof.

7.2 Deemed Accuracy. Any statement that is rendered hereunder that is not contested within six (6) months shall be final and incontestable as to matters shown thereon.

7.3 Audit and Inspection of Accounts. Tricon or its designee and the Lender, on behalf of any Tricon Entity, shall have the right, upon reasonable written notice, not more than

once in each calendar year, to engage a firm of licensed, independent certified public accountants to examine and take excerpts from Distributor's books and records as they pertain to the receipt of Gross Receipts and application thereof pursuant to Section 6 hereof, which examination shall be conducted for no more than forty-five (45) days at Distributor's principal offices during normal business hours. Any such independent certified public accountants shall, upon Distributor's request, sign an appropriate confidentiality agreement to be negotiated in good faith. If any such examination results in a conclusion that Net Receipts for the period were under-reported by [REDACTED] percent ([REDACTED]%) or more but in no event less than [REDACTED] Dollars (CAD\$[REDACTED]), and if as a result thereof any payment is due, Distributor shall forthwith pay the balance due and shall also reimburse Tricon or its designee for the reasonable cost of such examination.

7.4 Set-off. The Tricon Entities agree that if at any time Distributor holds any amount due to a Tricon Entity hereunder, notwithstanding the provisions of any order of the Court, Distributor may, in its discretion, offset such amounts being held by Distributor against any undisputed amounts due and owing to Distributor or an affiliate of Distributor by a Tricon Entity under this Agreement or the Services Agreement. The Distributor agrees that if at any time the Tricon Entities hold any amount due to the Distributor hereunder, notwithstanding the provisions of any order of the Court, the Tricon Entities may, in their discretion, offset such amounts being held by the Tricon Entities against any undisputed amounts due and owing to the Tricon Entities by the Distributor under this Agreement. Any such set-offs shall be reconciled and accounted for as part of the accounting set forth in Section 7.1 hereof.

Section 8. THE TRICON ENTITIES' REPRESENTATIONS AND COVENANTS

8.1 The Tricon Entities' Representations and Warranties. Subject to the CCAA Proceedings and the entry of the Distribution Approval Order, each of the Tricon Entities, jointly and severally, hereby represents and warrants to and agrees with the Distributor as follows, and acknowledges that Distributor is relying upon such representations and warranties in entering into this Agreement:

8.1.1 Organization. Each Tricon Entity is a corporation incorporated, organized and subsisting under the laws of the jurisdiction of its incorporation and is empowered to conduct its business in every jurisdiction in which it carries on business;

8.1.2 Authority. Each Tricon Entity has the full right and power to enter into this Agreement and, to their knowledge, collectively the Tricon Entities have the full right and power to grant, license, transfer and convey the Distribution Rights on a Program by Program basis to Distributor in accordance with the terms set forth herein;

8.1.3 No Other Assignment. Except as disclosed to the Distributor, none of the Tricon Entities are a party to any assignment, transfer or conveyance of the Distribution Rights in the Territory or any part thereof to any party other than pursuant to this Agreement and none of the Tricon Entities are presently a party to any agreements similar to this Agreement, in respect of the Territory, with any person whatsoever none of the Tricon Entities are under any obligation that might interfere with (i) the performance

by any Tricon Entity of its respective obligations hereunder, (ii) the Distributors' rights hereunder, or (iii) the grant of rights contained herein;**Due Execution and Enforceability.** This Agreement has been duly executed and delivered by each of the Tricon Entities and constitutes a legal, valid and binding obligation of each of the Tricon Entities, enforceable against each of the Tricon Entities in accordance with its terms, subject to bankruptcy, insolvency and arrangement laws (taking into account the parties' intention stated in Section 2 hereof for the Tricon Entities to grant to Distributor all of the Distribution Rights throughout the Territory for the full Term hereof), as well as the laws generally affecting the enforceability of creditors' rights (other than those pertaining to fraudulent assignments and preferences) and the availability, in the discretion of a court of competent jurisdiction, of equitable remedies;

8.1.5 Distribution Rights. Collectively, the Tricon Entities control under direct grant of license from the applicable Tricon Entity all of the Distribution Rights and the Tricon Entities have the absolute right to grant the Distribution Rights in the Territory to the extent licensed to Distributor hereunder which shall be enjoyed by Distributor free from any interruption or disturbance other than as expressly provided for herein;

8.1.6 No Infringement. The exploitation of the Distribution Rights in and to each Owned Title in accordance with this Agreement does not, and will not, infringe on the rights of any third party and, to the best knowledge of each Tricon Entity, the exploitation of the Distribution Rights in and to each Licensed Title in accordance with this Agreement does not, and will not, infringe on the rights of any third party;

8.1.7 Delivery Materials. All Delivery Materials have been or will be timely supplied as soon as possible and all Delivery Materials will be accurate and complete in all material respects, including without limitation credit information and dubbing and editing restrictions;

8.1.8 Guilds and Unions. The Owned Titles have been produced in accordance with applicable union or guild requirements, and there are not outstanding residual payments associated with any Owned Titles and, to the best knowledge of each Tricon Entity, the Licensed Titles have been produced in accordance with applicable union or guild requirements, and there are not outstanding residual payments associated with any Licensed Titles;

8.1.9 Legal Requirements. The Owned Titles have been produced in material compliance with all applicable legal and regulatory laws and regulations and, to the best knowledge of each Tricon Entity, the Licensed Titles have been produced in material compliance with all applicable legal and regulatory laws and regulations;

8.1.10 Permission for Publicity. Subject to the terms of each Third-Party Distribution Agreement, each of the Tricon Entities have obtained all of the rights, permissions and licenses required to enable Distributor to fully exploit the Distribution Rights granted hereunder, including without limitation the right to use performers' names, voices, likenesses and biographies to advertise and promote each Program. Any

restrictions shall be provided by the applicable Tricon Entity in writing to the Distributor's Business and Legal Affairs department;

8.1.11 Music Rights. The synchronization rights in and to all music and musical compositions contained in any Owned Title and, if any pre-recorded music is contained in any Owned Title, reproduction rights to any such pre-recorded music, will be controlled by the applicable Tricon Entity throughout the Territory for the Term hereof. To the best knowledge of each Tricon Entity, the synchronization rights in and to all music and musical compositions contained in any Licensed Title and, if any pre-recorded music is contained in any Licensed Title, reproduction rights to any such pre-recorded music, will be controlled by the applicable Tricon Entity throughout the Territory for the Term hereof. Also, Distributor will have no obligation to pay any so-called mechanical rights payments that may be imposed in the Territory by reason of use of any Program (for example, but not limited to, video/DVD mechanical payments required at point of sale or so-called "rental rights" payments);

8.1.12 Music Performance Rights. All performing rights in and to all music and musical compositions contained in any Owned Title and, to the best knowledge of each Tricon Entity, all performing rights in and to all music and musical compositions contained in any Licensed Title have been: (i) either available for license by SOCAN (or a foreign affiliate thereof such as ASCAP or BMI), or (ii) in the public domain, or (iii) controlled by a Tricon Entity and granted to Distributor hereunder as part of the Distribution Rights for all purposes of exploitation of the Distribution Rights, without limiting the rights of SOCAN (or such foreign affiliates) to collect public performance fees pursuant to applicable blanket licenses;

8.1.13 Third-Party Distribution Agreements. Except as disclosed to the Distributor, Tricon provided the Distributor with a copy of all applicable Third-Party Distribution Agreements for the Programs prior to execution of this Agreement;

8.1.14 Obligations. None of the Tricon Entities are in material breach of any Third-Party Distribution Agreements and each applicable Tricon Entity is up-to-date with all associated payments and obligations in all material respects, including without limitation residual payments;

8.1.15 Intellectual Property Rights. Each of the Tricon Entities exclusively own all right, title and interest in and to, or have validly licensed, or in respect of moral rights have obtained waivers of, all of its respective intellectual property that is necessary for it to enter into this Agreement (collectively "**Intellectual Property Rights**");

8.1.16 Third Party Notices. None of the Tricon Entities have received notice of any claim, nor after reasonable diligence are they aware of pending claims with respect to its ownership or use, as applicable, of the Intellectual Property Rights;

8.1.17 CCAA Protections. Provided the Distribution and Approval Order has been granted and unless no longer required as a result of an acquisition by Distributor of the Program Rights under Section 10.2 hereof or assignment made by the Tricon Entities

to one or more assignees who are not party to the CCAA Proceedings in compliance with and pursuant to Section 18.4 hereof, the Tricon Entities shall take commercially reasonable steps to ensure that the CCAA Proceedings and all stays of proceedings and other protections therein for the benefit of the Tricon Entities, the Program Rights or the Distributor (the "CCAA Protections") remain outstanding and in full force and effect, unamended throughout the Term. The Tricon Entities shall immediately inform the Distributor and the Lender of any threat or step taken by any Person to terminate the CCAA Proceedings or to lift or otherwise vary the CCAA Protections; and

8.1.18 Credit Requirements. None of the Tricon Entities have agreed to any credit requirements or any other contractual restrictions, which are, to the best knowledge of the Tricon Entities, outside of industry custom and practice.

8.2 Warranty Disclaimer. EXCEPT AS EXPRESSLY CONTAINED IN THIS AGREEMENT, THE TRICON ENTITIES MAKE NO OTHER REPRESENTATIONS, WARRANTIES, OR CONDITIONS, EXPRESS OR IMPLIED, OR WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 9. REPRESENTATIONS BY DISTRIBUTOR

9.1 Distributor's Representations and Warranties. Distributor hereby represents and warrants to each of the Tricon Entities as follows, and acknowledges that each of the Tricon Entities is relying on such representations and warranties in entering into this Agreement:

9.1.1 Organization. Distributor is a corporation duly organized and subsisting under the laws of the jurisdiction of its formation and is empowered to conduct its business in every jurisdiction in which it carries on business;

9.1.2 Power & Authority. Distributor has the full right and authority to enter into and to perform its obligations under this Agreement;

9.1.3 Due Execution and Enforceability. This Agreement has been duly authorized, executed and delivered by Distributor and constitutes a legal, valid and binding obligation of Distributor enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, and arrangement laws, given the parties' intention stated hereunder, as well as the laws generally affecting the enforceability of creditors' rights (other than those pertaining to fraudulent assignments and preferences) and the availability, in the discretion of a court of competent jurisdiction, of equitable remedies;

9.1.4 Any agreements entered into by the Distributor in respect of the Distribution Rights in the Programs, including but not limited to agreements granting others Distribution Rights in the Programs, will be in accordance with the rights and obligations of the Distributor under this Agreement and the applicable Tricon Entity under any applicable Third-Party Distribution Agreement and will not exceed the scope

of the applicable Tricon Entity's rights under any applicable Third-Party Distribution Agreement;

9.1.5 The Distributor will not, through its actions or inactions, cause any Tricon Entities to be in material breach of any Third-Party Distribution Agreements;

9.1.6 It is a Canadian resident for the purposes of the Tax Act;

9.1.7 All payments made by the Distributor hereunder will be made free and clear of and without any deduction for or on account of any withholding or similar taxes, except to the extent that such taxes are imposed by a change in applicable law;

9.1.8 It will at all relevant times satisfy the criteria to be a "prescribed taxable Canadian corporation" within the meaning of paragraph 1106(10)(g) of the Income Tax Regulations;

9.1.9 By entering into this Agreement, Distributor will not cause any person to acquire any interest, directly or indirectly, in either or both of a CPTC Eligible Production or an OFTTC Eligible Production that would be considered a tax shelter investment for the purposes of section 143.2 of the Tax Act;

9.1.10 It is and will remain at all relevant times an "Eligible Canadian" and will deliver on or before the Effective Date a Status Opinion confirming same; and

9.1.11 **GST/HST Registration.** The Distributor is registered for GST/HST purposes and its registration numbers are as follows: RT0001 and TQ0001.

9.2 **Warranty Disclaimer.** EXCEPT AS EXPRESSLY CONTAINED IN THIS AGREEMENT, THE DISTRIBUTOR MAKES NO OTHER REPRESENTATIONS, WARRANTIES, OR CONDITIONS, EXPRESS OR IMPLIED, OR WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE TRADE OR PROFESSION OR OTHERWISE, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 10. TERMINATION AND RIGHT OF FIRST REFUSAL

10.1 This Agreement may be terminated as follows and in no other manner:

10.1.1 subject to Section 10.2 hereof, by Tricon (but only if prior written consent is obtained by Tricon from the Lender), on behalf of the Tricon Entities, by providing one hundred fifty (150) days' prior written notice to the Distributor, at any time after the fifth (5th) anniversary of the Effective Date;

10.1.2 by Tricon (but only if prior written consent is obtained by Tricon from the Lender), on behalf of the Tricon Entities, by providing fifteen (15) days' prior written notice to Distributor, if a material breach of any representation, warranty, covenant,

obligation or other provision of this Agreement has been committed by Distributor and such breach has not been waived or cured pursuant to Section 13 hereof and provided no Tricon Entity is then in breach of this Agreement so as to cause the material breach by Distributor;

10.1.3 by the Distributor, by providing fifteen (15) days' prior written notice to Tricon (and Tricon will advise the Lender of such notice), on behalf of the Tricon Entities and the Monitor if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by a Tricon Entity, including but not limited to the failure to deliver the requested Delivery Materials to the Distributor pursuant to Section 3.1 hereof, and such breach has not been waived or cured pursuant to Section 13 hereof and provided that Distributor is not then in breach of this Agreement so as to cause the material breach by a Tricon Entity;

10.1.4 automatically if the amounts payable by the Distributor pursuant to Section 6.4.4 hereof, during, the 18-month period following the Effective Date or any semi-annual period during the Term thereafter, is less than the aggregate Carrying Costs incurred during such period; in which case, all incurred but unpaid Distribution Expenses and any unrecouped portion of the Distribution Advance will be paid in full to the Distributor by Tricon, on behalf of the Tricon Entities, on the effective date of termination of this Agreement. If this Agreement terminates pursuant to this Section 10.1.4 and any portion of the Distribution Advance remains outstanding to the Distributor, and Tricon, on behalf of the Tricon Entities, fails to pay such outstanding amount of the Distribution Advance when due, then, without the necessity or the requirement for the Distributor to pursue or exhaust its recourse against the Tricon Entities, the Lender will pay or cause to be paid to the Distributor, such outstanding amount of the Distribution Advance up to a maximum of \$ [REDACTED] promptly upon demand; and

10.1.5 in writing by the Distributor and the Tricon Entities (but, in the case of the Tricon Entities, only if prior written consent is obtained by Tricon from the Lender).

10.2 During the one hundred and fifty (150) day notice period referred to in Section 10.1.1 hereof, the Distributor may purchase any or all of the Program Rights from the applicable Tricon Entities other than Program Rights relating to productions for which Tax Credit Assets are outstanding, on a free and clear basis, at Fair Market Value as of the date of the termination notice; provided, however, that if the Distributor proposes to purchase less than all of the Program Rights, then the purchase by the Distributor in accordance with this Section 10.2 will be subject to the prior approval of Tricon (but only if prior written consent is obtained by Tricon from the Lender). For the purposes of this Section 10.2, "Fair Market Value" will be the fair market value of the Program Rights paid in cash or cash equivalents unless otherwise agreed by the Distributor and Tricon (but only if prior written consent is obtained by Tricon from the Lender) and the amount will be determined by mutual agreement between the Distributor and Tricon (but only if prior written consent is obtained by Tricon from the Lender) acting reasonably. If the Distributor and Tricon are unable to reach mutual agreement as to the Fair Market Value on or before 5:00 p.m. EST on the date that is twenty-five (25) Business Days prior to the date on which the purchase and sale of the Program Rights is to close, the

determination of Fair Market Value will be determined by appointing two independent valuers, one chosen by Tricon (and in connection with Tricon's choice of valuator, Tricon must first obtain the consent of the Lender to such choice) and one chosen by the Distributor, who will each determine the Fair Market Value within twenty (20) Business Days of such appointment. The average of the Fair Market Value determinations made by such appointed valuers will be deemed the final Fair Market Value and will be binding on all parties. Each of Distributor and Tricon will pay for the costs of its respective valuator. If the Distributor elects to purchase the Program Rights, as aforesaid, the Tricon Entities will take all commercially reasonable steps to obtain entry of an order by the Court, in form and substance acceptable to the Distributor and on such notice as Distributor may require, acting reasonably, *inter alia*, vesting the Program Rights in Distributor (or as it may direct) free and clear of all claims and encumbrances, and assigning to the Distributor (or as it may direct) all agreements that the Distributor may require in connection with the purchase of the Program Rights. If such an order is not entered by the Court, the Distributor shall not be required to complete the purchase of the Program Rights.

10.3 Upon termination of this Agreement, except for termination due to the transfer of rights in the Programs to the Distributor pursuant to Section 10.2 hereof, the Distributor will immediately (a) cease any further exploitation or distribution of the Programs; and (b) deliver, based on the direction from the Tricon Entities hereunder, to the Lender or destroy all materials provided by the Tricon Entities hereunder pertaining to the Programs and all copies thereof as directed by the Tricon (but only if prior consent is obtained by Tricon from the Lender), and all rights granted hereunder by the Tricon Entities to the Distributor will immediately lapse and revert to the Tricon Entities (except for the continuing right of the Tricon Entities to receive any amounts owing to it). Notwithstanding the foregoing, it is understood and agreed that any termination of this Agreement will have no effect on any pre-existing rights granted to any licensee of the Programs in connection with the exercise of the Distribution Rights.

Section 11. INDEMNIFICATION/INSURANCE/LIABILITY

11.1 **Indemnity.** Each of the Distributor and the Tricon Entities (in the appropriate context, the "**Indemnifying Party**") to this Agreement agrees to hold the Distributor or the Tricon Entities, as applicable, and each of their affiliates and each of their owners, director, owners and employees (the "**Indemnified Party**"), harmless and indemnifies the Indemnified Party from and against any loss, damage, cost, and expense which the Indemnified Party may suffer or incur by reason of any breach of any warranty, representation or agreement made by the Indemnifying Party under this Agreement. Further, Distributor shall indemnify, defend and hold harmless each of the Tricon Entities from third party claims arising directly out of Distributor's distribution of any Program or any elements thereof or any modifications thereto to the extent not arising out of a Tricon Entity's breach of any of its respective warranties, representations, and agreements herein. In the event that a claim is made or legal proceedings are instituted against the Indemnified Party by any third party claiming the breach of any rights of such third party, which claim would if true be contrary to the warranties and representations made by the Indemnifying Party in this Agreement, such Indemnified Party shall within fifteen (15) days after receiving notice of such claim or legal proceeding advise the Indemnifying Party in writing of such claim. In the event of the foregoing, the Indemnified Party shall have the right to:

11.1.1 cause the Indemnifying Party to conduct the defense of such claim or proceeding at its cost; or

11.1.2 defend such claim or proceeding, with all reasonable and actual out-of-pocket costs and expenses of such Indemnified Party to be borne by the Indemnifying Party;

provided, however, that in no event may the Indemnified Party settle any claim or incur any expense (other than the expense of defending such claim) in connection with any such claim or proceeding without first securing the Indemnifying Party's written approval and if such approval shall be unreasonably withheld, the Indemnified Party shall have the right to conclude the settlement of the claim or proceeding in question and the Indemnifying Party shall be liable for the amount of such settlement.

11.2 Limitation of Lender's Liability. Except for the obligation of the Lender to pay the Distributor up to \$ [REDACTED] in the circumstances set forth in Section 10.1.4 hereof, in no event shall the Lender, or any of its directors, officers, employees or agents, or any of the Lender's affiliates or their directors, officers, employees or agents, be liable to the Tricon Entities or the Distributor for any damages, losses, liabilities, costs, fees or expenses of any kind whatsoever, directly or in directly arising out of or in connection with the transactions contemplated by this Agreement. For greater certainty, the Distributor acknowledges and agrees that the obligation of the Lender to pay the Distributor up to \$ [REDACTED] in the circumstances set forth in Section 10.1.4 hereof, shall be, and is intended to be, the sole and exclusive direct or indirect remedy available to the Distributor against the Lender or any of its directors, officers, employees or agents, or any of the Lender's affiliates or their directors, officers, employees or agent arising, directly or indirectly, out of or in connection with the transactions contemplated by this Agreement. This limitation of the Lender's liability set forth in this Section 11.2 hereof represents the agreed and bargained-for allocation of risk and understanding of the Lender, the Distributor and the Tricon Entities.

11.3 No Recourse to Tax Credit Assets and Existing Accounts Receivable. Notwithstanding anything that may be express or implied by this Agreement, the Distributor acknowledges and agrees that in satisfaction of any damages, losses, liabilities, costs, fees or expenses of any kind whatsoever, directly or in directly arising out of or in connection with the transactions contemplated by this Agreement and any amounts payable to the Distributor pursuant to the terms of this 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 hereof. For greater certainty, no recourse, remedy or right of recovery or contribution shall be had by the Distributor hereunder or under any document delivered in connection herewith against the Existing Accounts Receivable or the Tax Credit Assets.

Section 12. LITIGATION COOPERATION

12.1 Carriage of Actions. Subject to the terms of the Third-Party Distribution Agreements, the parties to this Agreement may institute such proceedings against any third party as may be necessary for the purposes of protecting the rights hereunder of the other party (the

"Non-Litigious Party") to this Agreement. The Non-Litigious Party will render at all times such assistance in the way of evidence and the production of documents in its possession as may be reasonably required to maintain such action.

Section 13. CURE PERIOD

13.1 **Notice and Opportunity to Cure.** If either party shall claim that the other party has breached this Agreement (the "Defaulting Party"), the claimant shall give the Defaulting Party written notice thereof, and the parties shall endeavor to resolve the matter on an amicable basis. The Defaulting Party receiving such notice shall not be deemed in breach of this Agreement unless the parties are unable to amicably resolve the matter in dispute within the hereinafter described period of twenty (20) days, or the Defaulting Party receiving such notice shall fail to cure such breach within twenty (20) days after the date such notice is received by it.

Section 14. SECURITY INTERESTS

14.1 In order to secure: (i) the payment of the amounts payable to the Distributor pursuant to Sections 6.4.1, 6.4.2, 6.4.3 and 10.1.4 hereof; and (ii) up to \$ [REDACTED] for damages, losses, liabilities, costs, fees or expenses actually incurred by the Distributor as a result of third party claims arising out of or in connection with this Agreement; and no other amounts, each of the Tricon Entities hereby irrevocably grants to the Distributor a first ranking security interest in and to all of 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 hereof (collectively, the "Security Interest"). For greater certainty, the Security Interest does not include any Existing Accounts Receivable, or any Tax Credit Assets, and the Distributor shall be prohibited from exercising any of its rights in connection with the Security Interest in any way which could reasonably be expected to have an impact on the Tax Credit Assets. Each of the Tricon Entities shall execute, procure and deliver to Distributor such security documents and other agreements (including intercreditor agreements) as Distributor may reasonably require, and in form and substance satisfactory to Distributor, acting reasonably, to give effect to the foregoing, and each of the Tricon Entities hereby irrevocably consents to the registration by or on behalf of Distributor of all financing statements and other instruments as may reasonably be required to render the Security Interest granted, and the charge granted to Distributor in the Distribution Approval Order, enforceable against each of the Tricon Entities and third parties in all relevant jurisdictions.

Section 15. FORCE MAJEURE

15.1 **Definition/Results.** As used herein, "Force Majeure" shall mean any event beyond any Tricon Entity's or Distributor's control which delays, hampers, interrupts or interferes with the delivery or the fulfillment of any obligation hereunder, including, without limitation, fire, earthquake, flood, epidemic, strike or other industrial action, civil disturbance, war (declared or undeclared), terrorist act, act of God, death, illness or incapacity of or breach by any principal member of the cast or crew of his or her contract with any of the Tricon Entities, any statute, law or judicial order or any other event completely beyond the control or influence of Distributor or any of the Tricon Entities. If any of the Tricon Entities or Distributor becomes aware of an event of Force Majeure, it shall promptly notify the other parties hereto (and in the

case of the Tricon Entities, notice must also be provided to the Lender by Tricon) of the event of Force Majeure and of the impact such event of Force Majeure is anticipated to have on the delivery or fulfilment of any obligation hereunder. Neither party shall be liable for any failure to perform any term or condition of this Agreement to the extent such failure is caused by an event of Force Majeure.

Section 16. RESTRICTIONS AND CONTROL

16.1 The provisions of this Section 16 will apply notwithstanding any other provisions of this Agreement.

16.2 The Distributor will not allow any person who is not an Eligible Canadian to distribute any CPTC Eligible Production in Canada within the 2-year period that begins at the earliest time after the production of such a CPTC Eligible Production is completed such that it is commercially exploitable.

16.3 The Distributor will not allow any person who is not an Eligible Canadian to distribute any OFTTC Eligible Production in Canada within the 2-year period that begins at the earliest time after the production of such an OFTTC Eligible Production is completed such that it is commercially exploitable.

16.4 The Distributor acknowledges that the Tricon Entities will retain control of the initial licensing of commercial exploitation of any OFTTC Eligible Productions and any CPTC Eligible Productions. Prior to entering into any arrangements that would involve the initial licensing of commercial exploitation of either or both of an OFTTC Eligible Production or a CPTC Eligible Production, the Distributor is required to seek the written consent of the Tricon Entities that granted the rights to the OFTTC Eligible Production or CPTC Eligible Production, as the case may be, such consent not to be unreasonably withheld.

16.5 The Distributor will not dispose, transfer, or otherwise assign its rights in relation to any CPTC Eligible Production such that any person who is not a prescribed person within the meaning of subsection 1106(10) the Income Tax Regulations becomes a copyright owner of the production for any commercial exploitation purposes.

16.6 The Distributor will not dispose, transfer, or otherwise assign its rights in relation to any OFTTC Eligible Production such that any person who is not a prescribed person within the meaning of subsection 1106(10) the Income Tax Regulations becomes a copyright owner of the production for any commercial exploitation purposes.

16.7 The Distributor will not enter into, or allow any party to enter into any agreements involving the exploitation of either or both of a CPTC Eligible Production or an OFTTC Eligible Production unless, under the terms of any such agreement, the Distributor would retain an Acceptable Share of Revenues from the CPTC Eligible Production or OFTTC Eligible Production, as the case may be, to be held in trust for the benefit of the Tricon Entities pursuant to Section 6.2 hereof.

16.8 The Distributor agrees not to allow any person to acquire or hold any interest, directly or indirectly, in either or both of a CPTC Eligible Production or an OFTTC Eligible

Production if such an interest of the person would be a tax shelter investment for the purposes of section 143.2 of the Tax Act.

Section 17. DISTRIBUTION OBLIGATIONS

17.1 The Distributor shall use reasonable commercial efforts to distribute the Programs.

Section 18. MISCELLANEOUS

18.1 **Addresses.** All notices given hereunder must be in writing and may be delivered by personal delivery or by pre-paid, registered or certified mail, or by telegram, telecopier or by facsimile transmission or by email to the following address or to such other address or addresses as any party hereto advises the other party in writing from time to time and shall be deemed received five business days after mailing by registered or certified mail, and one business after delivery by telegram, telecopier, facsimile, or email transmission:

To the Tricon Entities:

1462598 ONTARIO INC. (d/b/a Tricon Films and Television)
50 Hewitt Avenue
Toronto, Ontario M6R 1Y3
Attn: Andrea Gorfolova
Email: Andrea@triconfilms.com

To Distributor:

SONAR CANADA INC.
c/o SONAR ENTERTAINMENT DISTRIBUTION, LLC
2121 Avenue of the Stars, Suite 2150
Los Angeles, California 90067
Attn: Legal Department
Email: legalnotices@sonarent.com and jsmith@sonarent.com

To the Lender:

SUNTRUST BANK, INC.
Mail Code FL-Orlando-2052
200 S. Orange Avenue
5th Floor
Orlando, FL 32801
Attn: Juan De Jesus-Caballero
Email: Juan.Dejesus-caballero@SunTrust.com

18.2 **No Partnership.** Nothing contained in this Agreement shall be deemed to constitute a partnership or any other legal relationship other than that of licensor and independent distributor and agent and principal with respect to the Distribution Rights and collection of the Gross Receipts plus applicable GST/HST and, except where authorized, none of the Tricon

Entities nor the Distributor shall do or suffer to be done anything whereby any of the Tricon Entities or the Distributor may be represented as a partner or agent of the other.

18.3 Insurance. Tricon, on behalf of the Tricon Entities, shall obtain and maintain errors and omissions coverage, for a period of three (3) years from the commencement of principal photography of each Program, and at Tricon's own expense to such extent and covering such risks as is customary for companies engaged in television production, including, without limitation, the Tricon Entities' liability (errors and omissions) insurance including title coverage naming Distributor as an additional insured.

18.4 Assignment. None of the parties may assign this Agreement, in whole or in part, without the prior written consent of the other parties (provided, the Tricon Entities shall not provide such consent without Tricon first obtaining the consent of the Lender); provided, however, that each party shall be permitted to assign this Agreement or its rights hereunder (a) to any related entity (e.g., any parent, subsidiary or other affiliated entity), (b) to any third party of at least comparable financial stature to the assigning party, or (c) in connection with the sale of all or substantially all of the assigning party's assets, without the prior approval of the other parties; provided that such related entity, third party or assignee shall have assumed all of such assigning party's executory obligations hereunder in writing. For the avoidance of doubt, nothing in this Section 18.4 shall in any manner limit Distributor from exercising the Distribution Rights in accordance with Section 2.1 hereof.

18.5 Bankruptcy. Each of the Tricon Entities and Distributor agree and acknowledge that:

(A) (i) each Program is a work of authorship protected under Title 17 of the United States Code and is intended to constitute, and does constitute, "intellectual property" within the meaning of sections 101(35)(A) and 365(n) of Title 11 of the United States Code (the "Bankruptcy Code"), (ii) the rights of the Tricon Entities hereunder are "rights to intellectual property" within the meaning of such sections and, (iii) the obligations of each party set forth in this Agreement shall continue in full force and effect, and shall bind both parties and any trustee in bankruptcy of either party, in the circumstances described in section 365(n) of the Bankruptcy Code; and

(B) (i) this Agreement is executed following the commencement of the CCAA Proceedings and, as such, may not be disclaimed or resiliated under section 32 of the CCAA or assigned under section 11.3 of the CCAA, and the obligations of the Tricon Entities and the rights and entitlements of the Distributor hereunder constitute post-filing obligations, rights and entitlements in respect of which the stay of proceedings in the Initial Order or in any other order of the Court made in the CCAA Proceedings do not and shall not apply, (ii) except as expressly provided in this Agreement, this Agreement and the obligations of the Tricon Entities hereunder are not assignable by any of the Tricon Entities by reason of their nature and may not be assigned by court order in any insolvency or receivership proceeding involving the Tricon Entities (including under Section 84.1 of the Bankruptcy and Insolvency Act (Canada) ("BIA"), section 11.3 of the CCAA and statutory provisions or legal or equitable principles of similar effect in all jurisdictions); and (iii) the licenses and rights granted to Distributor hereunder constitute a right to use intellectual property as contemplated in Section 65.11(7) of the BIA and Section 32(6) of

the CCAA and Distributor is and shall be entitled to the protections of those legislative provisions, and all statutory provisions or legal or equitable principles of similar effect in all jurisdictions.

18.6 Relationship with Lender.

18.6.1 The Lender agrees and accepts this Agreement solely with respect to Sections 10.1.4 and 11.2 hereof and this Section 18.6. In this Agreement, references to a required consent from the Lender are in reference to obligations of Tricon only and, as they relate to the Distributor, such references are only for informational purposes. In no event shall the Distributor have an obligation to obtain consent from the Lender nor shall the Distributor be required to inquire or satisfy itself that, where required by this Agreement, consent of the Lender has been obtained by Tricon. The failure by Tricon to satisfy an obligation of Tricon set out in the Agreement will constitute a breach of such obligation regardless of the reason for such failure, including if such failure is as a result of Tricon's inability to obtain the Lender's consent, where required by this Agreement. The parties hereto acknowledge that the Distributor shall have no obligation or liability to the Lender whatsoever as a result of or arising out of this Agreement.

18.7 Entire Agreement. This Agreement sets out the entire agreement between the parties relating to the Programs and this Agreement may not be modified except by written agreement between the parties (provided, the Tricon Entities shall not enter into such agreement without Tricon first obtaining the consent of the Lender). **Waiver.**

18.8.1 No waiver by any party of any breach hereof shall be deemed a waiver of any preceding, continuing or succeeding breach of the same, or any other term hereof.

18.8.2 Any party may waive the benefit of any term, condition, warranty or covenant in this Agreement or any right or remedy at law or in equity (provided, the Tricon Entities shall not provide such a waiver without Tricon first obtaining the consent of the Lender), but only by an instrument in writing signed by the party to be charged.

18.9 Counterparts. This Agreement may be executed by electronic transmission (pdf) and in one or more counterparts, each of which shall constitute an original hereof and which together shall constitute one agreement.

18.10 Preamble and Schedules. The preambles and schedules to this Agreement form part hereof as if recited at length herein.

18.11 Fraud. In the event that one or several copies of any Programs are fraudulently exploited by third parties, Distributor is hereby authorized to avail itself, at its own cost, of any and all judicial recourses it deems appropriate or necessary in order to defend its rights under the present Agreement.

18.12 Time. Time is of the essence with respect to the delivery of all materials associated with the Programs pursuant to this Agreement.

18.13 Currency. Unless otherwise stated, all references to currency herein are to lawful money of Canada.

18.14 Further Assurances. All parties shall execute and deliver such other documents or instruments consistent herewith (following a reasonable period to review and comment) as may be necessary or desirable to evidence, give effect to or confirm this Agreement, and any of the terms and conditions hereof.

18.15 Governing Law. This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

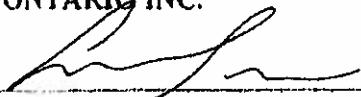
18.16 Severability. Nothing contained in this Agreement shall be construed so as to require the commission of any act contrary to law, and if any provision of this Agreement is held to be invalid or illegal under any material statute, law, ordinance, order or regulation, in the jurisdiction in which this Agreement is being performed, such provision shall be curtailed and limited only to the extent necessary to bring it within the legal requirements of such jurisdiction and such curtailment or limitation shall not affect the validity of the remainder of this Agreement or any other provisions hereof in that jurisdiction or the validity of the applicable provision in any other jurisdiction in which this Agreement may be performed.

18.17 Delivery of Signed Agreement. This Agreement may be executed and delivered by means of a PDF (scanned) copy, which shall have the same force and effect as a copy with an original ink signature.

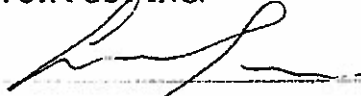
[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized agents as of the day and year above written.

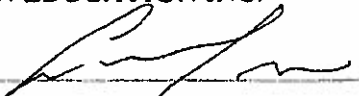
1462598 ONTARIO INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

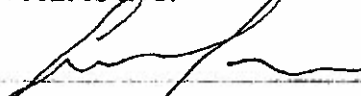
OPERATOR POST INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

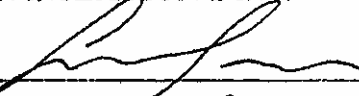
TRICON EDUCATION INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

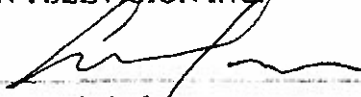
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Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

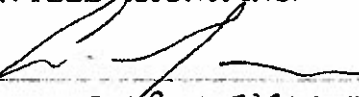
TRICON INTERACTIVE INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

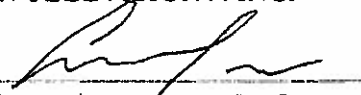
TRICON TELEVISION INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

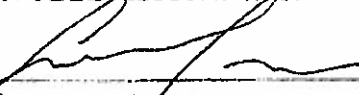
TRICON TELEVISION10 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

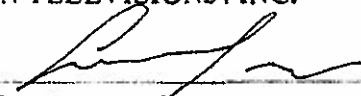
TRICON TELEVISION44 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

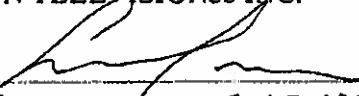
TRICON TELEVISION49 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

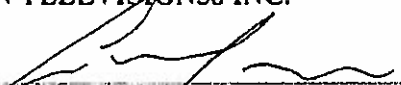
TRICON TELEVISION54 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

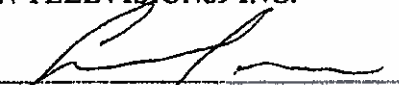
TRICON TELEVISION55 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

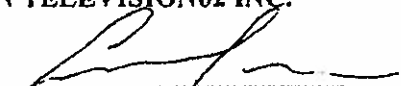
TRICON TELEVISION58 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

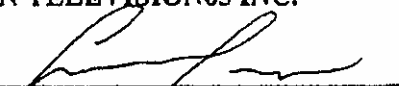
TRICON TELEVISION59 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

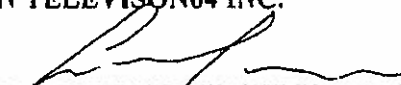
TRICON TELEVISION62 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

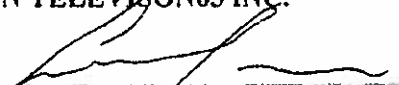
TRICON TELEVISION63 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

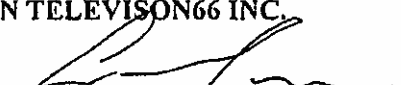
TRICON TELEVISION64 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT


TRICON TELEVISION65 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

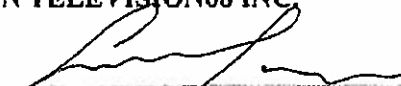
TRICON TELEVISION66 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

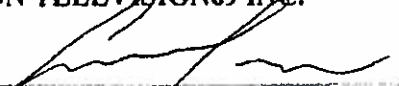
TRICON TELEVISION67 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

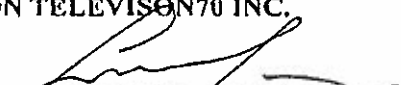
TRICON TELEVISION68 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT


TRICON TELEVISION69 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

TRICON TELEVISION70 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

TRICON TELEVISION71 INC.

Per: 
Name: ANDREA CORFOLOVA
Title: PRESIDENT

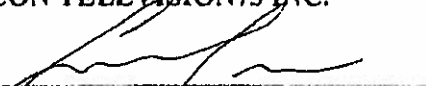
TRICON TELEVISION72 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT

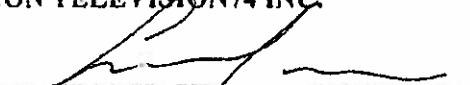
TRICON TELEVISION73 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT


TRICON TELEVISION74 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT

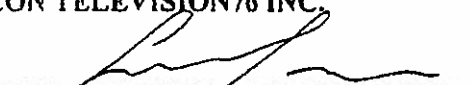
TRICON TELEVISION75 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT

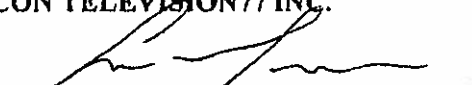
TRICON TELEVISION76 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT

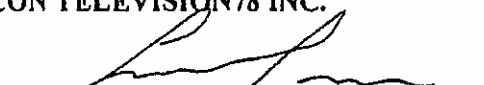
TRICON TELEVISION77 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT

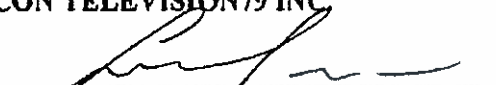
TRICON TELEVISION78 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT


TRICON TELEVISION79 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT

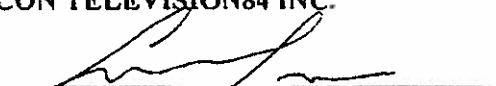
TRICON TELEVISION83 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT


TRICON TELEVISION84 INC.

Per:


Name: ANDREA GORFOLLOVA
Title: PRESIDENT


TRICON TELEVISION85 INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT

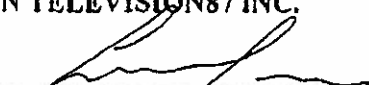
TRICON TELEVISION86 INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT

TRICON TELEVISION87 INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT


TRICON MEDIA HOLDINGS, INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT


TRICON FILMS (UK) LIMITED

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT

TRICON US PRODUCTIONS14 INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT


TRICON MEDIA PRODUCTIONS, INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT

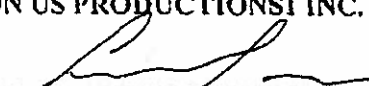
TRICON MEDIA, INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT


TRICON US PRODUCTIONS1 INC.

Per:

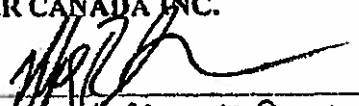

Name: ANDREA GORFALOVA
Title: PRESIDENT

TRICON US PRODUCTIONS15 INC.

Per:


Name: ANDREA GORFALOVA
Title: PRESIDENT

SONAR CANADA INC.

Per: 
Name: Jeffrey R. Smith
Title: Vice President

AGREED AND ACCEPTED SOLELY WITH RESPECT TO SECTIONS 10.1.4, 11.2 AND 18.6 HEREOF:

~~SUNTRUST BANK, INC.~~

Per: ~~_____~~

Name: JUAN DE JUAN CABALLERO

Title: SENIOR VICE PRESIDENT

SCHEDULE A

VENDORS
(INCLUDING GST/HST REGISTRATION NUMBERS)

1.	OPERATOR POST INC.	
2.	TRICON EDUCATION INC.	
3.	TRICON FILMS INC.	
4.	TRICON INTERACTIVE INC.	
5.	TRICON TELEVISION INC.	
6.	TRICON TELEVISION10 INC.	
7.	TRICON TELEVISION44 INC.	
8.	TRICON TELEVISION49 INC.	
9.	TRICON TELEVISION54 INC.	
10.	TRICON TELEVISION55 INC.	
11.	TRICON TELEVISION58 INC.	
12.	TRICON TELEVISION59 INC.	
13.	TRICON TELEVISION62 INC.	
14.	TRICON TELEVISION63 INC.	
15.	TRICON TELEVISION64 INC.	
16.	TRICON TELEVISION65 INC.	
17.	TRICON TELEVISION66 INC.	
18.	TRICON TELEVISION67 INC.	
19.	TRICON TELEVISION68 INC.	

20.	TRICON TELEVISION69 INC.	
21.	TRICON TELEVISION70 INC.	
22.	TRICON TELEVISION71 INC.	
23.	TRICON TELEVISION72 INC.	
24.	TRICON TELEVISION73 INC.	
25.	TRICON TELEVISION74 INC.	
26.	TRICON TELEVISION75 INC.	
27.	TRICON TELEVISION76 INC.	
28.	TRICON TELEVISION77 INC.	
29.	TRICON TELEVISION78 INC.	
30.	TRICON TELEVISION79 INC.	
31.	TRICON TELEVISION83 INC.	
32.	TRICON TELEVISION84 INC.	
33.	TRICON TELEVISION85 INC.	
34.	TRICON TELEVISION86 INC.	
35.	TRICON TELEVISION87 INC.	

36.	TRICON FILMS (UK) LIMITED		
37.	TRICON MEDIA HOLDINGS, INC.		
38.	TRICON MEDIA PRODUCTIONS, INC.		
39.	TRICON MEDIA, INC.		
40.	TRICON US PRODUCTIONS1 INC.		
41.	TRICON US PRODUCTIONS14 INC.		
42.	TRICON US PRODUCTIONS15 INC.		

SCHEDULE B
PROGRAMS

See attached.

OWNED TITLES

>TITLE<	PRODUCER	PROGRAM ORIGIN	TERRITORIES GRANTED	LICENSE START	LICENSE EXPIRE	GRANTED DISTRIBUTION RIGHTS
21 DAYS TO NAWROZ	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
AD PERSUASION I	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
AD PERSUASION II	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BEAUTIFUL PEOPLE	_TRICON	CANADA / UK	WORLDWIDE	=	=	All Languages/All Media
BITCHIN' KITCHEN I	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BITCHIN' KITCHEN II	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BITCHIN' KITCHEN III	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BITCHIN' KITCHEN: CHRISTMAS SPECIAL	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BITCHIN' KITCHEN: HALLOWEEN SPECIAL	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BITCHIN' KITCHEN: SHORTS	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BREAKNECK BUILDS	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BUILDING BRYKS (AKA FAMILY UNDER CONSTRUCTION I USA)	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
BUILDING FAMILY	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
CATFIGHT	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
COCK'D GUNNS	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
EX-WIVES OF ROCK	_TRICON	CANADA / USA	WORLDWIDE	=	=	All Languages/All Media
EX-WIVES OF ROCK II	_TRICON	CANADA / USA	WORLDWIDE	=	=	All Languages/All Media
EX-WIVES OF ROCK III	_TRICON	CANADA / USA	WORLDWIDE	=	=	All Languages/All Media
EXPANDABLES II, THE	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
EXPANDABLES, THE	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
FAMILY UNDER CONSTRUCTION: GABRIEL FAMILY	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
FLIP ADDICT	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
FOOD'S GREATEST HITS	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
GREEN FORCE I	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
GREEN FORCE II	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
GREEN FORCE III	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
HUMBLE HOME HUNTERS	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
INCREDIBLE FOOD RACE	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
LIFE'S A TRIP	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
LIVING THE LIFE	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
LOVE TRAP	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
LOVE TRAP II	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MARRIAGE UNDER CONSTRUCTION I	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MARRIAGE UNDER CONSTRUCTION II	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MARRIAGE UNDER CONSTRUCTION III	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MARRIAGE UNDER CONSTRUCTION IV	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MATCHMAKER I - V	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MATCHMAKER VI	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MISSION: 4COUNT	_TRICON	CANADA	WORLDWIDE	=	=	All Languages/All Media
MUCH: 911	_TRICON	CANADA	WORLDWIDE	NOTE:	MISSING CHAIN OF TITLE	All Languages/All Media
MUCH: FANDEMONIUM	_TRICON	CANADA	WORLDWIDE	NOTE:	MISSING CHAIN OF TITLE	All Languages/All Media

MUCH: IN YOUR SPACE	_TRICON	CANADA	WORLDWIDE	NOTE:	MISSING CHAIN OF TITLE	All Languages/All Media
MUCH: SCREWED OVER	_TRICON	CANADA	WORLDWIDE	NOTE:	MISSING CHAIN OF TITLE	All Languages/All Media
NEXT STAR I, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR II, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR III, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR IV, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR V, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR VI, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR VII, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
NEXT STAR: SUPERGROUP, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
OFF THE MAP WITH SHANNEN & HOLLY	_TRICON	CANADA / USA	WORLDWIDE	"	"	All Languages/All Media
ON THE RECORD WITH MICK ROCK	_TRICON	CANADA / USA	WORLDWIDE	"	"	All Languages/All Media
PARTYMAKER	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
POP-UP GOURMET	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
REP, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER I	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER II	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER III	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER IV	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER V	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER VI	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT MAKEOVER VII	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT TAKEOVER I	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
RESTAURANT TAKEOVER II	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
ROCKER MOMS	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
SLIPPERS, THE	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
SLUT	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
SUMMER BEACH BASH	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
SUMMER BEACH BASH II	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media
SUNNY MEGATRON SHOW, THE	_TRICON	CANADA / USA	WORLDWIDE	"	"	All Languages/All Media
WE AINT TERRORISTS	_TRICON	CANADA	WORLDWIDE	"	"	All Languages/All Media

LICENSED TITLES

>TITLE<	PRODUCER	PROGRAM ORIGIN	TERRITORIES GRANTED	LICENSE START	LICENSE EXPIRE	GRANTED DISTRIBUTION RIGHTS
TAINED DREAMS	405 PRODUCTIONS INC.	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Format or Music Publishing Rights
GAME PLANE, THE	ALPINE LABS	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
METAL EVOLUTION	BANGER FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
ROCK ICONS	BANGER FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing and Soundtrack Rights
NOW EAT THIS! WITH ROCCO DISPIRITO	BELLUM ENTERTAINMENT	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
ON THE SPOT	BELLUM ENTERTAINMENT	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
ZOO CLUES	BELLUM ENTERTAINMENT	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
BIRTH OF A CAR	CASTLEWOOD PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
HICK TOWN	CHASE PRODUCTIONS	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Theatrical Rights
CAFÉ RACER	CHET BURKS PRODUCTIONS	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
WHAT'S IN THE BARN	CHET BURKS PRODUCTIONS	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
CORPUS	CORPUS FILM COMPANY LTD.	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, and Secondary Rights)
SUNNYSIDE	COUNTERFEIT PICTURES	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, and Administrative Rights), EXCLUDING Ancillary Rights
FORGIVE ME	EMOTION PICTURES INC.	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
MARS & VENUS TODAY	ENDLESS MEDIA GROUP	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
TOUGH LOVE	EYEWANG PICTURES INC.	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Administrative Rights), EXCLUDING Digital, Ancillary and Music Publishing Rights
HOUSE PARTY	FARPOINT FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
LOST BONES	FARPOINT FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
MEDICINE LINE, THE	FARPOINT FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
PAPER NAZIS	FARPOINT FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
WILLY'S GARAGE	FARPOINT FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Music Publishing Rights
WILDERNUTS	KVALEER PRODUCTIONS	IRELAND	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Ancillary, and Administrative Rights), NON-EXCLUSIVE Digital Rights and EXCLUDING Music Publishing Rights
WILDERNUTS II	KVALEER PRODUCTIONS	IRELAND	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Ancillary, and Administrative Rights), NON-EXCLUSIVE Digital Rights and EXCLUDING Music Publishing Rights
CHALK & CHEESE	KYANITE SDN BHD	MALAYSIA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
AQUA KIDS	LEGACY DISTRIBUTION	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, and Administrative Rights), NON-EXCLUSIVE SVOD and EXCLUDING Ancillary and Music Publishing Rights
CURIOSITY QUEST	LEGACY DISTRIBUTION	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, and Administrative Rights), NON-EXCLUSIVE SVOD and EXCLUDING Ancillary and Music Publishing Rights
ERIK RIVERA: I'M NO EXPERT	LEVITY PRODUCTIONS, LLC	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
GINA BRILLON: PACIFICALLY SPEAKING	LEVITY PRODUCTIONS, LLC	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
BREEDER OF THE PACK	LIVELY MEDIA	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
CHEF'S DOMAIN, THE	LIVELY MEDIA	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
I DIDNT DO IT	LIVELY MEDIA	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
SMART WOMAN SURVIVAL GUIDE, THE	MAGEE TV	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights), EXCLUDING Theatrical Rights
COOK EAT CHINA	MEDIACORP SINGAPORE PTE LTD.	SINGAPORE	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
JOJO'S DIARY OF ASIA (LETTING GO)	MEDIACORP SINGAPORE PTE LTD.	SINGAPORE	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
MEAT AND GREED	MEDIACORP SINGAPORE PTE LTD.	SINGAPORE	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
MISS ADVENTURES	MEDIACORP SINGAPORE PTE LTD.	SINGAPORE	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
YOU THINK YOU KNOW - FOOD IN SINGAPORE	MEDIACORP SINGAPORE PTE LTD.	SINGAPORE	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, and Digital); EXCLUDING Ancillary and Administrative Rights
DEEPER SHADE OF BLUE, A	NEW WORLD DISTRIBUTION INC.	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
MOULIN ROUGE - THE BALLET	PAQUIN-RIVARD BALLET PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
STAIRCASE ON DRAGON'S BACK	PETER LAI	HONG KONG	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE-OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
AGA KHAN	PTV PRODUCTIONS	CANADA	WORLDWIDE			
EMPERORS LOST HARBOUR	PTV PRODUCTIONS	CANADA	WORLDWIDE			
EX FACTOR	PTV PRODUCTIONS	CANADA	WORLDWIDE			

FOOTSTEPS OF GOLIATH	PTV PRODUCTIONS	CANADA	WORLDWIDE			
GRAMPA'S GARDEN	PTV PRODUCTIONS	CANADA	WORLDWIDE			
HAPPY BIRTHDAY	PTV PRODUCTIONS	CANADA	WORLDWIDE			
INSIDE DISASTER	PTV PRODUCTIONS	CANADA	WORLDWIDE			
LETTERS TO GOD	PTV PRODUCTIONS	CANADA	WORLDWIDE			
LIVING STORIES	PTV PRODUCTIONS	CANADA	WORLDWIDE			
NOTMAN'S CAMERA	PTV PRODUCTIONS	CANADA	WORLDWIDE			
ORIGINAL KIN	PTV PRODUCTIONS	CANADA	WORLDWIDE			
PASSAGE	PTV PRODUCTIONS	CANADA	WORLDWIDE			
POVERTY, CHASTITY, OBEDIENCE	PTV PRODUCTIONS	CANADA	WORLDWIDE			
RAISING CASSIDY	PTV PRODUCTIONS	CANADA	WORLDWIDE			
RESOLUTIONS	PTV PRODUCTIONS	CANADA	WORLDWIDE			
SAVING PLACES	PTV PRODUCTIONS	CANADA	WORLDWIDE			
SHUT UP & WRITE ME	PTV PRODUCTIONS	CANADA	WORLDWIDE			
STAR PORTRAITS I	PTV PRODUCTIONS	CANADA	WORLDWIDE			
STAR PORTRAITS II	PTV PRODUCTIONS	CANADA	WORLDWIDE			
WEDNESDAY NIGHTS	PTV PRODUCTIONS	CANADA	WORLDWIDE			
REAL ROB I	REAL ROB LLC	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, and Administrative Rights); EXCLUDING Ancillary and Music Publishing Rights
REAL ROB II	REAL ROB LLC	USA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, and Administrative Rights); EXCLUDING Ancillary and Music Publishing Rights
MICHAEL, TUESDAYS & THURSDAYS	RHOMBUS MEDIA	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
RIDE GUIDE	RIDE GUIDE PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
20 MOVES	SAMARITAN ENTERTAINMENT	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
COLOUR ME	TAZA MEDIA INC.	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights)
CHICKS WITH STICKS	THE NIGHTINGALE COMPANY	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
GET OUTTA TOWN	THE NIGHTINGALE COMPANY	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
LAST NEW YEAR, THE	THE NIGHTINGALE COMPANY	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
LINE, THE	THE NIGHTINGALE COMPANY	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
LIVING IN YOUR CAR	THE NIGHTINGALE COMPANY	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
QUALITY BALLS: THE DAVID STEINBERG STORY	THE NIGHTINGALE COMPANY	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Music Publishing Rights
INSECURITY I	VERITE FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
INSECURITY II	VERITE FILMS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
GRR TV - GRASS ROOTS RACING	WATER PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
MOTORHEAD TRAVELER, THE	WATER PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
MXCULTURE	WATER PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
PWCTV	WATER PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
SLEDSENSE	WATER PRODUCTIONS	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); EXCLUDING Theatrical Rights
SAILING AROUND THE WORLD	WIND ATHLETES CANADA	CANADA	WORLDWIDE; EXCLUDING ANY PRODUCER CARVE- OUT IN 'ACTIVE RIGHTS'			All Languages/All Media (All Television, Home Video, Non-Theatrical, Digital, Ancillary, and Administrative Rights); NOTE all Home Video Rights are NON-EXCLUSIVE with the Producer

[Active Rights Redacted]

SCHEDULE C

DELIVERY MATERIALS

All physical and legal assets relating to the Programs reasonably requested by the Distributor and required for the Distributor to exercise the rights granted in this Agreement, in accordance with industry customs and standards, including completed and signed documentation in the forms of Exhibits A - E attached hereto for each Program.

EXHIBIT A
Certificate of Origin

The undersigned, _____, [insert undersigned's position], duly entitled to represent _____, does hereby certify under oath that the following declarations are true and sincere;

1. The television motion picture entitled "[]" was produced by _____, in _____ and is of _____ origin pursuant to [insert applicable legislation].
2. The producers are _____
The screenwriter is _____
The director is _____
The leading actors are _____
The running time is _____
The length is approximately _____ minutes.
3. Sonar Canada Inc. is the agent duly appointed to sell the film on the terms set forth in the distribution agreement dated April •, 2017 .

Signed: _____

By: _____

Date: _____

State/Province of _____)

City of _____)

On _____, before me, _____, personally appeared _____ personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person cited, executed this instrument.

Witness my hand and official seal.

**EXHIBIT B
MEMORANDUM OF EXCLUSIVE LICENSE**

KNOW ALL MEN BY THESE PRESENTS

THIS INSTRUMENT is subject to all the terms and conditions of the distribution agreement (the "Agreement"), dated as of April 9, 2017, between, *inter alia*, [●] (the "Licensor"), and Sonar Canada Inc., an Ontario corporation (the "Licensee") relating to a television motion picture entitled "[●]" (the "Picture").

The undersigned Licensor, for good and valuable consideration receipt of which is hereby acknowledged, hereby grants and assigns to Licensee, on the terms and conditions of the Agreement, the exclusive right to distribute the Picture in all media now or hereafter known in the territory described in the Agreement (the "Territory") subject to the terms therein.

The Licensee, and its successors and assigns, are hereby empowered to bring, prosecute, defend and appear in suits, actions and proceedings of any kind or nature under or concerning any of the exclusive rights granted to Licensee pursuant to the Agreement, or concerning any infringement thereof prior to or after the date hereof, and particularly infringement of or interference with any of the rights now granted in the Territory, in the name of the Licensee which will indemnify the undersigned therein. Any recovery of cost from infringement or violation of any of the exclusive rights granted to Licensee pursuant to the Agreement, prior to or after the date hereof, so far as it arises from any violation of rights hereby assigned, is now assigned to and shall be paid to the Licensee and its successors and assigns.

Dated:

LICENSOR:

[]

By: _____

**EXHIBIT C
LABORATORY ACCESS LETTER**

Date:[], 2017

Name of Laboratory
Address

Re: ACCESS AGREEMENT

Ladies and Gentlemen:

You currently have in your possession certain materials relating to a television motion picture entitled "[]" (the "Picture"), identified in the [] (the "Picture Property").

Pursuant to an agreement between "[]" ("Owner") and "[]" ("You" or "Tricon"), dated as of _____, ____ (the "Agreement"), certain rights in and to the Picture have been granted to Tricon.

Pursuant to an agreement between, *inter alia*, Tricon, certain Tricon affiliates and Sonar Canada Inc. ("Sonar"), dated as of April •, 2017 (the "Distribution Agreement"), certain rights in and to the Picture have been granted to Sonar.

Whereas Owner continues to possess certain other rights in connection with the Picture and Picture Property, including, without limitation, rights of access with respect to the Picture Property (the "Access Rights") and whereas Sonar desires Owner and Tricon extend the Access Rights to Sonar and its designees for the term of the Distribution Agreement; therefore,

1. You and Owner hereby agree that Sonar has been granted and is entitled to exercise on a non-exclusive basis the Access Rights with respect to the Picture Property. You agree to hold and maintain at your facility (at the address first written above) all such Picture Property, and you shall not remove or dispose of or permit the removal or disposal of any or all of the Picture Property from your facility by anyone including Owner without the prior written consent of Sonar, except as provided in Paragraph Seven (7) herein below.

2. You agree that Sonar and Sonar's designees shall at all times have the non-exclusive right to exercise the Access Rights including, without limitation, the right to have access to the Picture Property.

3. You agree to fill all orders from Sonar and its designees for materials made from said Picture Property, at prices no higher than your then prevailing prices, at the sole cost and expense of Sonar or such designees, as the case may be. All materials and services which you may supply or furnish on any order of Sonar are to be paid for solely by Sonar, and Owner shall not be responsible for any credit arrangements which you may make with Sonar. Moreover, you agree not to look to Owner or assert any claim or lien, statutory or otherwise, against it or its property or any materials pertaining to the Picture held by you by reason of any work, labor, service or material which you perform or furnish to Sonar or its designees or for any obligations of Sonar or its designees. You agree that you will fill all orders from Sonar and its designees in

accordance with the terms hereof without regard to any liability or obligation to you of any party including Owner.

4. You are authorized to fill all orders from Owner and its designees for materials made from said Picture Property, at the sole cost and expense of Owner or its designees and at prices no higher than your then prevailing prices. All materials and services which you may supply or furnish on any order of Owner are to be paid for solely by Owner or its designees, and Sonar shall not be responsible for any credit arrangements you may make with Owner or any other third party. Moreover, you agree not to look and will not look to Sonar nor assert any claim or lien, statutory or otherwise, against it or its property, the Picture Property or any other materials pertaining to the Picture held by you by reason of any work, labor, service or material which you perform or furnish to Owner or any other person or any entity other than Sonar. You agree that you will fill all orders from Owner in accordance with the terms hereof without regard to any liability or obligation to you or any party.

5. As between Sonar and Owner, all costs of maintaining the Picture Property at your facility shall be the sole responsibility of Owner.

6. You agree that this Laboratory Agreement is irrevocable, and may not be revoked, rescinded or modified without the prior written consent of Sonar and Owner and you are hereby authorized to act on the same.

7.

(a) Notwithstanding anything to the contrary elsewhere set forth in this Laboratory Agreement (and subject to the rights of access of third parties) Sonar and Owner agree that provided you have received from Sonar prior written consent you may thereafter at Owner's written request deliver the Picture Property to a reputable commercial laboratory approved by Sonar, and provided that prior to your shipping of any Picture Property to such laboratory Owner and Sonar and such laboratory execute and deliver to you a Laboratory Access Agreement (the "New Access Agreement") addressed to Owner and Sonar in substantially the same form as this Laboratory Access Agreement.

(b) If Sonar or Owner or their designees (the "Applicable Person") orders any film or video materials, the manufacture of which requires the use of any Picture Property, and you are not able to manufacture such film or video materials required by the Applicable Person, or the Applicable Person wishes to have film or video materials derived from such Picture Property manufactured at a different facility then in such event you agree to make available such Picture Property to a reputable third-party laboratory designated by the Applicable Person (herein "Other Laboratory"), in accordance with the following:

(i) You agree to ship Picture Property as designated by the Applicable Person to the Other Laboratory to be held in your name solely for the purpose of manufacturing, for the account of the Applicable Person, the film or video materials ordered by such Applicable Person.

(ii) The Other Laboratory must agree in writing, in advance of your shipment of such Picture Property to the Other Laboratory that (x) such Picture Property

will be held in your name and returned to you promptly upon completion of manufacture of the required film or video materials by the Other Laboratory, which manufacture must be completed as soon as reasonably practicable, and (y) you will have no liability to the Other Laboratory for payment for materials or services ordered by the Applicable Person, or any other party from the Other Laboratory.

(iii) The Applicable Person shall pay for any insurance or other costs required in connection with transferring such Picture Property to and from the Other Laboratory.

8. You, Owner and Sonar hereby agree that the Access Rights, Owner's rights and Sonar's rights hereunder may not be altered, amended, supplemented, terminated or replaced without the prior written consent of Sonar and Owner.

9. This agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

By signing where indicated below, you shall be acknowledging your acceptance of the foregoing instructions and agreements.

Very truly yours,

[].
By: _____
Title: _____

SONAR CANADA INC.
By: _____
Title: _____

AGREED AND ACCEPTED:

(Name of Laboratory)

By: _____
Title: _____

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EXHIBIT D

INTENTIONALLY DELETED

**EXHIBIT E
STATEMENT OF RESIDUAL OBLIGATIONS**

I. PROGRAM INFORMATION

Program Name (include all a.k.a's) "[]"

Production Company Name (Licensor) [_____]

Made For (circle one): Free TV (Basic Cable) Free TV (Network) Free TV (Non-Network)

Free TV (Syndication) Pay TV/Home Video/VOD Theatrical

Program Type (circle one): Film TV Mini-Series (# of Parts _____)

Episodic Series (# of Episodes/Segments _____)

Principal Photography Date: _____

Program Length: _____

II. APPLICABLE GUILDS:

1. SAG /AFTRA (circle one) YES NO
If SAG, circle one (attach copy if applicable): Low Budget Modified Low Budget
Neither

If Yes, information needed:
Final SAG Cast List : including SS#'s & Loanout company names w/ Fed ID # (if applicable), complete addresses, number of days worked, total amount earned including pension & health contributions, & guaranteed period if higher than days worked.
Contracts for each SAG performer

2. WGA YES NO
If Yes, circle one (attach copy if applicable): Low Budget Modified Low Budget
Neither

If Yes, information needed:
List of all participating writers , including SS#'s & Loanout company names w/ Fed ID # (if applicable), complete addresses, total amount earned including pension & health contributions, & a copy of the Notice of Tentative Writing Credits & Final Credit Determination letter (where applicable)
Contracts for each Writer

3. DGA YES NO

If Yes, circle one (attach copy if applicable): Low Budget Modified Low Budget
Neither

If Yes, information needed:

List of all DGA personnel (e.g. Director, 1st AD, 2nd AD, UPM) , including SS#'s & Loanout company names w/ Fed ID # (if applicable), complete addresses, total amount earned including pension & health contributions, & a copy of the DGA Credit Residual Determination letter (where applicable).

Contracts/Deal Memos for each Director.

(continued on page 2)

(continued from page 1)

4. AFM YES NO

If Yes, please provide copies of all AFM session reports signed by the Licensor & AFM Assumption Agreement.

5. Was Program shot entirely in the United States? YES NO

If No, please indicate what other countries the film was shot in: _____.

6. Indicate Other Guilds which may be due contingent compensation (Circle if applicable):

ACTRA UBCP DGC WGC EQUITY MEAA

Other: _____

For applicable guilds, has there been a buyout of residuals? If yes, please provide:
Buyout reports showing earnings, days worked & buyout amounts for all talent.

7. Was there any non-guild performers used outside the U.S.? (e.g. actors, loopers, stuntmen, etc.) YES NO

If Yes, please indicate country & provide a report showing earnings & days worked for each performer.

8. Have residuals been prepaid or advanced to any guild member? YES NO

If Yes, please provide a list of all amounts prepaid or advanced to each guild member, along with copies of all agreements which support these amounts paid.

Licensor Signature _____

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Name _____

Title _____

Date: _____

SCHEDULE D
DISTRIBUTION APPROVAL ORDER

See attached.

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.
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

SCHEDULE E

DIRECTION AND ACKNOWLEDGEMENT

TO: SONAR CANADA INC. (the "Distributor")
SUNTRUST BANK (the "Lender"),

FROM: 1462598 ONTARIO INC. ("Tricon") AND EACH OF THE SUBSIDIARIES OF
TRICON LISTED IN Schedule A HERETO (together with Tricon, collectively,
the "Tricon Entities") and • (the "Monitor")

RE: Distribution Payments and Loan Repayments

DATE: [•], 2017

WHEREAS the Lender has advanced certain loans (each a "Loan") to the Tricon Entities and is a secured creditor in respect of such Loans;

AND WHEREAS the Tricon Entities and the Distributor *inter alia* entered into a distribution agreement on April •, 2017 (the "Distribution Agreement"), pursuant to which the Distributor will, as agent on behalf of the Tricon Entities, arrange to enter into licenses with licensees for the distribution, exploitation and marketing of the Programs (as defined in the Distribution Agreement) and will make payments in connection with such arrangements, all as contemplated by the Distribution Agreement;

NOW THEREFORE, the undersigned hereby request, authorize, direct, acknowledge and agree, as applicable, as follows:

1. Each of the Tricon Entities hereby (subject to Section 3 hereof) irrevocably authorizes and directs the Distributor to pay the amounts to which the Tricon Entities are otherwise entitled in accordance with 6.4 of the Distribution Agreement to the Lender, on behalf of the Tricon Entities, by wire transfer of immediately available funds.
2. The Tricon Entities acknowledge that receipt of the amounts by the Lender from the Distributor will constitute payment of such amounts to the Tricon Entities. The Lender acknowledges that receipt of the amounts by the Lender from the Distributor will constitute payment on account of the principal amount of the Loan owing by the Tricon Entities.
3. In the event that the Lender has been paid in full or the Monitor determines that the amounts subject to this direction are required to satisfy liabilities of the Tricon Entities entitled to be paid in priority to the Lender, the Tricon Entities (with the written consent of the Monitor) may revoke this direction upon giving five (5) business days prior notice thereof in writing to each of the Lender and the Distributor and any such revocation will take at effect on the first business day following such notice period.

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[TRICON ENTITIES]

Per: _____
Name:
Title:

Per: _____
Name:
Title:

ACKNOWLEDGED BY:

SUNTRUST BANK

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE A

OPERATOR POST INC.
TRICON EDUCATION INC.
TRICON FILMS INC.
TRICON INTERACTIVE 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 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.

SCHEDULE E
EQUIPMENT

See attached.

**Tricon Films & Entertainment
Equipment
SCDV**

Category	Type of Gear	Model	Make/Quantity	Serial Number	Owned/Leased?	Status	Transformed to Sonar?
Production	Memory Cards	84GB, CF	Sandisk extreme pro	237 units x \$100	Owned	Available	Yes
Production	Memory Cards	32GB CF	Sandisk extreme pro	119 units x \$80	Owned	Available	Yes
Production	Memory Cards	16GB CF	Sandisk extreme pro	4 units x \$50	Owned	Available	Yes
Production	Memory Cards	32GB mSD	Sandisk extreme pro	325 units x \$40	Owned	Available	Yes
Production	Memory Cards	16GB SD	Sandisk extreme pro	3 units x \$ 25	Owned	Available	Yes
Production	Memory Cards	32GB SD	Sandisk extreme pro	31 units x \$40	Owned	Available	Yes
Production	Memory Cards	84GB SD	Sandisk extreme pro	4 units x \$60	Owned	Available	Yes
Production	Cam Mic	Sony ECM-MS2	Sony	1000115	Owned	Available	Yes
Production	Cam Mic	Sony ECM-MS2	Sony	1000117	Owned	Available	Yes
Production	Cam Mic	Sony ECM-MS2	Sony	1000118	Owned	Available	Yes
Production	Cam Mic	Sony ECM-MS2	Sony	1000119	Owned	Available	Yes
Production	Camera	Canon EOS C300	Canon	532410000078	Owned	Available	Yes
Production	Camera	Canon EOS C300	Canon	532841400082	Owned	Available	Yes
Production	Camera	Canon EOS C300	Canon	532841400052	Owned	Available	Yes
Production	Charger	Canon CG-940	Canon	n/a	Owned	Available	Yes
Production	Charger	Canon CG-940	Canon	n/a	Owned	Available	Yes
Production	Charger	Canon CG-940	Canon	n/a	Owned	Available	Yes
Production	Charger	Canon CG-940	Canon	n/a	Owned	Available	Yes
Production	Charger	VI-4s	IDX	k2-09017	Owned	Available	Yes
Production	Charger	VI-4s	IDX	n/a	Owned	Available	Yes
Production	Charger	VI-2plus	IDX	k1-01188	Owned	Available	Yes
Production	Charger	VI-2plus	IDX	k1-22584	Owned	Available	Yes
Production	Charger	VI-2plus	IDX	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	Canon Battery Pack BP-955	n/a	n/a	Owned	Available	Yes
Production	Cam Battery	40 x vmount E-hfs II-lion	IDX-endura h186	259/unit	Owned	Available	Yes
Production	Lens	10-22mm	Canon	3703827	Owned	Available	Yes
Production	Lens	16-35mm	Canon EF 12.8L II USM	3838556	Owned	Available	Yes
Production	Lens	24-70mm	Canon	3972964	Owned	Available	Yes
Production	Lens	70-200mm	Canon	8480015886	Owned	Available	Yes
Production	Lens	16-35mm	Canon	2140002384	Owned	Available	Yes
Production	Lens	50mm	Zeiss	3802514	Owned	Available	Yes
Production	Lens	85mm	Zeiss	15844508	Owned	Available	Yes
Production	Lens	24-70mm	Canon EF 12.8L II USM	15846828	Owned	Available	Yes
Production	Lens	16-35mm	Canon	3878078	Owned	Available	Yes
Production	Lens	50mm	Zeiss	3008969	Owned	Available	Yes
Production	Lens	50mm	Zeiss	15844077	Owned	Available	Yes

Tricon Films & Entertainment
Equipment
SCDW

Category	Type of Gear	Model	Make/Quantity	Serial Number	Owned/Leased?	Status	Transferred to Sonnet?
Production	Camera Cage	UltraCage Black Pro	Red Rock Micro	n/a	Owned	Available	Yes
Production	KiNo4001	KiNo Diva 400	Diva-400-120	3577	Owned	Available	Yes
Production	KiNo4002	KiNo Diva 400	Diva-400-120	1289	Owned	Available	Yes
Production	KiNo4003	KiNo Diva 400	Diva-400-120	2834	Owned	Available	Yes
Production	KiNo4004	KiNo Diva 400	Diva-400-120	2887	Owned	Available	Yes
Production	KiNo4005rmo	RMO KiNo Diva 400	Diva-400-120	2141	Owned	Available	Yes
Production	KiNo4006	KiNo Diva 400 Universal voltage	Diva-400-120	4646	Owned	Available	Yes
Production	KiNo4007	KiNo Diva 400 Universal voltage	Diva-400-120	3967	Owned	Available	Yes
Production	KiNo4008	KiNo Diva 400	Diva-400-120	6159	Owned	Available	Yes
Production	KiNo4009	KiNo Diva 400	Diva-400-120	5085	Owned	Available	Yes
Production	KiNo410	KiNo diva 400	Diva-400-120	3717	Owned	Available	Yes
Production	KiNo411	KiNo diva 400	Diva-400-120	3710	Owned	Available	Yes
Production	KiNo412	KiNo diva 400	Diva-400-120	8412	Owned	Available	Yes
Production	KiNo413	KiNo diva 400	Diva-400-120	8277	Owned	Available	Yes
Production	KiNo414	KiNo diva 401 univ	n/a	5417	Owned	Available	Yes
Production	KiNo415	KiNo diva 401 univ	n/a	5435	Owned	Available	Yes
Production	KiNo2001	KiNo Diva 200	Diva-200-120	1988	Owned	Available	Yes
Production	KiNo2002	KiNo Diva 200	Diva-200-120	1983	Owned	Available	Yes
Production	KiNo2003	KiNo Diva 200	Diva-200-120	1155	Owned	Available	Yes
Production	KiNo2004	KiNo Diva 200	Diva-200-120	1147	Owned	Available	Yes
Production	KiNo2005	KiNo Diva 200	Diva-200-120	1975	Owned	Available	Yes
Production	KiNo2006	KiNo Diva 200	Diva-200-120	2805	Owned	Available	Yes
Production	Grandpa	KiNo 4ft w/ ballast 4bank	Bal-410-s120	4214	Owned	Available	Yes
Production	Grandpa	KiNo 4ft w/ ballast 4bank	Bal-410-s120	13851	Owned	Available	Yes
Production	Grandpa	KiNo 4ft w/ ballast 4bank	Bal-410-s120	13650	Owned	Available	Yes
Production	Grandpa	KiNo 4ft w/ ballast 4bank	Bal-410-s120	15887	Owned	Available	Yes
Production	Grandma	KiNo 4ft w/ ballast 2bank	Bal-210-s120	8278	Owned	Available	Yes
Production	Grandma	KiNo 4ft w/ ballast 2bank	Bal-210-s120	8278	Owned	Available	Yes
Production	Grandpa	KiNo 4ft w/ ballast 4bank	Bal-410-s120	18840	Owned	Available	Yes
Production	Grandpa	KiNo 4ft w/ ballast 4bank	Bal-410-s120	18639	Owned	Available	Yes
Production	Interview Kit	KiNo 2ft w/balast 2bank	KiNoFo	1252	Owned	Available	Yes
Production	KiNo 2ft w/balast 2bank	KiNo 2ft w/balast 2bank	KiNoFo	1203	Owned	Available	Yes
Production	KiNo 2ft w/balast 4bank	KiNo 2ft w/balast 4bank	KiNoFo	1477	Owned	Available	Yes
Production	Interview Kit	KiNo 2ft w/balast 2bank	KiNoFo	1206	Owned	Available	Yes
Production	KiNo 2ft w/balast 2bank	KiNo 2ft w/balast 2bank	KiNoFo	1201	Owned	Available	Yes
Production	KiNo 2ft w/balast 4bank	KiNo 2ft w/balast 4bank	KiNoFo	1057	Owned	Available	Yes
Production	Interview Kit	KiNo 2ft w/balast 2bank	KiNoFo	n/a	Owned	Available	Yes
Production	KiNo 2ft w/balast 2bank	KiNo 2ft w/balast 2bank	KiNoFo	n/a	Owned	Available	Yes
Production	KiNo 2ft w/balast 4bank	KiNo 2ft w/balast 4bank	KiNoFo	n/a	Owned	Available	Yes
Production	Interview Kit	KiNo 2ft w/balast 2bank	KiNoFo	n/a	Owned	Available	Yes
Production	KiNo 2ft w/balast 2bank	KiNo 2ft w/balast 2bank	KiNoFo	n/a	Owned	Available	Yes

**Tricon Films & Entertainment
Equipment
\$CDW**

Category	Type of Gear	Model	Make/Quantity	Serial Number	Owned/Leased?	Status	To Be Transferred to Sonar?
Production	KiNo 2R w/balast 4bank	KiNo 2R w/balast 4bank	KiNoFlo	n/a	Owned	Available	Yes
Production	Interview Kit	KiNo 2R w/balast 2bank	KiNoFlo	n/a	Owned	Available	Yes
Production	KiNo 2R w/balast 2bank	KiNo 2R w/balast 2bank	KiNoFlo	n/a	Owned	Available	Yes
Production	KiNo 2R w/balast 4bank	KiNo 2R w/balast 4bank	KiNoFlo	n/a	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1876	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1842	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1875	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1884	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1899	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1641	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1700	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1892	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1891	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1893	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1847	Owned	Available	Yes
Production	Light Fixture	KiNo Flo Single 4ft /Ballast	11 Lmount w/3/8" Pin /251	1737	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011065	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011064	Owned	Available	Yes
Production	light panel kit	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011063	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011102	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011116	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011115	Owned	Available	Yes
Production	light panel kit	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011114	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011103	Owned	Available	Yes
Production	light panel kit	1x1 LED bicolor Dimable	F&V Lighting K4000S	S/N- 109041010011103	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	n/a	Owned	Available	Yes
Production	1x1 LED bicolor Dimable	1x1 LED bicolor Dimable	F&V Lighting K4000S	n/a	Owned	Available	Yes
Production	Jib	MT-1 Heavy duty Tripod	Mathews	N/A	Owned	Available	Yes
Production	Tripod for Jib	MT-1 Heavy duty Tripod	Mathews	81171	Owned	Available	Yes
Production	Wheels for Jib	DL-7 Dolly for MT-1	Mathews	5600	Owned	Available	Yes
Production	Drone	Phantom 2	DJI	400149123	Owned	Available	Yes
Production	Drone	Phantom 2	DJI	400000387	Owned	Available	Yes
Production	Drone	Phantom 2	DJI	400170018	Owned	Available	Yes
Production	Grip Releasor	ENG Grip Releasor for C300	Zacuto	n/a	Owned	Available	Yes
Production	Holly1	Matthews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly2	Matthews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly3	Matthews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly4	Matthews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly5	Matthews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly6	Matthews Hollywood Stand	n/a	n/a	Owned	Available	Yes

Tricon Films & Entertainment
Equipment
 \$CDN

Category	Type of Gear	Model	Make/Quantity	Serial Number	Owned/Leased?	Status	To Be Transferred to Sponsor?
Production	Holly7	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly8	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly9	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly10	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly11	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly12	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	Holly13	Mathews Hollywood Stand	n/a	n/a	Owned	Available	Yes
Production	CstdS1	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS2	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS3	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS4	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS5	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS6	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS7	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS8	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS9	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	CstdS10	Mathews C Stand w/ grip arm & head	Silver C Stand	n/a	Owned	Available	Yes
Production	Grip Arm	75lbboompole silver	n/a	n/a	Owned	Available	Yes
Production	Baby Plates	silver	4 units	n/a	Owned	Available	Yes
Production	Arm	650 light	blue	2269	Owned	Available	Yes
Production	Arm	650 light	blue	6779	Owned	Available	Yes
Production	arm	650 light	blue	103398	Owned	Available	Yes
Production	arm	Arm 150	blue	A-34617	Owned	Available	Yes
Production	Arm	Arm 150	blue	A-34572	Owned	Available	Yes
Production	Arm	Arm 150	blue	A-28721	Owned	Available	Yes
Production	arm	arm 150	blue	s/n 43361	Owned	Available	Yes
Production	arm	arm 150	blue	s/n 43368	Owned	Available	Yes
Production	Grip	Carolestant Clamp	10 units x \$45	n/a	Owned	Available	Yes
Production	Grip	Dimmer	3 units x \$45	n/a	Owned	Available	Yes
Production	Grip	grip heads	2 units x \$250	n/a	Owned	Available	Yes
Production	peL1	Yellow Stormcase	8 units x \$45	n/a	Owned	Available	Yes
Production	peL2	Green Pelican	Large	n/a	Owned	Available	Yes
Production	peS	black Pelican	Large	n/a	Owned	Available	Yes
Production	peS	black Pelican	Small	n/a	Owned	Available	Yes
Production	peS	black Pelican	Small	n/a	Owned	Available	Yes
Production	peS	black Pelican	Small	n/a	Owned	Available	Yes
Production	peS	black Pelican	Small	n/a	Owned	Available	Yes
Production	peS	black Pelican	Small	n/a	Owned	Available	Yes
Production	peS	black Pelican	1820	n/a	Owned	Available	Yes
Production	peS	black Pelican	1820	n/a	Owned	Available	Yes
Production	mattebox	petcraft matte box	5x5	n/a	Owned	Available	Yes

Tricon Films & Entertainment
Equipment
\$CDW

Category	Type of Gear	Model	Make/Quantity	Serial Number	Owned/Leased?	Status	To Be Transferred to Sonar?
Production	AC25	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-5	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-8	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-7	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-8	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-9	AC 25 ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-10	AC 25ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-11	AC25ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-12	AC 25ft	Military spec	n/a	Owned	Available	Yes
Production	AC25-C	AC 25 ft-coil	Military spec	n/a	Owned	Available	Yes
Production	Black 50R AC	Black 50R AC	Military spec	n/a	Owned	Available	Yes
Production	AC50-1	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50-2	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC50	AC 50 ft	Military spec	n/a	Owned	Available	Yes
Production	AC100	AC 100ft	Military spec	n/a	Owned	Available	Yes
Production	AC100	AC 100ft	Military spec	n/a	Owned	Available	Yes
Production	AC100	AC 100ft	Military spec	n/a	Owned	Available	Yes
Production	AC100-1	AC 100ft	Military Spec	n/a	Owned	Available	Yes
Production	AC100-2	AC 100ft	Military Spec	n/a	Owned	Available	Yes
Production	AC	100ft	Military Spec	n/a	Owned	Available	Yes
Production	AC2	AC 2ft	Military Spec	n/a	Owned	Available	Yes
Production	ManNor1	Manfrotto Omni stand	n/a	n/a	Owned	Available	Yes
Production	maNorma2	Manfrotto Omni stand	n/a	n/a	Owned	Available	Yes
Production	manlarge1	Manfrotto Large Black Stand	n/a	n/a	Owned	Available	Yes
Production	manlarge2	Manfrotto Large Black Stand	n/a	n/a	Owned	Available	Yes
Production	manlarge3	Manfrotto Large Black Stand	n/a	n/a	Owned	Available	Yes

**Tricon Films & Entertainment
Equipment
SCDN**

Category	Type of Gear	Model	Make/Quantity	Serial Number	Owned/Leased?	Status	To Be Transferred to Sonar?
Computer Equipment	Computer	Lenovo D30	1	n/a	Owned	Available	Yes
Computer Equipment	Computer	Mac Pro Trashcans	2	n/a	Owned	Available	Yes
Computer Equipment	Computer	Mac Pro Towers	21	n/a	Owned	Available	Yes
Computer Equipment	Computer	Mac Mini Server	3	n/a	Owned	Available	Yes
Computer Equipment	Computer	Mac Mini	10	n/a	Owned	Available	Yes
Computer Equipment	Computer	27" iMac	2	n/a	Owned	Available	Yes
Computer Equipment	Computer	IBM Blade Server	1	n/a	Owned	Available	Yes
Computer Equipment	Computer	IBM LTO-5 Tape Backup	1	n/a	Owned	Available	Yes
Computer Equipment	Computer	Scope Computers	2	n/a	Owned	Available	Yes
Computer Equipment	Computer Hardware	Large Switches	6	n/a	Owned	Available	Yes
Computer Equipment	Computer Hardware	Small Switches	5	n/a	Owned	Available	Yes
Computer Equipment	Computer	Ronke Strawberry - Aurora	1	n/a	Owned	Available	Yes
Computer Equipment	Computer Hardware	Online 2 Hardrive Array	1	n/a	Owned	Available	Yes
Computer Equipment	Computer Hardware	Blackmagic SDI Router	1	n/a	Owned	Available	Yes
Computer Equipment	Computer	VTM for Rack	1	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	Avid Nitris DX	2	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	Everts Multiframe	1	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	Sony Hdcam Deck	1	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	Dolby DP570	1	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	Dolby DP572	1	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	Sony LMD-24"	2	n/a	Owned	Available	Yes
Broadcast Equipment	Broadcast Equipment	AJA LHi	1	n/a	Owned	Available	Yes
Broadcast Equipment	Servers	ISIS, Interplay, Cloud Servers	1	n/a	Leased	Available	Yes
Vehicles (Toronto)	Vehicles	Dodge	2012 Caravan	BTYM889	Owned	Available	Yes
Vehicles (Toronto)	Vehicles	Dodge	2010 Caravan	BTYM887	Owned	Available	Yes
Vehicles (Toronto)	Vehicles	Chevrolet	2010 Cargo Van	AH864594	Owned	Available	Yes

SCHEDULE F
FORM OF LICENSE AGREEMENT

See attached.

LICENSE AGREEMENT

THIS AGREEMENT is made as of April ④, 2017

BETWEEN

1462598 ONTARIO INC., a corporation incorporated under the laws of the Province of Ontario ("**Tricon**") and **EACH OF THE AFFILIATES OF TRICON LISTED IN EXHIBIT "A" HERETO** (together with "**Tricon**", the "**Licensors**", and each a "**Licensor**")

- and -

SONAR CANADA INC., a corporation incorporated under the laws of the Province of Ontario (the "**Licensee**")

WHEREAS each of the Licensors, Tricon Television80 Inc., Tricon Television81 Inc. and Tricon Television82 Inc. is a debtor in proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and subject to an Amended and Restated Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated December 20, 2016, as further amended on February 28, 2017 (the "**Initial Order**");

AND WHEREAS copyright in each work listed in Exhibit "B" (Licensed Programs) (the "**Programs**") is owned by one or more of the Licensors and copyright in all other works embedded therein are owned or licensed by one or more of the Licensors;

AND WHEREAS the Licensee wishes to obtain, and the Licensors wish to provide, certain rights to the Programs and the works embedded therein (the "**Licensed Elements**") for the sole purpose of enabling the Licensee to develop, produce, distribute and otherwise exploit new or future programs, episodes or seasons of any of the Programs (the "**Purpose**");

NOW THEREFORE, in consideration of the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Grant of License

- (a) Effective as of the date first written above, each Licensor hereby grants to the Licensee an exclusive, irrevocable, perpetual, royalty-free, transferable, sublicensable, worldwide right (as such Licensor possesses) to use, produce, reproduce and otherwise exploit the Licensed Elements, or any portion thereof, solely for the Purpose.
- (b) Subject to Sections 1(a) and 2(a) of this Agreement, the Licensee will have no right, title or interest in and to the Programs or the Licensed Elements and all such right, title and interest will remain the sole and exclusive property of the applicable Licensors. Subject to Section 2(a), the Licensors maintain ownership of

all copyright in and to the Programs and this Agreement shall in no way operate to assign copyright in or to the Programs or the Licensed Elements to the Licensee.

2. Transfer of Programs and Licensed Elements

- (a) Upon a dissolution or winding up of a Licensor, all right, title and interest of such Licensor in any Program and all Licensed Elements related thereto, shall automatically transfer to the Licensee, free and clear of all claims and encumbrances, without further action by any party hereto.

3. General

- (a) None of the parties may assign this Agreement, in whole or in part, without the prior written consent of the other parties (provided, the Licensors shall not provide such consent without Tricon first obtaining the consent of SunTrust Bank, Inc.); provided, however, that each party shall be permitted to assign this Agreement or its rights hereunder (a) to any related entity (e.g., any parent, subsidiary or other affiliated entity), (b) to any third party of at least comparable financial stature to the assigning party, or (c) in connection with the sale of all or substantially all of the assigning party's assets, without the prior approval of the other parties; provided that such related entity, third party or assignee shall have assumed all of such assigning party's executory obligations hereunder in writing. For the avoidance of doubt, nothing in this Section 3(a) shall in any manner limit the Licensee from exercising its rights in accordance with Sections 1 and 2 hereof.
- (b) (i) this Agreement is executed following the commencement of the proceedings in respect of, among others, the Licensors under the CCAA pursuant to the Initial Order (the "**CCAA Proceedings**") and, as such, may not be disclaimed or resiliated under section 32 of the CCAA or assigned under section 11.3 of the CCAA, and the obligations of the Licensors and the rights and entitlements of the Licensee hereunder constitute post-filing obligations, rights and entitlements in respect of which the stay of proceedings in the Initial Order or in any other order of the Court made in the CCAA Proceedings do not and shall not apply, (ii) except as expressly provided in this Agreement, this Agreement and the obligations of the Licensors hereunder are not assignable by any of the Licensors by reason of their nature and may not be assigned by court order in any insolvency or receivership proceeding involving the Licensors (including under Section 84.1 of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**"), section 11.3 of the CCAA and statutory provisions or legal or equitable principles of similar effect in all jurisdictions); and (iii) the licenses and rights granted to Licensee hereunder constitute a right to use intellectual property as contemplated in Section 65.11(7) of the BIA and Section 32(6) of the CCAA and Licensee is and shall be entitled to the protections of those legislative provisions, and all statutory provisions or legal or equitable principles of similar effect in all jurisdictions.

- (c) This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.
- (d) Each party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other party may reasonably require for the purposes of giving effect to this Agreement.
- (e) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and such agreement cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory between the parties other than as expressly set forth in this Agreement.
- (f) This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- (g) For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. Each of the parties attorns to the jurisdiction of the courts of the Province of Ontario.
- (h) If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect.
- (i) This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
- (j) Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

1462598 ONTARIO INC.

TRICON TELEVISION82 INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

OPERATOR POST INC.

TRICON EDUCATION INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

TRICON FILMS INC.

TRICON INTERACTIVE INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

TRICON TELEVISION INC.

TRICON TELEVISION10 INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

TRICON TELEVISION44 INC.

TRICON TELEVISION49 INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

TRICON TELEVISION54 INC.

Per: _____
Name:
Title:

TRICON TELEVISION55 INC.

Per: _____
Name:
Title:

TRICON TELEVISION58 INC.

Per: _____
Name:
Title:

TRICON TELEVISION59 INC.

Per: _____
Name:
Title:

TRICON TELEVISION62 INC.

Per: _____
Name:
Title:

TRICON TELEVISION63 INC.

Per: _____
Name:
Title:

TRICON TELEVISION64 INC.

Per: _____
Name:
Title:

TRICON TELEVISION65 INC.

Per: _____
Name:
Title:

TRICON TELEVISION66 INC.

Per: _____
Name:
Title:

TRICON TELEVISION67 INC.

Per: _____
Name:
Title:

TRICON TELEVISION68 INC.

Per: _____
Name:
Title:

TRICON TELEVISION69 INC.

Per: _____
Name:
Title:

TRICON TELEVISION70 INC.

Per: _____
Name:
Title:

TRICON TELEVISION71 INC.

Per: _____
Name:
Title:

TRICON TELEVISION72 INC.

Per: _____
Name:
Title:

TRICON TELEVISION73 INC.

Per: _____
Name:
Title:

TRICON TELEVISION74 INC.

Per: _____
Name:
Title:

TRICON TELEVISION75 INC.

Per: _____
Name:
Title:

TRICON TELEVISION76 INC.

Per: _____
Name:
Title:

TRICON TELEVISION77 INC.

Per: _____
Name:
Title:

TRICON TELEVISION78 INC.

Per: _____
Name:
Title:

TRICON TELEVISION79 INC.

Per: _____
Name:
Title:

TRICON TELEVISION83 INC.

Per: _____
Name:
Title:

TRICON TELEVISION84 INC.

Per: _____
Name:
Title:

TRICON TELEVISION85 INC.

Per: _____
Name:
Title:

TRICON TELEVISION86 INC.

Per: _____
Name:
Title:

TRICON TELEVISION87 INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS15 INC

Per: _____
Name:
Title:

TRICON FILMS (UK) LIMITED

Per: _____
Name:
Title:

TRICON MEDIA HOLDINGS, INC.

Per: _____
Name:
Title:

**TRICON MEDIA PRODUCTIONS,
INC.**

Per: _____
Name:
Title:

TRICON MEDIA, INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS1 INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS14 INC.

Per: _____
Name:
Title:

SONAR CANADA INC.

Per: _____
Name:
Title:

EXHIBIT "A" TO SCHEDULE I
LICENSORS

1.	OPERATOR POST INC.
2.	TRICON EDUCATION INC.
3.	TRICON FILMS INC.
4.	TRICON INTERACTIVE INC.
5.	TRICON TELEVISION INC.
6.	TRICON TELEVISION10 INC.
7.	TRICON TELEVISION44 INC.
8.	TRICON TELEVISION49 INC.
9.	TRICON TELEVISION54 INC.
10.	TRICON TELEVISION55 INC.
11.	TRICON TELEVISION58 INC.
12.	TRICON TELEVISION59 INC.
13.	TRICON TELEVISION62 INC.
14.	TRICON TELEVISION63 INC.
15.	TRICON TELEVISION64 INC.
16.	TRICON TELEVISION65 INC.
17.	TRICON TELEVISION66 INC.
18.	TRICON TELEVISION67 INC.
19.	TRICON TELEVISION68 INC.
20.	TRICON TELEVISION69 INC.
21.	TRICON TELEVISION70 INC.
22.	TRICON TELEVISION71 INC.

23.	TRICON TELEVISION72 INC.
24.	TRICON TELEVISION73 INC.
25.	TRICON TELEVISION74 INC.
26.	TRICON TELEVISION75 INC.
27.	TRICON TELEVISION76 INC.
28.	TRICON TELEVISION77 INC.
29.	TRICON TELEVISION78 INC.
30.	TRICON TELEVISION79 INC.
31.	TRICON TELEVISION83 INC.
32.	TRICON TELEVISION84 INC.
33.	TRICON TELEVISION85 INC.
34.	TRICON TELEVISION86 INC.
35.	TRICON TELEVISION87 INC.
36.	TRICON FILMS (UK) LIMITED
37.	TRICON MEDIA HOLDINGS, INC.
38.	TRICON MEDIA PRODUCTIONS, INC.
39.	TRICON MEDIA, INC.
40.	TRICON US PRODUCTIONS1 INC.
41.	TRICON US PRODUCTIONS14 INC.
42.	TRICON US PRODUCTIONS15 INC.

**EXHIBIT "B" TO SCHEDULE I
PROGRAMS**

1. Breakneck Builds 1
2. Expandables 1 and Expandables 2
3. Food's Greatest Hits 1
4. Humble Home Hunters 1
5. Rocky Mountain Reno 1
6. Toy Testers 1

SCHEDULE G
FINANCIAL STATEMENTS

[Redacted]

SCHEDULE H

PRE-CLOSING INTERCOMPANY REORGANIZATION

Prior to the Closing Date:

1. the CC Corporation will issue a non-interest bearing, demand payable promissory note to Tricon and any other relevant non-arm's length creditors in payment of the portion of the amount owing to them that represents fees for services (as at the date of the Financial Statements approx. \$ [REDACTED] of the approx. \$ [REDACTED] owing to Tricon represents fees for services and so would be paid by the issuance of a promissory note ("Promissory Note A")) and will issue a non-interest bearing, demand payable promissory note evidencing the loans owing to Tricon (as at the date of the Financial Statements approx. \$ [REDACTED] of the approx. \$ [REDACTED] owing to Tricon represents loans outstanding and so would be evidenced by the issuance of a promissory note ("Promissory Note B"));
2. the receivable owing from Tricon Media Inc. (as at the date of the Financial Statements approx. \$ [REDACTED]) will be assigned by the CC Corporation to Tricon as partial repayment of Promissory Note B and all remaining intercompany payables and receivables of the CC Corporation (i.e. other than the loans evidenced by Promissory Note A and Promissory Note B) will be consolidated, by way of assignment and assumption from the relevant Vendor counterparties to Tricon, such that at the Time of Closing, the CC Corporation will owe to Tricon the net amount of all intercompany indebtedness (as at the date of the Financial Statements there is a net liability of the CC Corporation of approx. \$ [REDACTED]); and
3. to evidence item 2 above, the CC Corporation will cancel Promissory Note B and issue a promissory note ("Promissory Note C") such that Promissory Note A and Promissory Note C evidences the net amount of all intercompany indebtedness (the final intercompany indebtedness being the "Assigned Receivables" and evidenced by a Promissory Note A in the amount of approx. \$ [REDACTED] and a Promissory Note C in the amount of approx. \$ [REDACTED] as at the date of the Financial Statements, each an "Assigned Receivable").

SCHEDULE I

SUBJECT EMPLOYEES

1. Paul Thomas
2. Stefan Pincente
3. Christine Davis

SCHEDULE J

TARGET CC RECEIVABLES AND
TARGET CC PRODUCTION COSTS

[Redacted]

SCHEDULE 2.02(2)

ASSUMED ACCOUNTS PAYABLE

Tricon Television10 Inc. - \$ [REDACTED] legal fees for titles in the development pipeline

Tricon Films Inc. - \$ [REDACTED] legal for CC distribution and dubbing for "React To That"

SCHEDULE 2.05

PURCHASE PRICE ALLOCATION

[Redacted]

SCHEDULE 3.01(3)

CANADIAN TAX MATTERS

With respect to(a) and (b), the following Vendors are Non-Resident for purposes of the Tax Act and are not registered for GST/HST purposes:

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.

SCHEDULE 3.01(8)(a)

MATERIAL CONTRACTS

1. Original Program License Agreement between CC Corporation and Teletoon Canada Inc. dated July 10, 2015 as amended on November 4, 2015 and as further amended on June 1, 2016
 2. Licence Agreement between Tricon Media Inc. and ABC Cable Networks Group dated June 19, 2015
 3. Production Investment Agreement between CC Corporation and Shaw Rocket Fund dated February 4, 2016
 4. Distribution Agreement between CC Corporation and Tricon Films Inc. dated June 23, 2015 as amended September 15, 2015
 5. Sub-Distribution Agreement between Tricon Films Inc. and Tricon Media Inc. dated June 23, 2015
 6. Production Services Agreement between CC Corporation and Atomic Cartoons (Counterfeit Cat 1) Inc. dated July 17, 2015
 7. Commitment Letter between CC Corporation and Teletoon Canada Inc. dated September 28, 2016
 8. Digital Medial Production Financing Agreement between CC Corporation and Bell Fund dated January 16, 2017
 9. Canadian Digital Media Production Services Agreement between CC Corporation and Redspace Inc. dated September 21, 2016
 10. Co-Production Agreement between CC Corporation and Wildseed Kids-Counterfeit Cat Limited dated June 19, 2015 as amended July 13, 2015
 11. Distribution Agreement between Wildseed Kids-Counterfeit Cat Ltd. and Tricon Films Inc. dated June 16, 2015 as amended July 15, 2015 and as further amended on July 2015
 12. Completion Guaranty from Film Finances, Inc. issued in favour of Coutts & Co, Walt Disney EMEA Productions Ltd., The Walt Disney Company Ltd., Disney Television (France), Suntrust Bank Inc., Tricon, Tricon Films Inc. and Teletoon Canada Inc. dated August 19, 2015
 13. Completion Agreement among Film Finances, Inc., CC Corporation and Wildseed Kids-Counterfeit Cat Limited dated August 19, 2015
 14. License Agreement between Tricon Media Inc. and Buena Vista International, Inc. dated November 26, 2015
 15. License Agreement between Tricon Media Inc. and Buena Vista International, Inc. dated July 21, 2016
 16. License Agreement between Tricon Media Inc. and Buena Vista International, Inc. dated December 15, 2015
 17. License Agreement between Tricon Media Inc. and Buena Vista International, Inc. dated September 30, 2015 as amended on February 4, 2016
-

18. Funding deed dated on or about August 19, 2015 between Coutts, Tricon, Tricon Films Inc., Film Finances, Inc., Wildseed and Disney Television (France)
19. Security agreement dated July 3, 2015 between CC Corporation and Walt Disney EMEA Productions Limited

SCHEDULE 4.01(1)(b)
FORM OF APPROVAL AND VESTING

See attached.

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

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.
9. Tricon Television49 Inc.
10. Tricon Television54 Inc.
11. Tricon Television55 Inc.
12. Tricon Television58 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

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)

SCHEDULE 5.02

FORM OF TRADEMARK ASSIGNMENT AGREEMENT

See attached.

TRADEMARK ASSIGNMENT

In consideration of good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, **1462598 ONTARIO INC.** (“Assignor”), an Ontario corporation, whose full post office address is <@>, hereby assigns, conveys and transfers to **TRICON TELEVISION82 INC.** (“Assignee”), an Ontario corporation, whose full post office address is <@>, any and all of its rights, title and interest in and to the trademark COUNTERFEIT CAT, however depicted, including Canadian Trademark Application No. 1,755,515, and to the goodwill attached to such Trademark, along with all of Assignor’s rights, at common law, all rights to apply for and the privilege of applying for, obtaining and maintaining registration of the said Trademark, including any proceedings of any nature in accordance therewith, and further including all rights to sue and recover for past infringement of such Trademark, the same to be held and enjoyed by Assignee, as fully and completely as by Assignor had this assignment not been made.

EXECUTED at _____ this ____ day of _____ 2017

1462598 ONTARIO INC.

By: _____
Name:
Title:

I have authority to bind the Assignor.

Appendix “F”

SECOND EXTENSION AGREEMENT

TO: 1462598 ONTARIO INC. D/B/A TRICON FILMS AND TELEVISION (the "Borrower")

RE: Interim financing term sheet dated as of December 12, 2016 (the "DIP Agreement") between the Borrower and SunTrust Bank (the "Lender"), as amended by a first amending and extension agreement dated as of January 30, 2017, by a second amending and extension agreement dated as of February 28, 2017 (the "Second Amending Agreement") and by an extension agreement dated as of March 29, 2017 (the "Extension Agreement")

WHEREAS pursuant to the Second Amending Agreement, the Section of the DIP Agreement entitled "Term" was amended by replacing the reference to "February 28, 2017" contained in clause (ii) with a reference to "March 31, 2017";

AND WHEREAS pursuant to the Extension Agreement, such reference was amended by replacing the reference to "March 31, 2017" with a reference to "April 7, 2017";

AND WHEREAS the Borrower has requested that such reference be further amended by replacing "April 7, 2017" with a reference to "April 11, 2017";

AND WHEREAS pursuant to the Second Amending Agreement, the Section of the DIP Agreement entitled "Events of Default" was amended by replacing the reference to "February 6, 2017" in clause (x) with a reference to "March 15, 2017";

AND WHEREAS pursuant to the Extension Agreement, such reference was amended by replacing the reference to "March 15, 2017" with a reference to "March 31, 2017";

AND WHEREAS the Borrower has requested that such reference be further amended by replacing "March 31, 2017" with a reference to "April 4, 2017";

AND WHEREAS the Lender is agreeable to the requested amendments and extension subject to the terms contained herein;

NOW THEREFORE WITNESSETH THAT for good and valuable consideration, the parties hereto agree as follows:

1. Capitalized terms used but not defined in this second extension agreement shall have the meanings ascribed to them in the DIP Agreement.
2. Subject to the terms and conditions of this second extension agreement, the Lender hereby agrees to replace the reference to "April 7, 2017" in clause (ii) of the section of the DIP Agreement entitled "Term" with a reference to "April 11, 2017".

3. Subject to the terms and conditions of this second extension agreement, the Lender hereby agrees to replace the reference to "March 31, 2017" in clause (x) of the section of the DIP Agreement entitled "Events of Default" with a reference to "April 4, 2017".
4. All terms and conditions provided for in the DIP Agreement shall continue to be in full force and effect.
5. The Borrower hereby confirms that (a) all of the representations and warranties set forth in the DIP Agreement continue to be true and correct in all respects as of the date hereof except for those representations and warranties which speak to a specific date, (b) it is in compliance with all of the covenants set forth in the DIP Agreement, and (c) no Default or Event of Default exists as of the date hereof.
6. This second extension agreement is effective only upon the Court having issued an order approving an extension of the stay of proceedings to April 11, 2017 and authorizing the Borrower to enter into and approving this second extension agreement.
7. The Lender shall retain all of the rights, remedies and privileges available to it pursuant to the DIP Agreement notwithstanding this second extension agreement.
8. This second extension agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
9. This second extension agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. This second extension agreement may also be executed by facsimile transmission.

DATED this 4th day of April, 2017.


SUNTRUST BANK, as Lender

By:

Name:

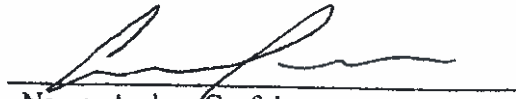
Title:

JAN DEJUS - *Jan DeJus*
SENIOR VICE PRESIDENT

The undersigned hereby confirms its request to the extension provided for herein and hereby acknowledges and agrees to the terms contained herein. The undersigned represents and warrants to the Agent and the Lenders that all representations and warranties contained in the DIP Agreement are true and correct and that as of the date hereof there exists no Default or Event of Default.

**1462598 ONTARIO INC. D/B/A TRICON
FILMS AND TELEVISION**

By:



Name: Andrea Gorfolova

Title: President

ACKNOWLEDGEMENT

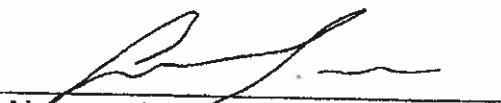
Each Guarantor set forth below hereby:

- (a) consents to the execution and delivery of this second extension agreement by the Borrower and the Lender; and
- (b) acknowledges and agrees that its guarantee given in favour of the Lender and any security delivered by it in favour of the Lender, is a legal, valid and binding obligation and is in full force and effect, unamended.

**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.
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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

Appendix “G”

Purpose and General Assumptions

1. The purpose of the projection ("Projection") is to present a forecast for the period April 1, 2017 to September 30, 2017 in respect of the Company's proceedings under the *Companies' Creditors Arrangement Act*.

The Projection has been prepared based on the Company's hypothetical and most probable assumptions.

Hypothetical Assumptions

2. Represents tax credits due from Canada Revenue Agency.
3. Represents estimated accounts receivable collections over the projection period. For the purposes of this projection, net proceeds to be generated from the Distribution Agreement have not been included given the payment by the Purchaser of a Distribution Advance on closing, which is assumed to be recouped by the Purchaser during the projection period. Net proceeds from the Distribution Agreement are expected to be collected in accordance with the Distribution Agreement during the period following September 30, 2017.

The projection also excludes the net proceeds of the Purchase Agreement given that the purchase price will be subject to a sealing order.

Most Probable Assumptions

4. Payroll is paid bi-weekly. Payroll includes payments to contractors, source deductions, benefits and WSIB.
5. Represents occupancy costs for the Company's head office in Toronto, which the Company intends to vacate in April, 2017 upon completion of the Recommended Transaction.
6. Represents expenses related to dubbing, digitization, versioning and master creation, physical files creation, delivery and amounts payable to a former employee to be retained on a contract basis to administer the Company's library during the term of the Distribution Agreement.
7. Represents amounts payable to a former Tricon employee who will be retained on a contract basis to provide record keeping, reporting and library maintenance services related to the Company's library assets.
8. Includes costs for insurance, storage costs, supplies and amounts payable to former employees being retained on a contract basis to administer the Company's tax credits and general accounting functions.
9. Represents payments applied to SunTrust Bank's pre-filing secured debt in accordance with the terms of the DIP facility.
10. Represents professional fees of the Monitor, its legal counsel, legal counsel to the Company and legal and financial advisors to SunTrust Bank. The amounts reflected are estimated.
11. Excludes a holdback from the purchase price, which amount will be determined on closing subject to the cash on deposit in the Company's bank accounts at that time.

**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
1462598 ONTARIO INC. (D/B/A TRICON FILMS & TELEVISION)
AND THE COMPANIES LISTED ON APPENDIX "A"**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)**

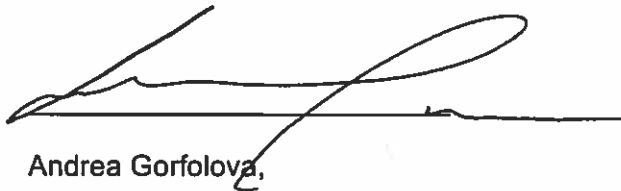
The management of 1462598 Ontario Inc. (D/B/A Tricon Films & Television) and the companies listed on Appendix "A" (collectively, the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 27th day March, 2017 for the period April 1, 2017 to September 30, 2017 ("Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 26 day of March, 2017.



Andrea Gorfolova,

President and CEO of the Applicants

Filing Entities

- | | | | |
|-----|--------------------------|-----|--------------------------------|
| 1. | 1462598 Ontario Inc. | 40. | Tricon Media Holdings, Inc. |
| 2. | Operator Post Inc. | 41. | Tricon Media Productions, Inc. |
| 3. | Tricon Education Inc. | 42. | Tricon Media, Inc. |
| 4. | Tricon Films Inc. | 43. | Tricon US Productionsl Inc. |
| 5. | Tricon Interactive Inc. | 44. | Tricon US Productions14 Inc. |
| 6. | Tricon Television Inc. | 45. | Tricon US Productions15 Inc. |
| 7. | Tricon Television10 Inc. | 46. | Tricon Films (UK) Limited |
| 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. | | |

Appendix “H”

**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 1462598
ONTARIO INC. (D/B/A TRICON FILMS & TELEVISION)
AND THE COMPANIES LISTED ON APPENDIX "A"**

**MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow of 1462598 Ontario Inc. (D/B/A Tricon Films & Television) and the companies listed on Appendix "A" (collectively, the "Applicants"), as of the 27th day March, 2017, consisting of a weekly projected cash flow statement for the period April 1, 2017 to September 30, 2017 ("Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Applicants. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 4th day of April, 2017.

**KSV KOFMAN INC.
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF
THE APPLICANTS
AND NOT IN ITS PERSONAL CAPACITY**