



**Second Supplement
to the 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 18, 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"**

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

April 18, 2017

1. Introduction

1. This report ("Second Supplemental Report") supplements the Monitor's fifth report to Court dated April 5, 2017 ("Fifth Report").
2. Unless otherwise stated, capitalized terms used in this report have the meanings provided to them in the Fifth Report.

1.1 Purposes of this Report

1. The purpose of this report is to provide an update on the Recommended Transaction pursuant to an Amendment Agreement dated April 14, 2017 (the "Amendment Agreement") and a Distribution Amending Agreement dated April 11, 2017, copies of which are attached as Appendices "B" and "C", respectively.

1.2 Restrictions

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

2. Amendment Agreement

1. The Recommended Transaction was approved by this Honourable Court on April 11, 2017 pursuant to an Approval and Vesting Order and Distribution Agreement Approval Order, copies of which are available on the Monitor's website at <http://www.ksvadvisory.com/insolvency-cases/tricon-films-and-television-2/>.
2. The purpose of the Amendment Agreement is to, *inter alia*, extend the Outside Date to May 2, 2017. The Fifth Report and the SPA contemplated April 11, 2017 as the Outside Date for the closing of the Recommended Transaction. The Recommended Transaction did not close on that date. The Outside Date was first extended to April 14, 2017, and then again to May 2, 2017 pursuant to the Amendment Agreement.
3. A certificate will be posted on the Monitor's website when the Recommended Transaction closes.
4. Pursuant to Paragraph 6 of the Distribution Agreement Approval Order, should the SPA terminate in accordance with its terms, the Monitor shall serve and file a further supplemental report and the stay of proceedings shall expire 10 days following the date on which that report is served and filed with the Court.

3. Distribution Amending Agreement

1. The purpose of the Distribution Amending Agreement is to: (a) clarify that the distribution rights for the title "*On the Record with Mick Rock*" exclude the US pursuant to a Production Agreement dated November 20, 2014 between Tricon Media Inc. and Ovation R&G, LLC; and (b) remove the title "*Michael, Tuesdays & Thursdays*" from the Distribution Agreement.

* * *

All of which is respectfully submitted,



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

Appendix “A”

Filing Entities

1. 1462598 Ontario Inc.
2. Operator Post Inc.
3. Tricon Education Inc.
4. Tricon Films Inc.
5. Tricon Interactive Inc.
6. Tricon Television Inc.
7. Tricon Television10 Inc.
8. Tricon Television44 Inc.
9. Tricon Television49 Inc.
10. Tricon Television54 Inc.
11. Tricon Television55 Inc.
12. Tricon Television58 Inc.
13. Tricon Television59 Inc.
14. Tricon Television62 Inc.
15. Tricon Television63 Inc.
16. Tricon Television64 Inc.
17. Tricon Television65 Inc.
18. Tricon Television66 Inc.
19. Tricon Television67 Inc.
20. Tricon Television68 Inc.
21. Tricon Television69 Inc.
22. Tricon Television70 Inc.
23. Tricon Television71 Inc.
24. Tricon Television72 Inc.
25. Tricon Television73 Inc.
26. Tricon Television74 Inc.
27. Tricon Television75 Inc.
28. Tricon Television76 Inc.
29. Tricon Television77 Inc.
30. Tricon Television78 Inc.
31. Tricon Television79 Inc.
32. Tricon Television80 Inc.
33. Tricon Television81 Inc.
34. Tricon Television82 Inc.
35. Tricon Television83 Inc.
36. Tricon Television84 Inc.
37. Tricon Television85 Inc.
38. Tricon Television86 Inc.
39. Tricon Television87 Inc.
40. Tricon Media Holdings, Inc.
41. Tricon Media Productions, Inc.
42. Tricon Media, Inc.
43. Tricon US Productions1 Inc.
44. Tricon US Productions14 Inc.
45. Tricon US Productions15 Inc.
46. Tricon Films (UK) Limited

Appendix “B”

AMENDMENT AGREEMENT

THIS AMENDMENT AGREEMENT (this “**Agreement**”) is made effective as of the 11th day of April, 2017 between 1462598 Ontario Inc. (“**Tricon**”), the affiliates of Tricon listed in Schedule “A” of the Purchase Agreement (as defined below) (together with Tricon, hereinafter called the “**Tricon Entities**” and each a “**Tricon Entity**”), Tricon Television82 Inc. (the “**CC Corporation**”) and Sonar Canada Inc. (the “**Purchaser**”).

WHEREAS:

- A. the Tricon Entities, the CC Corporation and the Purchaser (collectively, the “**Parties**”) entered into a Purchase Agreement dated as of April 4, 2017 (the “**Purchase Agreement**”); and
- B. the Parties wish to amend the Purchase Agreement on the terms set out in this Agreement.

NOW THEREFORE in consideration of the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Unless otherwise defined herein or the context otherwise requires, terms used herein that are defined in the Purchase Agreement have the meaning given to them in the Purchase Agreement. Tricon hereby confirms that written consent of the Lender has been obtained in connection with the execution of this Agreement.
2. The Purchase Agreement is hereby amended by:
 - a. deleting reference to “April 11, 2017” in the definition of “Outside Date” in Section 1.01 and replacing it with “May 2, 2017”;
 - b. adding the following provision as Section 4.08:

“4.08 **Ongoing Costs**

The Purchaser will reimburse the Vendors for reasonable out-of-pocket costs, fees and expenses incurred by the Vendors in connection with the ongoing operational costs of the Vendors, up to a maximum of \$5,000 per week (or a maximum of \$715 per day for partial weeks), by wire transfer of immediately available funds as directed by Tricon, by 5:00 p.m. (Toronto time) on each Friday (or if Friday is not a Business Day, the following Business Day) of each week during the period commencing on April 10, 2017 and terminating on the earlier of (i) the Closing Date and (ii) the effective date of termination of this Agreement in accordance its terms.”;

- c. adding the following provision as Section 5.07(1.1):

“(1.1) If this Agreement is terminated:

(a) by the Purchaser in accordance with Section 5.05(c) and such termination is solely as a result of either the condition in Section 5.02(f) [**Consents**] and/or the condition in Section 5.02(a) [**Employment Agreement**]; or

(b) Section 5.05(e),

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(1.1), 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(1.1) 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(1.1). 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(1.1).";

d. deleting Section 5.07(2) in its entirety and replacing it with:

“(2) If this Agreement is terminated by any party for any reason other than as set forth in Section 5.07(1) or Section 5.07(1.1), 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.”;

e. deleting reference to “React To That” from Schedule C - *Development Pipeline*; and

f. deleting the following from Schedule 2.02(2) - *Assumed Accounts Payable*, “Tricon Films Inc. - \$12,000 legal for CC distribution and dubbing for “React to That””.


3. Sonar hereby acknowledges that the legal fees (and disbursements associated therewith) incurred by Tricon or the applicable counterparty in connection with obtaining the Consents constitute Cure Costs.
4. This Agreement is supplemental to and shall be read with and be deemed to be part of the Purchase Agreement, which shall be deemed to be amended as herein provided. Any reference to the Purchase Agreement in any agreements or documents entered into in connection with the Purchase Agreement shall mean the Purchase Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.
5. All the terms and conditions of the Purchase Agreement, except insofar as the same are amended by this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

6. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
7. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, pdf or faxed form.
8. This Agreement shall be construed in accordance with the laws governing the Purchase Agreement.

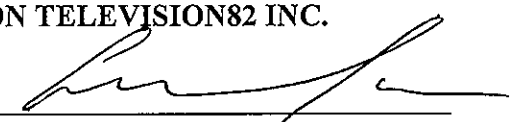
[remainder of the page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first written above.


1462598 ONTARIO INC.

Per: 
Name:
Title:


TRICON TELEVISION82 INC.

Per: 
Name:
Title:


OPERATOR POST INC.

Per: 
Name:
Title:

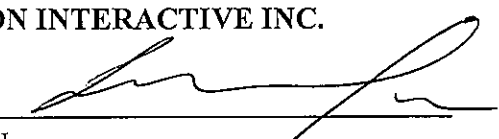
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Per: 
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Title:

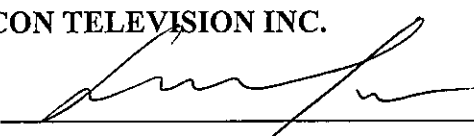
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Per: 
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Title:


TRICON INTERACTIVE INC.

Per: 
Name:
Title:

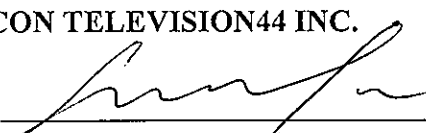
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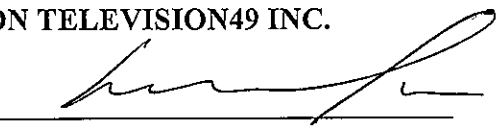
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Per: 
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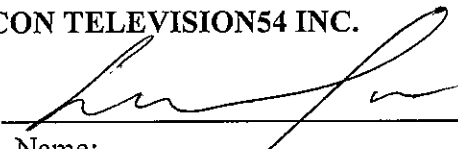
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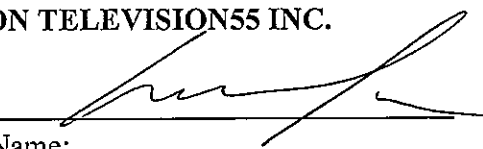
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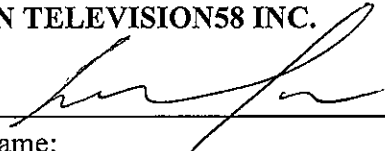
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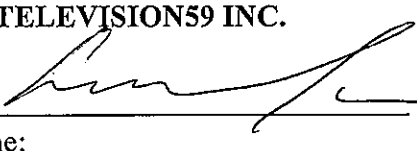
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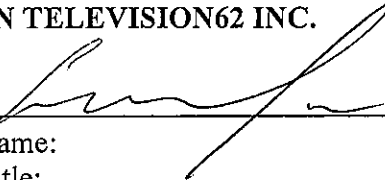
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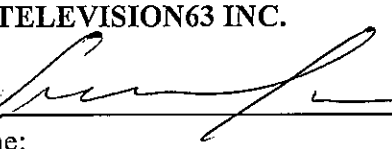
TRICON TELEVISION59 INC.

Per: 
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TRICON TELEVISION62 INC.

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TRICON TELEVISION63 INC.

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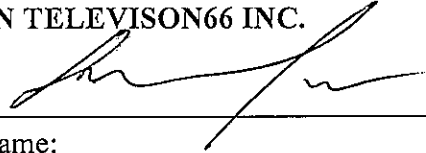
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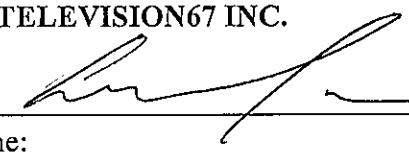
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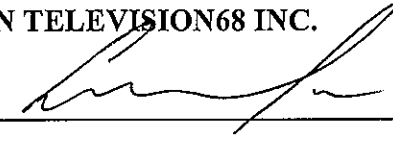
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Per: 
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TRICON TELEVISION67 INC.

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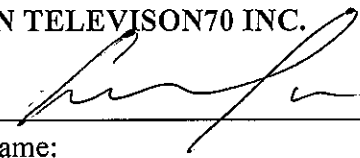
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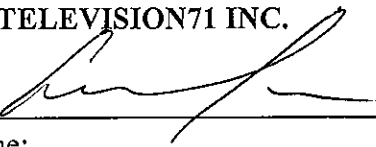
TRICON TELEVISION69 INC.

Per: 
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TRICON TELEVISION70 INC.

Per: 
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TRICON TELEVISION71 INC.

Per: 
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TRICON TELEVISION72 INC.

Per:

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TRICON TELEVISION73 INC.

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TRICON TELEVISION74 INC.

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TRICON TELEVISION75 INC.

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TRICON TELEVISION76 INC.

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TRICON TELEVISION77 INC.

Per:

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TRICON TELEVISION78 INC.

Per:

Name:
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TRICON TELEVISION79 INC.

Per:

Name:
Title:

TRICON TELEVISION83 INC.

Per:

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Title:

TRICON TELEVISION84 INC.

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TRICON TELEVISION85 INC.

Per:


Name:
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TRICON TELEVISION86 INC.

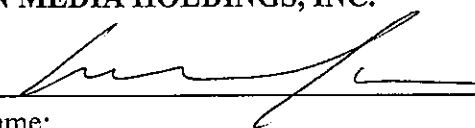
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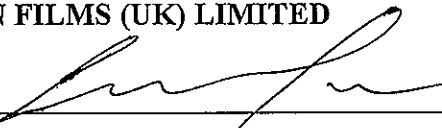
TRICON TELEVISION87 INC.

Per: 
Name:
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TRICON MEDIA HOLDINGS, INC.

Per: 
Name:
Title:

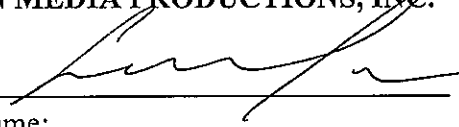
TRICON FILMS (UK) LIMITED

Per: 
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Title:

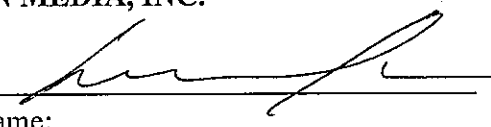
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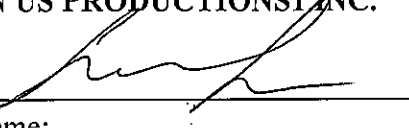
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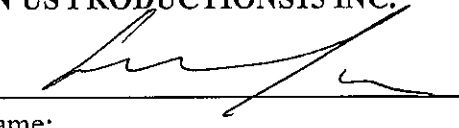
TRICON MEDIA, INC.

Per: 
Name:
Title:

TRICON US PRODUCTIONS1 INC.

Per: 
Name:
Title:

TRICON US PRODUCTIONS15 INC.

Per: 
Name:
Title:

SONAR CANADA INC.

Per: _____
Name:
Title:

TRICON TELEVISION87 INC.

Per: _____
Name:
Title:

TRICON MEDIA HOLDINGS, INC.

Per: _____
Name:
Title:

TRICON FILMS (UK) LIMITED

Per: _____
Name:
Title:

TRICON US PRODUCTIONS14 INC.

Per: _____
Name:
Title:

TRICON MEDIA PRODUCTIONS, INC.

Per: _____
Name:
Title:

TRICON MEDIA, INC.

Per: _____
Name:
Title:

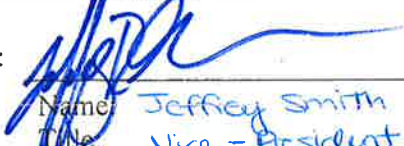
TRICON US PRODUCTIONS1 INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS15 INC.

Per: _____
Name:
Title:

SONAR CANADA INC.

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

Appendix “C”

DISTRIBUTION AMENDING AGREEMENT

THIS DISTRIBUTION AMENDING AGREEMENT is made as of the 11th day of April, 2017 between 1462598 Ontario Inc. (“**Tricon**”), the affiliates of Tricon listed in Schedule “A” to the Distribution Agreement (as defined herein) (together with Tricon, hereinafter called the “**Tricon Entities**” and each a “**Tricon Entity**”), Sonar Canada Inc. (the “**Distributor**”) and Suntrust Bank, Inc. (the “**Lender**”).

WHEREAS:

- A. the Tricon Entities, the Distributor and the Lender (collectively, the “**Parties**”) entered into a Distribution Agreement dated as of April 4, 2017 (the “**Distribution Agreement**”); and
- B. the Parties wish to amend the Distribution Agreement on the terms set out in this Distribution Amending Agreement.

NOW THEREFORE in consideration of the mutual covenants contained in this Distribution Amending Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

- 1. Unless otherwise defined herein or the context otherwise requires, terms used herein that are defined in the Distribution Agreement have the meaning given to them in the Distribution Agreement.
- 2. The Distribution Agreement is hereby amended by:
 - (a) deleting all references to “On the Record with Mick Rock” in Schedule “B” to the Distribution Agreement and replacing same with “All of Tricon Media Inc.’s interest in ‘On the Record with Mick Rock’ pursuant to a Production Agreement between Tricon Media Inc. and Ovation R&G, LLC dated November 20, 2014.”; and
 - (b) deleting the entire line in Schedule “B” relating to the title “Michael, Tuesdays & Thursdays” produced by Rhombus Media as well as any other references in Schedule “B” relating to the title “Michael, Tuesdays & Thursdays”.
- 3. This Distribution Amending Agreement is supplemental to and shall be read with and be deemed to be part of the Distribution Agreement, which shall be deemed to be amended as herein provided. Any reference to the Distribution Agreement in any agreements or documents entered into in connection with the Distribution Agreement shall mean the Distribution Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Distribution Amending Agreement.
- 4. All the terms and conditions of the Distribution Agreement, except insofar as the same are amended by this Distribution Amending Agreement, are confirmed and ratified in all

respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Distribution Amending Agreement and shall hereafter continue in full force and effect, as amended.

5. This Distribution Amending Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.
6. This Distribution Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, pdf or faxed form.
7. This Distribution Amending Agreement shall be construed in accordance with the laws governing the Distribution Agreement.


[remainder of the page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Distribution Amending Agreement on the date first written above.


1462598 ONTARIO INC.

Per: 
Name:
Title:

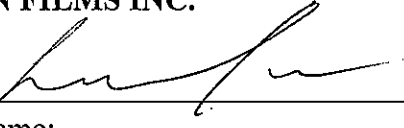
OPERATOR POST INC.

Per: 
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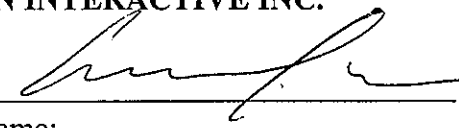
TRICON EDUCATION INC.

Per: 
Name:
Title:


TRICON FILMS INC.

Per: 
Name:
Title:

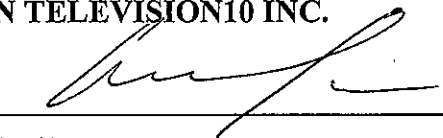
TRICON INTERACTIVE INC.

Per: 
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Title:


TRICON TELEVISION INC.

Per: 
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TRICON TELEVISION10 INC.

Per: 
Name:
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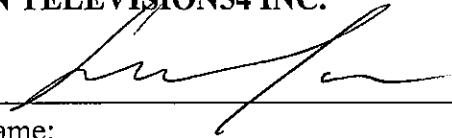
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Per: 
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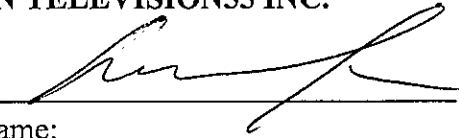
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Per: 
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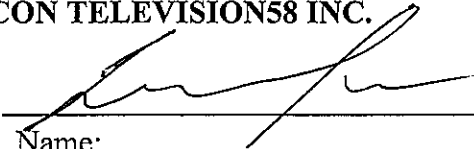
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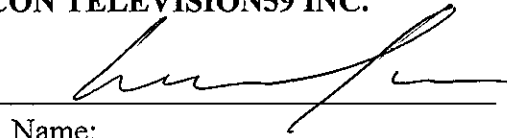
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Per: 
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TRICON TELEVISION58 INC.

Per: 
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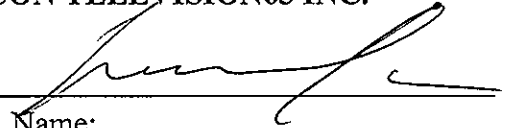
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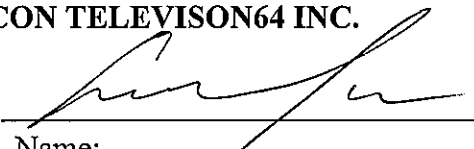
TRICON TELEVISION62 INC.

Per: 
Name:
Title:


TRICON TELEVISION63 INC.

Per: 
Name:
Title:

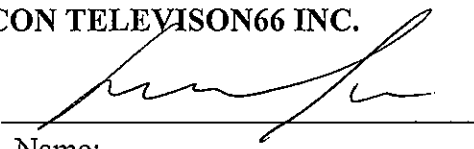
TRICON TELEVISION64 INC.

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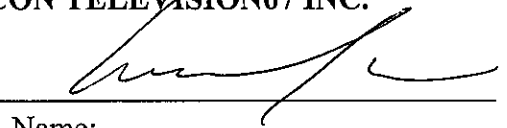
TRICON TELEVISION65 INC.

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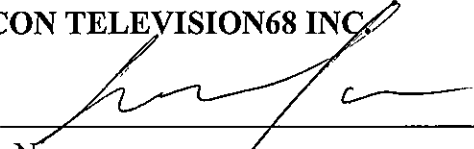
TRICON TELEVISION66 INC.

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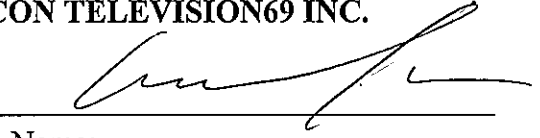
TRICON TELEVISION67 INC.

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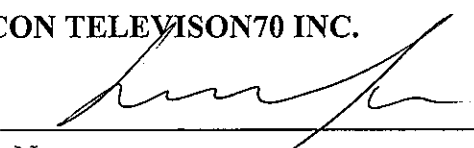
TRICON TELEVISION68 INC.

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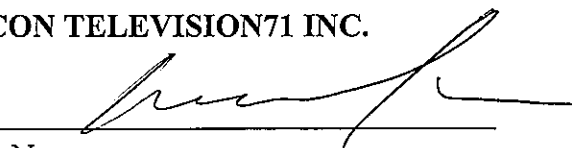
TRICON TELEVISION69 INC.

Per: 
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TRICON TELEVISION70 INC.

Per: 
Name:
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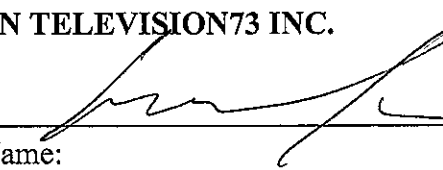
TRICON TELEVISION71 INC.

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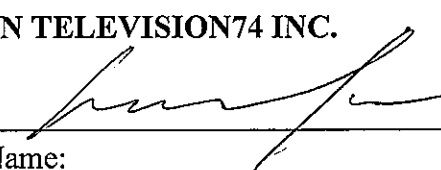
TRICON TELEVISION72 INC.

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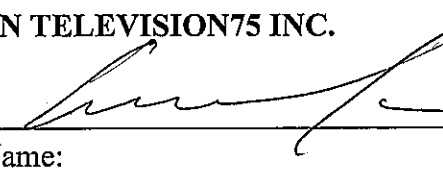
TRICON TELEVISION73 INC.

Per: 
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TRICON TELEVISION74 INC.

Per: 
Name:
Title:

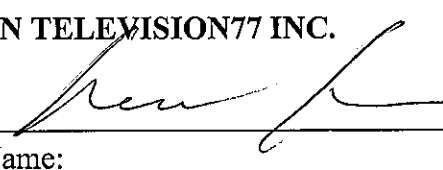
TRICON TELEVISION75 INC.

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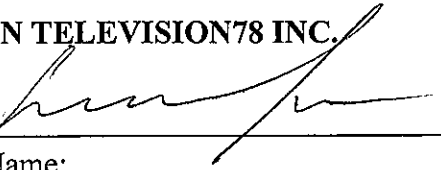
TRICON TELEVISION76 INC.

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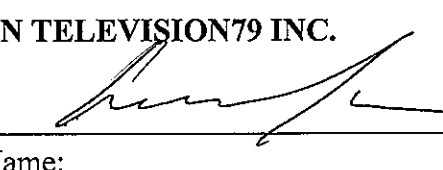
TRICON TELEVISION77 INC.

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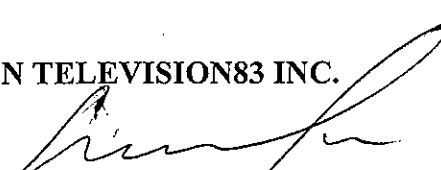
TRICON TELEVISION78 INC.

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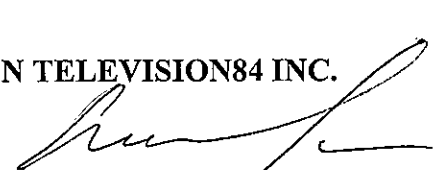
TRICON TELEVISION79 INC.

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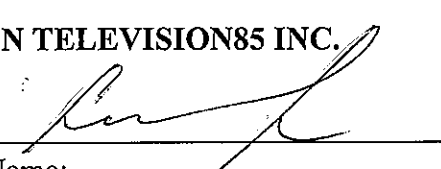
TRICON TELEVISION83 INC.

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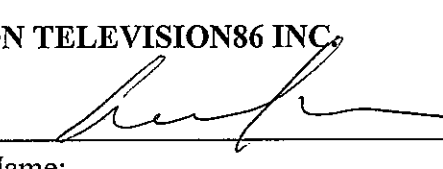
TRICON TELEVISION84 INC.

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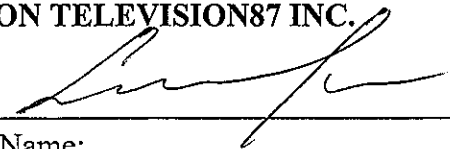
TRICON TELEVISION85 INC.

Per: 
Name:
Title:

TRICON TELEVISION86 INC.

Per: 
Name:
Title:

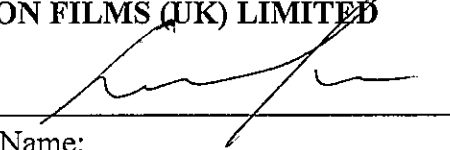
TRICON TELEVISION87 INC.

Per: 
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Title:

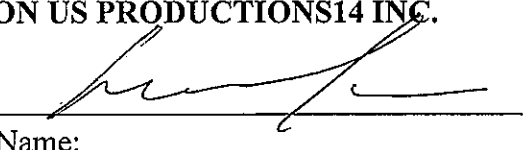
TRICON MEDIA HOLDINGS, INC.

Per: 
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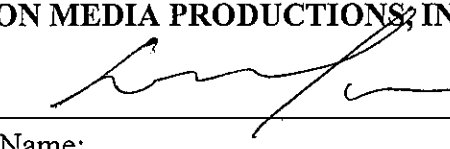
TRICON FILMS (UK) LIMITED

Per: 
Name:
Title:

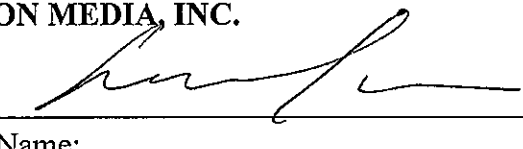
TRICON US PRODUCTIONS14 INC.

Per: 
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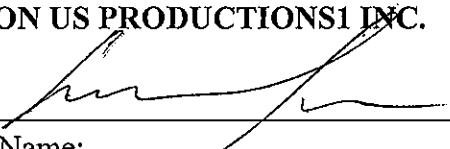
TRICON MEDIA PRODUCTIONS, INC.

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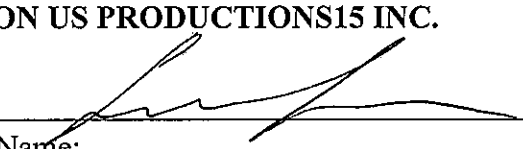
TRICON MEDIA, INC.

Per: 
Name:
Title:

TRICON US PRODUCTIONS1 INC.

Per: 
Name:
Title:

TRICON US PRODUCTIONS15 INC.

Per: 
Name:
Title:

SONAR CANADA INC.

Per: _____
Name:
Title:

TRICON TELEVISION87 INC.

Per: _____
Name:
Title:

TRICON MEDIA HOLDINGS, INC.

Per: _____
Name:
Title:

TRICON FILMS (UK) LIMITED

Per: _____
Name:
Title:

TRICON US PRODUCTIONS14 INC.

Per: _____
Name:
Title:

TRICON MEDIA PRODUCTIONS, INC.

Per: _____
Name:
Title:

TRICON MEDIA, INC.

Per: _____
Name:
Title:

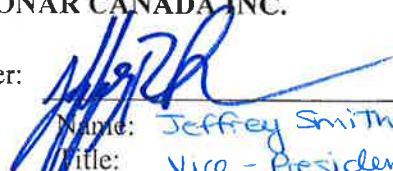
TRICON US PRODUCTIONS1 INC.

Per: _____
Name:
Title:

TRICON US PRODUCTIONS15 INC.

Per: _____
Name:
Title:

SONAR CANADA INC.

Per: 
Name: Jeffrey Smith
Title: Vice-President

CONSENT TO BY:

SUNTRUST BANK, INC.

Per:

Name:

Title:

JUAN DE LOS CABALLERO

SENIOR VICE PRESIDENT