

Signed today: August 10, 2022

**In the Tel Aviv-Jaffa District Court**

**LF 44348-04-16**

**Application no. \_\_\_\_\_**

**Before His Honor Judge H. Brenner**

**In re:           The Companies Law, 1999**

**Companies Law**

**and in re:    The Companies Ordinance [New Version], 1983**

**Companies Ordinance**

**and in re:    Urbancorp Inc., Canadian Company No. 2471774**

**Company**

**and in re:    Adv. Guy Gissin - Functionary - Trustee for Execution of the  
Company's Creditors Arrangement**

acting by his attorneys Advs. Yael Hershkovitz and/or Idan Danino  
and/or Dor Romano, of Gissin & Co., Law Offices, 38B Habarzel Street,  
Tel Aviv 6971054, Tel. 03-7467777, Fax. 03-7467700

**Functionary**

**and in re:    The Official Receiver**

of 2 Hashlosa Street, Tel Aviv, Tel. 03-6899695, Fax. 02-6467558

**Official Receiver**

**Update Report No. 34 on behalf of the Functionary**

The Functionary hereby respectfully files an update report, as follows:

**Proceedings vis-à-vis Mattamy in relation to rights to receive management fees  
from the Downsview project**

1. As noted in update report no. 34 (application no. 116) of July 6, 2022, the arbitrator gave his decision to the effect that the position of the Functionary and the Canadian monitor had been accepted, and it was determined that the

subsidiary (Urbancorp Toronto Management Inc.<sup>1</sup>) is entitled to the full amount claimed - CAD 5.9 million, while Mattamy is entitled to management fees of approx. CAD 13.2 million. The right to the management fees will be at the end of the project or on the date on which Mattamy pays itself its share of the management fees, whichever is earlier. In addition, it was determined that the Functionary and the monitor are entitled to trial costs.

2. In accordance with the arbitration agreement between the parties, the judgment may not be appealed.
3. On August 6, 2022 Mattamy filed an application **to set aside** the arbitrator's award, and to hold a new arbitration before a new arbitrator, claiming deviation from authority, deviation from the rules of fairness and natural justice and the arbitrator's refusal to allow it to file materials that it requested to file.
4. A stay of execution of the arbitrator's decision was also applied for.
  - A copy of Mattamy's application is annexed hereto as **appendix 1**.
5. The application was filed as ordinary civil proceedings and not in the framework of the court in which the insolvency proceedings of the Urbancorp group were being conducted; the Functionary and the Canadian monitor intend filing an application to refer the hearing to the court hearing the insolvency proceedings and to request a swift hearing of the application.

#### **Ms. Doreen Saskin's debt claim against UMI**

6. As noted in the summarizing activity report of July 21, 2022 (application no. 117), in accordance with the finding of the Canadian court, Urbancorp Management Inc. ("UMI") is entitled to a sum of CAD 2,049,000 from the proceeds from the sale of the geothermal assets.
7. A debt claim was filed against UMI, based on a claim of a secured creditor's debt by Ms. Doreen Saskin. As report, this debt claim was rejected in full by the monitor, and was subject to appeal until the end of July.
8. No appeal was filed by Ms. Doreen Saskin against the debt decision.
9. The distribution of the aforesaid amount is subject to completion of an enquiry into the state of UMI's debt to creditors by the Canadian monitor, and in accordance with information furnished to the Functionary, most of these receipts (more than 70%) will apparently ultimately be transferred to the Cumberland 1

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<sup>1</sup> Which is under the management of the Canadian monitor. Even though it is estimated that most of the rights in relation to the subsidiary are vested in the Company, the Functionary requested the full debt to creditors for the purpose of evaluating the exact part of the Company's rights.

companies or other companies in the group and from them to the Company (subject to any reserves, insofar as required).

(Signed)

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**Yael HersHKovitz, Adv.**

(Signed)

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**Dor Romano, Adv.**