

**In the Tel Aviv District Court**

**LF 44348-04-16**

**In re: The Companies Law, 5759-1999**

**The Companies Law**

**The Companies Ordinance [New Version], 5743-1983**

**The Companies Law**

**and in re: Urbancorp Inc., Canadian company no. 2471774**

**The Company**

**and in re: Adv. Guy Gissin, the Company's functionary**

acting by Advs. Yael Hershkovich and/or Gilad Bergstein and/or Michael Missul, of Gissin & Co., Law Offices, 38B Habarzel Street, Tel Aviv 69710, Tel. 03-7467777, Fax. 03-7467700

**The Functionary**

**and in re: The Official Receiver**

of 3 Hashlosa Street, Tel Aviv, Tel. 03-6899695, Fax. 02-6467558

**The Official Receiver**

**Application to Extend the Functionary's Appointment**

Further to the details furnished in update report no. 11 (application no. 46) of July 3, 2017 (hereinafter - "**report no. 11**"), the Functionary of Urbancorp Inc. (hereinafter - the "**Functionary**" and the "**Company**") respectfully file an application to extend his appointment for an additional 90 days, or until approval of the arrangement plan (as defined below), whichever is earlier, as detailed below.

1. As detailed in report no. 11, in accordance with the Honorable Court's decision of April 20, 2017, the Functionary's appointment was extended until July 21, 2017.
2. In application no. 42 of May 30, 2017, the Honorable Court was moved to approve the arrangement plan filed by the Functionary in the framework of report no. 9 of May 18, 2017 (hereinafter - the "**arrangement plan**"), after the

arrangement plan's approval by the meetings of the Company's creditors on May 24, 2017.

3. In the framework of the arrangement plan, *inter alia*, a request was made for the appointment of Adv. Gissin as functionary - trustee for the Company's creditors arrangement.
4. Correct as at the date of filing this application, several objections have been filed against the arrangement plan the hearing of which is currently fixed for September 17, 2017.
5. In light of the fact that the current appointment of the Functionary is expected to lapse before the date fixed for hearing the objections to the arrangement plan, an application is hereby filed to extend the Functionary's appointment in accordance with the appointment order given on April 25, 2016 (hereinafter - the "**appointment order**"). The extension is requested for a period of 90 days, from the end of the current appointment extension period, July 21, 2017 (in accordance with the Honorable Court's decision in application no. 36 of April 20, 2017) to October 2, 2017, or until approval of the arrangement plan, in the framework of which the Functionary will be appointed as trustee for the arrangement plan's execution.
6. The special reasons underlying the Functionary's application to extend the appointment period beyond nine months in accordance with the provisions of section 350B of the Companies Law, 5759-1999 are as follows:
  - (a) Involved is a company incorporated and registered pursuant to the Canadian law, which issued securities in Israel and which, notwithstanding its prospectus, is governed by two sets of law (Canadian and Israeli). Moreover, the location of the Company's assets in Canada imposes additional limitations by virtue of the Canadian law, as detailed below. The need for routine conduct and approval according to two legal systems and/or two sets of law creates significant complexity.
  - (b) The Canadian court recognized the Functionary's powers in accordance with the appointment order, and this was also the basis for approving the collaboration minutes with the Canadian monitors; there is concern that non-extension of the appointment and/or the existence of liquidation proceedings in these proceedings will bring an end to and/or at least require renewed approval and recognition of the Functionary's powers. The Functionary was also informed by his Canadian attorneys that the process of liquidation a Canadian company can only be executed by a Canadian monitor with a suitable license.
  - (c) As is known, on May 24, 2017 the Company's creditors' meetings voted for and supported the arrangement plan's approval. Extending the

Functionary's appointment will enable the Functionary to execute the provisions of the creditors arrangement, including to make a distribution to creditors as provided in application no. 47 of July 7, 2017.

- (d) On June 20, 2017, the Functionary filed a claim in accordance with the Honorable Court's direction against the Saskins and the family companies (as defined in the claim) (CF 46263-06-17) (hereinafter - the "**claim**") in an amount of approx. CAD 33,000,000. The appointment's extension would enable the Functionary to conduct the claim, which might lead to a significant contribution to the Company's Fund and payment of the Company's debts to its creditors.

(Signed)

(Signed)

(Signed)

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**Adv. Yael Hershkovich**

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**Adv. Gilad Bergstein**

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**Adv. Michael Missul**

**Attorneys for the Functionary of Urbancorp. Inc.**

Today, July 11, 2017, Tel Aviv