

Signed today: June 18, 2023

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 attorneys Adv. Yael Hershkovitz and/or Amir Paz, of Gissin & Co., Law Offices, 38B Habarzel Street, Tel Aviv 69710, 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

Application for the Grant of Instructions
(approval of entry into a settlement agreement with a defendant in a civil claim managed by the Functionary)

The Honorable Court is requested to exercise its power and grant the Functionary approval to enter into a settlement agreement (hereinafter - the "**settlement agreement**") with Janterra Real Estate Advisors Inc. (hereinafter - "**Janterra**"), Defendant 6 in a claim that is being managed by

the Functionary in the framework of CF (Financial) 12055-12-17, **Gissin v. Saskin** (hereinafter - the "**civil claim**").

- A copy of the settlement agreement between the Functionary and Janterra, signed by Janterra's attorneys, is annexed hereto as **appendix "1"**.

Insofar as the Functionary is granted approval to sign the settlement agreement, it will be filed for approval and for giving it the effect of a judgment with the court hearing the action (His Honor Judge Altuvia).

As can be seen below, involved is a settlement agreement that limits the lengthy and complex litigation that the Functionary is managing, while saving on legal costs, and optimizes the proceeds to the creditors arrangement fund, in a sum of CAD 150,000, and includes the return of a bond for costs in a sum of NIS 400,000.

And these are the grounds of the application:

A. Factual background

1. In the capacity of the position to which he was appointed, the Functionary acted to track down the Company's assets in Israel and in Canada and investigated the reasons for its collapse.
2. As part of the Functionary's acts, he filed two civil claims in Israel¹, the one against the Company's controlling shareholders, and the other against a series of gatekeepers (the issue underwriter, the accountants, the rating company, appraisers of some of the Company's assets) and other entities related to the events detailed in the statement of claim.
3. As of September 5, 2018, the two claims were consolidated into one consolidated case managed, correct as at today, before His Honor Judge Altuvia (the civil claim).
4. Correct as at today, the Functionary has reached a settlement agreement with several defendants in the framework of the civil claim (the accountants, the underwriting company, the insurance company and the company Terra Firma and Dov Meir which / who according to the arguments raised in the claim were also involved in the events the subject of the action).

¹ In addition, the Functionary filed a claim in Canada against the Canadian lawyers representing the Company, claiming negligence and acting with a conflict of interest.

5. The entry into settlement agreements with the additional defendants was approved by the Honorable Court in the framework of application no. 81 and in the framework of application no. 103.
6. Janterra is a Canadian company that served, in the relevant period, as appraiser of some of the Company's assets that were described in the prospectus and the opinions on its behalf were annexed to the prospectus.
7. When it was discovered that the prospectus contained a series of misleading details, *inter alia* with regard to those assets, the claim was also filed against Janterra, as detailed at length in the statement of claim that was filed by the Functionary in the framework of the civil claim.
8. After protracted negotiations between the parties, they reached agreements, that are expected to bring an end to the legal disputes between the parties. This arrangement includes consideration of CAD 150,000 as well as an agreed application for release of a bond for costs in a sum of NIS 400,000, as detailed below.
9. Furthermore, the settlement with Janterra leads to savings on resources and costs of the litigation and everything involved therein. In particular, in the case of complex matters pertaining to appraisals and the like (it will be necessary to bring extensive evidence, hear witnesses from a foreign country and the like).
10. During the proceedings Janterra filed an application for the deposit of a bond for costs that was accepted in part, and the Functionary was required to deposit a sum of NIS 400,000, that were deposited in the Honorable Court's coffers.
11. Since pursuant to the annexed agreement the action against Janterra was dismissed without an order for costs, the meaning of this is also return of the bond in full to the arrangement fund.
12. Simultaneously therewith, the Functionary will continue as aforesaid to manage the civil claim against the remaining additional defendants.
13. In light of all the aforesaid, it seems like we are dealing with a settlement agreement that is expected to optimize the proceeds to the arrangement fund and to save on complex and expensive litigation. Hence, the Honorable Court is moved to approve it.

14. Accordingly, the Honorable Court is moved to order as noted at the beginning of this application.
15. The application should be allowed at law and in equity.

(Signed)

Yael Hershkovitz, Adv.

(Signed)

Amir Paz, Adv.

Gissin & Co., Law Offices
The Functionary's Attorneys

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Appendix "1"

**Copy of the Settlement Agreement
signed by Janterra's Attorneys**

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Settlement Agreement

Made and signed in Tel Aviv on the ____ day of June, 2023

between: Adv. Guy Gissin, the Functionary entrusted with execution of the creditors arrangement for Urbancorp Inc.

acting by his attorneys, Adv. Yael Hershkovitz and/or Amir Paz, of Gissin & Co., Law Offices, of 38(B) Habarzel Street, Tel Aviv 6971054, Tel. 03-7467777, Fax. 03-7467700

of the one part - hereinafter - the Plaintiff

and: Janterra Real Estate Advisors Inc.

acting by its attorneys Alon Pomerantz and/or Omer Meiri, of Lipa Meir & Co., Law Offices (under a limited power of attorney), of 2 Weizmann Street (Amot Mishpat House), Tel Aviv 6423902, Tel. 03-6070600, Fax. 03-6070666

of the other part - hereinafter - the Defendant

Whereas the Plaintiff, in his capacity as trustee for execution of the creditors arrangement of Urbancorp Inc. (under a creditors arrangement) (hereinafter - the "**Company**") filed a claim against the Defendant in CF (Financial) 12055-12-17 and against additional defendants that is being heard by the Financial Division of the Tel Aviv-Jaffa District Court (hereinafter - the "**claim**" and the "**additional defendants**", respectively); and

whereas the Plaintiff is the Functionary and is authorized to manage the claim, including to settle it through an agreement out of court on behalf of the Company and on behalf of all the Company's bondholders, a condition precedent for this being the approval of the Honorable Court of Insolvency in the framework of LF (Tel Aviv District) 44348-04-16 (hereinafter - the "**Court of Insolvency**"); and

whereas the parties wish to bring an end to the disputes between them and the legal proceedings and to fully and finally settle all their claims and/or pleas and/or demands that each one has against the other **only**, all this without any of the parties admitting any claims of the other, subject to fulfillment of the conditions of this agreement (and *inter alia* payment of the settlement amount as defined below) and subject to the approval of the Court of Insolvency; and

whereas it is clarified that the this settlement agreement in resolution of the action applies only to the Defendant and does not exempt any of the additional defendants or any other person and/or derogate from the Plaintiff's claims against the additional defendants;

accordingly, it is agreed and provided as follows:

1. The recitals to this agreement constitute an integral part thereof.
2. In full and absolute settlement of all the Plaintiff's claims (including claims on behalf of the Company and on behalf of all the bondholders) against the Defendant, without admitting any liability and/or responsibility and for settlement purposes only, the Defendant will pay the Plaintiff a final and absolute sum of CAD 150,000, to be paid to the Plaintiff by way of a bank transfer in Canadian dollars (hereinafter - the "**settlement amount**").
3. The settlement amount will be paid to the Plaintiff within 30 days of receipt of a judgment approving the settlement agreement and dismissing the claim against the Defendant without an order for costs (hereinafter - the "**judgment**"), by way of a bank transfer to account no. 246231/38 at branch no. 855 of Bank Leumi, in the name of Adv. Guy Gissin, the Functionary for Urbancorp Inc., that will be considered, for all intents and purposes, as payment to the Plaintiff himself.
4. The settlement amount is final and absolute, and no interest and/or linkage and/or other amounts will be added thereto. Notwithstanding the aforesaid, insofar as this settlement agreement is breached by the Defendant and the settlement amount is not paid on time, the settlement amount will bear statutory linkage and interest from the date on which the judgment is granted to the date of actual payment, without derogating from any right or remedy available to the Plaintiff as a result of this agreement's breach.

5. The Defendant warrants and agrees that on the giving of the judgment, it will not have any plea, claim or demand of whatsoever type against the Plaintiff or against the Company's creditors arrangement fund.
6. Simultaneously with this settlement agreement's execution, the Plaintiff and the Defendant will sign an agreed application to give the effect of a judgment to the settlement agreement and for dismissal of the claim **against the Defendant alone** without an order for costs, in the wording annexed hereto as **appendix "1"**, that will be filed with the Honorable Court by the Plaintiff's attorneys within two business days of the date of on which the Court of Insolvency grants the Plaintiff approval to enter into this agreement, as provided in paragraphs 10-12 below (hereinafter - the **"joint application"**).
7. It is hereby agreed that the Court's judgment approving the settlement agreement as aforesaid will constitute final and absolute *res judicata* vis-a-vis the Defendant, but will not constitute a "judgment" as this expression is defined in section 83(b) of the Torts Ordinance [New Version] with regard to other defendants.
8. The sum of NIS 400,000 that was deposited by the Plaintiff as a bond for the Defendant's costs in the framework of the Honorable Court's decision of May 11, 2021 will be returned to the Plaintiff and neither the Defendant nor anyone on its behalf will have any claim or demand in such regard.
9. The parties hereby warrant that once the payment has been made in full to the Plaintiff pursuant to this agreement, they will not have any claims of whatsoever type against each other, and they hereby expressly waive any such claim, insofar as existing, including any claim against shareholders and managers of the Defendant. For the avoidance of doubt, it is clarified that the Plaintiff's waiver of claims or causes of action of any type **only applies to the Defendant and/or someone on its behalf (including its shareholders and managers)** and is not such as to discharge or release or derogate from any plea, demand or claim against any one of the additional defendants or any other person.
10. Since the Plaintiff serves as a functionary on behalf of the Court of Insolvency, a condition precedent for the entry into effect of this agreement is the Court of Insolvency's approval of the Plaintiff's entry into this settlement agreement.

11. Accordingly, before filing the joint application, the Functionary will apply to the Court of Insolvency for the grant of instructions, in the framework of which it will request the Court of Insolvency's approval to enter into this agreement on the terms and conditions detailed above.
12. After receipt of the Court of Insolvency's approval, this settlement agreement will be filed for the approval of the Honorable Court hearing the action.
13. The Defendant warrants that this agreement is being signed by it with full authorization and after receipt of the necessary approvals.
14. Each party to this agreement will bear the professional fees of its or his attorneys and his or its costs in the framework of the legal proceedings.

As witness the hand of the parties:

<hr style="width: 20%; margin: 0 auto;"/> <p>Guy Gissin, Adv. Trustee for Urbancorp Inc.'s creditors arrangement (in a creditors arrangement)</p>	<p>(Signed)</p> <hr style="width: 20%; margin: 0 auto;"/> <p>The Defendant through its attorney, Adv. Alon Pomerantz</p>
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