

This is **Exhibit "S"** to the
Affidavit of Paul Montgomery
sworn before me, this 25th day of
May, 2016.

Sebastien Jean Pépin, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 20, 2019.

A Commissioner for taking Affidavits, etc.



PRIORITY AGREEMENT

THIS AGREEMENT dated July 24, 2012.

BETWEEN:

**TRAVELERS INSURANCE COMPANY OF CANADA
(hereinafter called "Travelers")**

- and -

**CANADIAN IMPERIAL BANK OF COMMERCE, as administrative agent
(hereinafter called the "Agent")**

- and -

**URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.
(hereinafter called the "Principal")**

WHEREAS

1. The Principal has entered into a credit agreement with, *inter alia*, the Agent (for and on behalf of the lenders party thereto from time to time, being the "**Lenders**") dated as of July 13, 2012 (the "**Credit Agreement**"), pursuant to which it has executed and delivered certain security to the Agent, including, without limitation, a charge/mortgage in the principal amount of SEVENTY MILLION DOLLARS (\$70,000,000) (the "**Charge**"), which Charge was registered in the Land Registry Office for the Land Titles Division of Toronto on the 24th day of July, 2012, as Instrument No. AT3081811 against the lands described in Appendix "A" hereto (the "**Property**"), a general security agreement (the "**Security Agreement**") granting to the Agent a security interest in and over all its property and assets and certain other security (all present and future security granted by the Principal to the Agent in respect of the Project (as hereinafter defined), including the Charge and Security Agreement, being collectively referred to herein as the "**Agent Security**").
2. Travelers changed its name from Travelers Guarantee Company of Canada to Travelers Insurance Company of Canada as of April 23, 2012.
3. The Principal has requested that Travelers provide a bond to Tarion Warranty Corporation and/or an excess condominium deposit insurance facility in connection with the Principal's proposed development of a residential condominium project (the "**Project**") on the Property.
4. The Principal has entered into a Deposit Trust Agreement dated May 19, 2011 (the "**DTA**") with Travelers in connection with deposit monies received from time to time from purchasers of dwelling units in the Project and accrued interest thereon (collectively, the "**Deposit Monies**").
5. By a mortgage (the "**Travelers Mortgage**") made between the Principal as mortgagor and Travelers as mortgagee, which Travelers Mortgage was registered on June 15, 2011 in the Land Registry Office for the Land Titles Division of Toronto as Instrument No. AT2720786, the Principal did mortgage the Property to Travelers to secure payment of the principal amount of

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SIX MILLION DOLLARS (\$6,000,000) and interest as set out in the Travelers Mortgage and which Travelers Mortgage shall be amended to increase the principal amount secured thereunder to EIGHT MILLION DOLLARS (\$8,000,000).

6. The Principal has granted to Travelers, pursuant to the provisions of the Travelers Mortgage and the DTA, security interests in certain of its personal property, including the Deposit Monies (all present and future security granted by the Principal to Travelers in respect of the Project, including such security pursuant to the Travelers Mortgage and the DTA, hereinafter referred to as the "**Travelers Security**").
7. The parties hereto wish to record their agreement as to the priorities of the Agent Security and the Travelers Security.

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are acknowledged) Travelers and the Agent agree as follows:

- (a) The Charge and all amounts secured thereby (including all costs, charges and fees and expenses incurred by the Agent, or any agent, receiver or receiver and manager appointed by the Agent, in connection therewith) and including advances made and to be made thereunder only to the extent of \$27,594,700 plus interest thereunder and secured thereby shall be an encumbrance upon the Property prior to the Travelers Mortgage, and Travelers hereby postpones and subordinates all of its rights and interests under the Travelers Mortgage to the Charge, to all amounts secured thereby (including all costs, charges, fees and expenses incurred by the Agent, or any agent, receiver or receiver and manager appointed by the Agent, in connection therewith) and all advances made and to be made thereunder to the extent noted above and to all interest accruing thereunder and secured thereby. In order to give effect to this postponement and subordination, Travelers releases to the Agent all of its rights and claims to priority with respect to the Travelers Mortgage to the extent noted above.
- (b) Notwithstanding the provisions of paragraph (a) above in respect of the Charge and the Travelers Mortgage, the Travelers Security shall at all times be postponed to and rank subordinate to the Agent Security, except in respect of the Deposit Monies, in respect of which the Travelers Security shall have priority over the Agent Security for only so long as and to the extent that, such Deposit Monies shall remain in trust pursuant to the provisions of the DTA.
- (c) The above postponements and subordinations and grants of priority shall apply and be effective notwithstanding the respective dates or times of execution, delivery and registration of any of the Agent Security or the Travelers Security, the date or time of attachment or perfection of any security interest granted pursuant to any of the Agent Security or Travelers Security, the date or time of any advance or incurring of any obligation under any of the Agent Security or Travelers Security, the date of any default under any of the Agent Security or the Travelers Security and whether or not any such default exists at the time of the making of any advance (whether known or not), any priority granted by any principle of law or statute, or any other matter. Each of the parties hereto agrees that it shall not claim against the other the benefit of any charge, mortgage, security interest, trust or other claim which would alter the priorities set out above herein.

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- (d) Travelers hereby confirms that notwithstanding any provision to the contrary in any of the Travelers Security, the security provided by the Travelers Security over the Property and other assets of the Principal in any way related to the Project (including without limitation, the Deposit Monies) shall not secure any indebtedness, liability or obligation of the Principal except in respect of the Project, while any amounts under the Agent Security remains unpaid.
- (e) Travelers and the Agent consent to the granting of the security by the Principal referred to herein, and shall at all times and from time to time execute and deliver to the other all such further documents, agreements or other assurances as may be necessary to give effect to this agreement and to carry out the intent hereof.
- (f) Nothing herein shall affect the rights of Travelers and the Agent respectively against the Principal. The provisions of this agreement shall enure to the benefit of and be binding upon the Agent and Travelers and their respective successors and assigns, and shall be interpreted and construed according to the laws of the Province of Ontario.
- (g) Provided the Agent continues to advance monies under the Charge in accordance with the Credit Agreement in connection with the development and construction of the Project irrespective of the Principal's default or the Agent is actively and continuously in the process of enforcing its default remedies under the Charge and provided the Agent will honour the existing agreements of purchase and sale and transfer title to those purchasers for whom Travelers has insured their purchaser deposit monies (excluding those purchasers whose agreements have been terminated because of a fundamental breach of contract committed by them), then Travelers hereby covenants and agrees that from and after the date hereof until the repayment in full of all indebtedness secured by the Agent Security or until the Agent Security is cash collateralized (which period of time is hereinafter referred to as the "**Standstill Period**"), Travelers shall not, without the prior consent of the Agent, (i) take, direct, initiate, pursue or otherwise participate in, either directly or indirectly, any collection, realization or enforcement proceedings or remedies against or otherwise affecting the Principal, nor against the Property (or any portion thereof) the Project (or any portion thereof), nor against any rents, leases and/or other personal property situate upon, within, or affixed to, or otherwise relating to, the Property as a result of any default under the Travelers Security or otherwise; or (ii) register or cause to be registered any documents or instruments on title to the Property or any part thereof which would in any way limit, inhibit, prevent or delay any advance or release of principal monies secured by the Agent Security, or (iii) initiate or pursue any claims, action, steps or proceedings which might, directly or indirectly, negate, challenge or impugn the validity or priority, of the Agent Security or otherwise negatively or detrimentally affect the completion and registration of the Project as a condominium, save and except with the prior written consent of the Agent. Travelers may exercise any rights or remedies it has pursuant to an indemnity agreement dated May 19, 2011 (the "**Indemnity Agreement**") forming part of the Travelers Security against the parties other than the Principal without the prior written consent of the Agent provided that for greater certainty Travelers shall not exercise any rights or remedies against the Principal or the Property pursuant to the Indemnity Agreement or otherwise without the prior written consent of the Agent.
- (h) Travelers agrees to give notice to the Agent of any default and the particulars of same, which occurs by Principal or any indemnitor under the Indemnity Agreement and the Agent agrees, to

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give notice to Travelers of any Event of Default (as that term is defined in the Credit Agreement) which occurs under the Credit Agreement. Provided that, neither Travelers nor the Agent shall be liable to the other for any failure to give any such notice. Any notices desired or required to be given to any of the parties hereto shall be in writing, and shall be delivered by hand/courier or by facsimile to the intended party or parties as follows:

To the Agent: Canadian Imperial Bank of Commerce
 Agency Services Group
 20 King Street West
 4th Floor
 Toronto, ON
 M5H 1C4
 Attention: Manager, Agency Services Group
 Facsimile No.: (416) 842-4023

To Travelers: Travelers Insurance Company of Canada
 20 Queen Street West, Suite 300, P.O. Box #6
 Toronto, ON
 M5H 3R3
 Attention: S. Irwin
 Facsimile No. (416) 360-8267

- (i) Travelers hereby covenants, agrees and undertakes to and with the Agent, whether or not a default has occurred and is continuing under the Travelers Security, to:
- i) execute and deliver any usual documentation required in connection with the development and registration of the Project as a condominium; and
 - ii) deliver without payment therefor partial discharges of units encumbered by Travelers Security in respect of condominium units (and their appurtenant personal property and common interests) comprising part of the Project which have been sold and transferred (either by the Principal or by or on behalf of the Agent) to the respective unit purchasers (or to whomsoever such unit purchasers may direct in writing).
- (j) Travelers will authorize the release of the Deposit Monies in accordance with the terms and conditions letter relating to the Tarion Bond and ECDI facility issued by Travelers on May 12, 2011 and revised as of March 5, 2012 (the "**Terms and Conditions Letters**") and will continue to do so in circumstances where the Principal is in default under the Travelers Security and the Agent nevertheless elects to continue making loan advances to the Principal in connection with the development and construction of the Project (as originally approved by the Agent and Travelers) and to make the condominium units available to existing purchasers for whom Travelers has insured deposits for closing, provided each such release shall be subject to the Terms and Conditions Letters and the payment of all Travelers premiums.
- (k) This Agreement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which will constitute one and the same agreement. This Agreement

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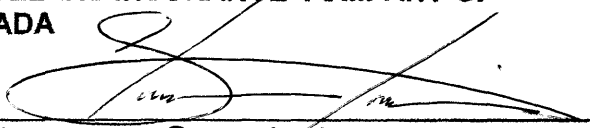
may be executed by the parties hereto and transmitted by facsimile or email and if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had executed and delivered an original agreement.

- (l) The Principal agrees to the terms of this Agreement.

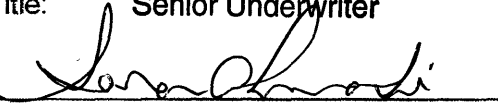
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IN WITNESS WHEREOF the parties have duly executed this agreement as of the date first written above.

TRAVELERS INSURANCE COMPANY OF CANADA

Per: 

Name: **Steve Irwin**
Title: **Senior Underwriter**

Per: 

Name: **Sara Ahmadi**
Title: **Senior Underwriter**

I/We have the authority to bind the corporation.

CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

Per: _____

Name:
Title:

Per: _____

Name:
Title:

I/We have the authority to bind the corporation.

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.

Per: _____

Name: **Alan Saskin**
Title: **President**

I have the authority to bind the corporation.

IN WITNESS WHEREOF the parties have duly executed this agreement as of the date first written above.

TRAVELERS INSURANCE COMPANY OF CANADA

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

Per: _____
Name:  Peter F. Block
Title: Authorized Signatory

Per: _____
Name:  Mark J. Playfair
Title: Authorized Signatory
I/We have the authority to bind the corporation.

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.

Per: _____
Name: Alan Saskin
Title: President
I have the authority to bind the corporation.

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IN WITNESS WHEREOF the parties have duly executed this agreement as of the date first written above.

TRAVELERS INSURANCE COMPANY OF CANADA

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation.

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.

Per: _____
Name: Alan Saskih
Title: President
I have the authority to bind the corporation.

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APPENDIX A**LEGAL DESCRIPTION****50 Curzon****PIN 21051-0408 (LT)**

Firstly: Part Lot 11, Plan 61E Toronto; Part Lot 11, Concession 1 FTB, designated as Part 2, Plan 66R-25636; Secondly: Part Lot 11, Concession 1 FTB designated as Part 1, Plan 66R-25636; Thirdly: Part Lot 11, Concession 1 FTB commencing at an iron bar in the western limit of Curzon Street, distant 595.81 feet measured northerly therealong from the northern limit of Queen Street East; Thence north 16 degrees 00 minutes west along the said western limit of Curzon Street a distance of 65.70 feet to an iron bar; thence south 74 degrees 22 minutes 20 seconds west a distance of 252.43 feet to an iron pipe in the eastern limit of Lot 8, according to a Plan filed in the said Registry Office as number 61E; thence south 17 degrees 06 minutes east along the eastern limits of Lots 8 and 9 according to said Plan 61E a distance of 66.00 feet to a spike in a stump; Thence north 74 degrees 18 minutes 20 seconds east a distance of 251.17 feet to the point of commencement; subject to an easement as in AT2953528, City of Toronto