

**IN THE MATTER OF THE *SECURITIES ACT*
R.R.O 1990, c S.5, AS AMENDED**

- and -

IN THE MATTER OF KEYreit

APPLICATION

(Section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended)

1. Huntingdon Capital Corp. (“**Huntingdon**”) applies pursuant to section 127 of the *Securities Act* (the “**Act**”) for a cease trade order in respect of the unitholder rights plan (the “**Rights Plan**”) of KEYreit. Huntingdon requests that the Ontario Securities Commission (the “**Commission**”) schedule a hearing on March 14, 2013.

2. Huntingdon seeks:
 - a) a permanent order that trading cease in respect of any securities issued, or to be issued, under or in connection with the Rights Plan, including, without limitation, in respect of the rights issued under the Rights Plan (the “**Rights**”) and any units of KEYreit (“**Units**”) issuable upon the exercise of the Rights;
 - b) a permanent order removing any prospectus exemptions in respect of the distribution of the Rights on the occurrence of the Separation Time (as defined in the Rights Plan) and in respect of the exercise of the Rights; and
 - c) such further and other relief as counsel for the applicant may advise.

3. The grounds for this application are as follows:
 - a. On January 29, 2013 Huntingdon announced its intention to make an offer for 6,628,940 Units of KEYreit at a price of \$7.00 (the “**Initial Offer**”). The Initial Offer was formally commenced on January 31, 2013.
 - b. On February 26, 2013 Huntingdon announced its intention to amend the Initial Offer to be an offer for all outstanding units of KEYreit at a price of \$7.00 per

Unit in cash or, at the option of tendering Unitholders, up to 25% of the consideration of tendered Units in the form of common shares of Huntingdon (the “**Amended Offer**”);

- c. the Amended Offer is expected to be mailed to unitholders on or about March 6, 2013 and will expire on March 18, 2013 (the “**Expiry Date**”);
- d. unless the requested cease trade order is granted, Huntingdon will not be able to take up and pay for Units tendered to the Amended Offer and the unitholders of KEYreit will be deprived of the ability to respond to the Amended Offer;
- e. as at the Expiry Date, sufficient time will have elapsed for KEYreit to have solicited an alternative offer or transaction, if one is to be forthcoming;
- f. the continued operation of the Rights Plan past the Expiry Date would therefore constitute an improper defensive tactic, contrary to *National Policy 62-202*;
- g. Huntingdon does not intend to extend the Amended Offer in the face of the continued operation of the Rights Plan;
- h. it is in the public interest that the Commission make an order pursuant to section 127 of the *Act* cease trading the Rights Plan prior to the Expiry Date;
- i. section 127 of the *Act*;
- j. *National Policy 62-202*; and
- k. Rules 2.4 and 16 of the *Ontario Securities Commission Rules of Procedure*.

4. In support of this application, Huntingdon intends to rely on the affidavit of Zachary George, sworn March 4, 2013 and the exhibits thereto and on such further evidence as counsel may advise.

March 4, 2013.

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