



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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

**- and -**

**IN THE MATTER OF  
KEYREIT and  
HUNTINGDON CAPITAL CORP.**

**Order  
(Subsection 127(1))**

**WHEREAS** Huntingdon Capital Corp. (“Huntingdon”) filed an application dated March 4, 2013 (the “Application”) with the Ontario Securities Commission (the “Commission”) requesting pursuant to section 127 of the *Securities Act* R.S.O. 1990, c. S.5, as amended (the “Act”) that the Commission cease trade the unitholder rights plan (the “Rights Plan”) adopted by KEYreit’s Board of Directors (“Board”) on February 8, 2013;

**AND WHEREAS** Huntingdon seeks the following relief:

- 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 Huntingdon may advise;

**AND WHEREAS** on March 4, 2013, a Notice of Hearing was issued with respect to the Application setting down the hearing for March 14, 2013;

**AND WHEREAS** on January 31, 2013, Huntingdon made an Offer to Purchase up to 6,628,940 of the outstanding Units of KEYreit at a price of \$7.00 per Unit expiring March 7, 2013 (the “Partial Offer”);

**AND WHEREAS** on February 8, 2013, in response to the Partial Offer, KEYreit’s Board adopted the Rights Plan;

**AND WHEREAS** on March 7, 2013, Huntingdon filed a Notice of Variation and Extension with respect to the Partial Offer to acquire 100% of the issued and outstanding Units of KEYreit, excluding Units held by Huntingdon;

**AND WHEREAS** Huntingdon's Notice of Variation and Extension notified KEYreit unitholders, among other things, that Huntingdon has:

- a) amended the number of Units offered to be purchased from 6,628,940 Units to up to all of the issued and outstanding Units of KEYreit;
- b) amended the purchase price so that KEYreit unitholders can elect to receive for each Unit: (i) \$7.00 in cash; or (ii) \$5.25 in cash and 0.14033681 of a Huntingdon common share; and
- c) extended the expiry time of the offer from 5:00 p.m. (Toronto time) on March 7, 2013 to 5:00 p.m. (Toronto time) on March 18, 2013;

**AND WHEREAS** on March 14, 2013, a hearing was held before the Commission to consider the Application;

**AND WHEREAS** the Commission considered the following evidence at the hearing:

- a) affidavit of Mr. Schott sworn March 8, 2013, affidavit of Mr. Hughes sworn March 8, 2013, affidavit of Mr. George sworn March 4, 2013, supplementary affidavit of Mr. Schott sworn March 13, 2013, unsworn supplementary affidavit of Mr. George, and affidavit of Mr. Poladian sworn March 11, 2013; and
- b) the testimony of Mr. Schott and Mr. Hughes, who were cross-examined on their affidavits referred to above;

**AND WHEREAS** the Commission heard oral submissions from counsel for Huntingdon, KEYreit and Staff of the Commission and reviewed and considered all the materials submitted by the parties;

**AND WHEREAS** the Commission considered the factors set out in *Re Royal Host* (1999), 22 O.S.C.B. 7819, and the other case law referred to by the parties;

**AND WHEREAS** the Commission is of the view that it is in the public interest to make this order;

**IT IS HEREBY ORDERED** that trading permanently cease in respect of any securities to be issued under or in connection with the Rights Plan, including, without limitation any Units of KEYreit issuable upon the exercise of the Rights, upon the earlier of:

1. April 1, 2013, or
2. two business days after the public announcement of any competing offer or transaction for KEYreit, or upon the abandonment by KEYreit of the current process seeking to maximize value for KEYreit unitholders.

Dated at Toronto this 14<sup>th</sup> day of March, 2013.

*“James E. A. Turner”*

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James E. A. Turner

*“Mary G. Condon”*

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Mary G. Condon

*“Deborah Leckman”*

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Deborah Leckman