

IN THE MATTER OF
THE SECURITIES LEGISLATION

OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA
ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
GENTRA INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application (the "Application") from Gentra Inc. ("Gentra") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the proposed purchase by Gentra of a portion of its outstanding common shares (the "Common Shares") pursuant to an issuer bid (the "Offer"), Gentra be exempt from the requirements in the Legislation to:

- (i) take up and pay for securities proportionately according to the number of securities deposited by each securityholder (the "Proportionate Take-up and Payment Requirement");
- (ii) provide disclosure in the issuer bid circular (the "Circular") of such proportionate take-up and payment (the "Associated Disclosure Requirement");
- (iii) state the number of securities sought under the Offer (the "Number of Securities Requirement"); and
- (iv) obtain a valuation of the Common Shares and provide disclosure in the Circular of such valuation, or a summary thereof, and of prior valuations (the "Valuation Requirement").

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS Gentra has represented to the Decision Makers as follows:

1. Gentra is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any requirement of the Legislation,
2. Gentra's authorized capital consists of 300,000 senior preferred shares, an unlimited number of priority preferred shares, an unlimited number of preferred shares issuable in series, an unlimited number of Common Shares and an unlimited number of non-voting equity shares (the "Non-Voting Equity Shares"). As of January 14, 1999, Gentra's issued and outstanding share capital included, *inter alia*, 31,250,292 Common Shares and 2,391,298 Non-Voting Equity Shares.
3. The Common Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE"). On December 23, 1999, the last full trading day prior to the announcement of the Offer, the closing price of the Common Shares on the TSE was \$12.40 per Common Share. Based upon such closing price, the Common Shares had an aggregate market value of approximately \$387,256,303 as at that date.
4. Pursuant to the Offer, Gentra proposes to acquire approximately 4,000,000 Common Shares, representing approximately 13% of the outstanding Common Shares, in accordance with the following modified Dutch auction procedure (the "Procedure"), as disclosed in the Circular sent by Gentra to each holder of Common Shares (collectively, the "Shareholders"):
 - (a) The Circular specifies that the aggregate number of Common Shares that Gentra intends to purchase under the Offer is 4,000,000 (the "Specified Number"), excluding any Common Shares that Gentra intends to purchase in accordance with the procedures described in subparagraph 4(j) below.
 - (b) The Circular also specifies the range of prices (the "Range") within which Gentra is prepared to purchase Common Shares under the Offer.
 - (c) Shareholders wishing to tender to the Offer will be able to specify the lowest price within the Range at which they are willing to sell their Common Shares (an "Auction Tender").
 - (d) Shareholders wishing to tender to the Offer but who do not wish to make an Auction Tender may elect to be deemed to have tendered at the Clearing Price determined in accordance with subparagraph 4(e) below (a "Purchase Price Tender").
 - (e) The purchase price (the "Clearing Price") of the Common Shares tendered to the Offer will be the lowest price that will enable Gentra to purchase the Specified Number and will be determined based upon the number of Common Shares tendered pursuant to an Auction Tender at each price within the Range and tendered pursuant to a Purchase Price Tender, with each Purchase Price Tender being considered a tender at the lowest price in the Range for the purpose of calculating the Clearing Price.

(f) All Common Shares tendered at prices above the Clearing Price will be returned to the appropriate Shareholders.

(g) All Common Shares tendered by Shareholders who specify a tender price for such tendered Common Shares that falls outside the Range will be considered to have been improperly tendered, will be excluded from the determination of the Clearing Price, will not be purchased by Gentra and will be returned to the tendering Shareholders.

(h) All Common Shares tendered by Shareholders who fail to specify any tender price for such tendered Common Shares and fail to indicate that they have tendered their Common Shares pursuant to a Purchase Price Tender will be considered to have been tendered pursuant to a Purchase Price Tender.

(i) All Common Shares tendered at or below the Clearing Price pursuant to an Auction Tender and all Common Shares tendered pursuant to a Purchase Price Tender will be taken up and paid for at the Clearing Price, subject to proration if the aggregate number of Common Shares tendered at or below the Clearing Price pursuant to Auction Tenders and the number of Common Shares tendered pursuant to Purchase Price Tenders exceeds the Specified Number (an "Over-Subscription").

(j) If an Over-Subscription occurs and in order to avoid the creation of "odd lots" as a result of proration, the number of Common Shares to be purchased from each Shareholder who tenders Common Shares at or below the Clearing Price will be rounded up so that, in addition to the Specified Number, Gentra will purchase an additional number of Common Shares from such tendering Shareholder equal to the lesser of: (i) the difference between the number of Common Shares to be purchased from such depositing Shareholder as a result of proration and the next highest whole multiple of 100 Common Shares properly tendered by such Shareholder to the Offer; and (ii) the balance of the Common Shares properly tendered to the Offer by such Shareholder, with multiple tenders by the same Shareholder being aggregated for this purpose. In addition, if, as a result of proration and after giving effect to (i) the purchase of 4,000,000 Common Shares by Gentra and (ii) the purchases described in the preceding sentence, a depositing Shareholder were to hold fewer than 100 Common Shares (including Common Shares held by the Shareholder under separate certificates or in different accounts, any Common Shares not tendered to the Offer and any Common Shares tendered by the Shareholder pursuant to separate Auction Tenders or Purchase Price Tenders and retained by the Shareholder as a result of proration), Gentra will purchase all such Common Shares at the Clearing Price, provided that all such Common Shares are properly deposited to the Offer.

(k) The aggregate amount that Gentra will expend pursuant to the Offer will not be ascertained until the Clearing Price and the number of Common Shares, if any,

to be purchased in addition to the Specified Number pursuant to the procedure described in subparagraph 4(j) is determined.

5. Prior to the Offer's expiry, all information regarding the number of Common Shares tendered and the prices at which such Common Shares are tendered will be kept confidential, and the depository will be directed by Gentra to maintain such confidentiality until the Clearing Price is determined.

6. Brookfield Properties Corporation ("Brookfield"), which owns 14,808,755 Common Shares representing approximately 47% of the outstanding Common Shares and 2,391,298 Non-Voting Equity Shares of Gentra, does not intend to tender any Common Shares to the Offer. Brookfield has entered into an agreement with Gentra pursuant to which Brookfield has agreed to convert sufficient Common Shares into Non-Voting Equity Shares of Gentra following the Offer so that its voting interest in Gentra will not exceed 50%.

7. Since the Offer is for fewer than all the Common Shares, if an Over-Subscription occurs, the Legislation would require Gentra to take up and pay for deposited Common Shares proportionately, according to the number of Common Shares deposited by each Shareholder. In addition, the Legislation would require disclosure in the Circular that Gentra would, if Common Shares tendered to the Offer exceeded the Specified Number, take up such Common Shares proportionately according to the number of Common Shares tendered by each Shareholder.

8. Gentra has received an opinion (the "Liquidity Opinion") from HSBC Securities (Canada) Inc, an independent registered dealer, that there is a liquid market in the Common Shares for minority Shareholders before the making of the Offer and, following the Offer, minority Shareholders who decline the Offer will have available a market that is not materially less liquid than the market that existed prior to the making of the Offer.

9. The TSE, which is the principal Canadian stock exchange on which the Common Shares are listed and traded, has stated that it concurs with the Liquidity Opinion.

10. The Circular

(a) discloses the mechanics for the take-up of and payment for, or the return of, Common Shares as described in paragraph 4 above;

(b) explains that, by tendering Common Shares at the lowest price in the Range, a Shareholder can reasonably expect that the Common Shares so tendered will be purchased at the Clearing Price, subject to proration as described in paragraph 4 above;

(c) discloses that Brookfield does not intend to tender any Common Shares to the Offer and that Brookfield has agreed with Gentra that, following the Offer, Brookfield will convert sufficient Common Shares to Non-Voting Shares of Gentra so that its voting interest in Gentra will not exceed 50%; and

(d) includes the Liquidity Opinion and discloses that the TSE concurs with the Liquidity Opinion.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision")

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that, in connection with the Offer, Genra is exempt from the Proportionate Take-up and Payment Requirement, the Associated Disclosure Requirement, the Number of Securities Requirement and the Valuation Requirement, provided that Common Shares tendered to the Offer are taken up and paid for, or returned to the Shareholders, in accordance with the Procedure.

DATED this "1st" day of "February", 2000.