

SECOND AMENDED AND RESTATED OFFERING MEMORANDUM

KAZANA MUTUAL FUND TRUST

Date: November 2, 2023

The Issuer

Name: Kazana Mutual Fund Trust (the “Trust”)

Head office: 2328 138th Street, Surrey, British Columbia, V4A 4G6

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Currently listed or quoted? No. **These securities do not trade on any exchange or market.**

Reporting issuer? No.

SEDAR filer? No.

The Offering

Securities offered: Class A Units of the Trust, Class B Units of the Trust, Class C Units of the Trust, and Class D Units of the Trust (each, a “Unit” and together, the “Units”). See Item 5.1 – “Securities Offered – Terms of Units”. Each class shall have the attributes and characteristics as set out in the Trust Declaration (as defined below). See Item 5.1 - “Securities Offered – Terms of Units”.

Price per security: The subscription price per Unit is \$1.00 per Unit for Class A Units, Class B Units, and Class C Units, and \$100.00 per Unit for Class D Units, in each case unless determined otherwise by the Trustee in accordance with the terms of the Trust Declaration and will be payable by a Subscriber upon subscribing for a Unit.

Minimum/Maximum offering: The minimum aggregate Offering is \$75,000 (75,000 Units). There is no maximum Offering.

Funds available under the Offering may not be sufficient to accomplish the Trust’s proposed objectives.

Minimum Subscription: Subject at all times to the discretion of the Trustee (as defined below) to waive such requirement, Subscribers must initially make a minimum investment in Units of \$25,000.

Subsequent subscriptions shall be in such minimum amounts, if any, as may be established from time to time by the Trustee. Subscribers for additional Units must maintain a minimum of \$25,000 in Unit subscriptions, subject again to the discretion of the Trustee to waive such requirement.

Payment terms: Wire transfer, certified cheque, bank draft, or, in the Trustee’s discretion, a personal cheque, on closing.

Proposed closing date(s): This is a continuous offering. The initial closing was on April 12, 2021. Subsequent closings occur on such dates as established by the Trustee from time to time. The Trustee may terminate the Offering at any time.

Tax consequences: There are important tax consequences to these securities. See Item 6 - “Income Tax Consequences and RRSP Eligibility.”

Selling Agent: Subscriptions for Units must involve a registered securities dealer, exempt market dealer, or investment advisor registered in the Province of British Columbia, or their respective sub-advisors, dealers, or agents.

The administrator of the Trust (the “Administrator”) may pay a sales fee to registered securities dealers, exempt market dealers, or where permitted, non-registrants, determined by the Administrator in its discretion, acting reasonably, payable at the time of the initial investment. Such sales fees may be payable in connection with funds raised through the sale of shares of Kazana Developments Ltd., the proceeds of which would be used to acquire limited partnership units of Kazana RE LP. See Item 7 - “Compensation Paid to Sellers and Finders”.

Resale Restrictions: You will be restricted from selling your securities for an indefinite period. See Item 10 - “Resale Restrictions”. However, the Units are redeemable in certain circumstances. The Trust may also retract Units from time to time. See Item 5.1 - “Terms of Trust Units”.

Purchaser’s Rights: You have two business days after execution of a Subscription Agreement to cancel your agreement to purchase the securities described in this Offering Memorandum. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel your agreement to purchase the Units described herein. See Item 11 - “Purchasers’ Rights”.

No securities regulatory authority has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8 - “Risk Factors”.

This offering is made to accredited and eligible investors represented by an exempt market dealer or investment advisor.

The Trust conditionally offers the Units for sale by way of private placement to qualified investors who are residents of the Province of British Columbia and in such other jurisdictions where it may be permitted to do so. Subscriptions will be received if, as and when accepted, subject to satisfaction of the conditions set forth under “Subscription Procedure” and to the right of the Trustee to close the subscription books at any time without notice. The Trustee shall use its best efforts to cause, at all relevant times after April 1, 2022, there to be in respect of at least one class of the Trust’s Units no fewer than 150 beneficiaries of the Trust, each of whom holds at least one block of Units of the class and Units of the class having an aggregate fair market value of not less than \$500. Closings will be held from time to time as determined by the Trustee. See “Prior Sales”, “Subscription Procedure”, and “Summary of Income Tax Consequences and Eligibility – Tax Status of the Trust – Qualification as a ‘Mutual Fund Trust’”.

No action has been or will be taken to permit a public offering of the Units in any jurisdiction where action would be required to be taken for such purpose. Accordingly, the distribution or circulation of this Offering Memorandum and the offering and sale of the Units may be restricted by law in certain jurisdictions. This Offering Memorandum does not constitute, and may not be used for or in conjunction with, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Persons into whose possession this Offering Memorandum may come are directed to inform themselves of and observe such restrictions and all legal requirements of their respective jurisdictions of residence in respect of the acquisition, holding, and disposition of the Units.

Prospective Subscribers should thoroughly review this Offering Memorandum and are advised to consult with their own legal, investment, accounting, and tax advisors concerning this investment.

The Units will be issued only on the basis of information contained in this Offering Memorandum and provided by the Trust, and no other information or representation have been authorized nor may be relied upon as having been authorized by the Trust. Any subscription for the Units made by any person on the basis of statements or representations not contained in this Offering Memorandum or so provided, or inconsistent with the information contained herein or therein, shall be solely at the risk of such person.

This is a blind pool Offering. The specific Mortgage Investments and Properties in which the Trust will indirectly invest, through its investment in Class A Limited Partnership Units, Class B Limited Partnership Units, Class C Limited Partnership Units, and/or Class D CT Units each as set out in this Offering Memorandum, have not yet been determined.

This copy of the Offering Memorandum is personal to the person to whom it is delivered and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire any of the Units. Distribution of this Offering Memorandum to any person other than the person to whom it is delivered and those persons, if any, retained to advise such person with respect hereto is unauthorized, and any disclosure of any of its contents without the prior written consent of the Trust is prohibited. Each prospective purchaser, by accepting delivery of this Offering Memorandum, agrees to the foregoing and undertakes to make no photocopies of or to otherwise reproduce, in whole or in part, this Offering Memorandum or any documents relating thereto and, if such prospective purchaser does not purchase any of the Units or the Offering is terminated, to return promptly this Offering Memorandum and all such documents to the Trust, if so requested by the Trust.

Subject at all times to the discretion of the Trustee to waive such requirement, Subscribers must initially make minimum investment of \$25,000 in Units.

Thereafter, subsequent subscriptions shall be in such minimum amounts as may be established from time to time by the Trustee. Subscribers for additional Units must maintain a minimum of \$25,000 in Unit subscriptions, subject again to the discretion of the Trustee to waive such requirement.

Notwithstanding any such waivers, the Trustee shall use its best efforts to cause, at all relevant times after April 1, 2022, there to be in respect of at least one class of the Trust’s Units no fewer than 150 beneficiaries of the Trust, each of whom holds at least one block of Units of the class and Units of the class having an aggregate fair market value of not less than \$500. See “Summary of Income Tax Consequences and Eligibility – Tax Status of the Trust – Qualification as a ‘Mutual Fund Trust’”.

Note Regarding Forward-Looking Statements

This Offering Memorandum contains forward-looking statements. These statements relate to future events or the Trust’s future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking

statements are often, but not always, identified by the use of words such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “continue”, or the negative of these terms or other comparable terminology. These statements are only predictions. In addition, this Offering Memorandum may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements contained in this Offering Memorandum are expressly qualified by this cautionary statement.

TABLE OF CONTENTS

SUMMARY	I
GLOSSARY	1
ITEM 1 - USE OF AVAILABLE FUNDS	7
1.1 Available Funds of the Trust.....	7
1.2 Use of Available Funds	7
1.3 Reallocation.....	8
ITEM 2 - BUSINESS OF THE TRUST	8
2.1 Structure	8
2.2 The Trust's Business.....	9
2.3 Development of the Business.....	11
2.4 Long-Term Objectives	11
2.5 Short-Term Objectives and How the Trust Intends to Achieve Them.....	11
2.6 Insufficient Funds	11
2.7 Material Agreements	11
ITEM 3 - INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS, AND PRINCIPAL HOLDERS	13
3.1 Compensation and Securities Held.....	13
3.2 Management Experience	15
3.3 Penalties, Sanctions, and Bankruptcy.....	15
3.4 Loans.....	15
3.5 Promoter.....	15
ITEM 4 - CAPITAL STRUCTURE	16
4.1 Capital Structure.....	16
4.2 Long Term Debt Securities.....	16
4.3 Prior Sales.....	16
4.4 Redemption History.....	16
ITEM 5 - SECURITIES OFFERED	17
5.1 Terms of Units	17
5.2 Subscription Procedure – Trust.....	29
ITEM 6 - SUMMARY OF INCOME TAX CONSEQUENCES AND ELIGIBILITY	31
6.1 Summary of Income Tax Consequences	31
ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS	38
ITEM 8 - RISK FACTORS	38
ITEM 9 - REPORTING OBLIGATIONS	41
ITEM 10 - RESALE RESTRICTIONS	41
ITEM 11 - PURCHASERS' RIGHTS	41
11.1 Two Day Cancellation Right for a Subscriber	41
11.2 Rights of Action in the Event of a Misrepresentation	41
11.3 Statutory Rights of Action for Subscribers in the Province of British Columbia	41
ITEM 12 - FINANCIAL STATEMENTS	43
ITEM 13 - DATE AND CERTIFICATE	44

SUMMARY

The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum.

Business of the Trust

The Trust is a limited purpose, unincorporated, open-ended trust, governed by the terms and conditions of a Trust Declaration dated April 12, 2021, amended May 31, 2022, and further amended November 2, 2023, and by the general laws of trusts and the laws of British Columbia. The purpose of the Trust is to invest the Trust Property in and to acquire Limited Partnership Units of Kazana LP (collectively, “**LP Units**”) and Class D CT Units of Kazana Commercial Trust, and to provide Unitholders with cash distributions on a periodic basis derived from the income and net proceeds realized by the Trust from its investment in respective LP Units and Class D CT Units.

Trust Property in respect of Class A Units will be invested only in Class A LP Units, and the Trust will provide Class A Unitholders with cash distributions received in respect thereof. Trust Property in respect of Class B Units will be invested only in Class B LP Units, and the Trust will provide Class B Unitholders with cash distributions received in respect thereof. Trust Property in respect of Class C Units will be invested only in Class C LP Units, and the Trust will provide Class C Unitholders with cash distributions received in respect thereof. Trust Property in respect of Class D Units will be invested only in Class D CT Units, and the Trust will provide Class D Unitholders with cash distributions received in respect thereof.

Through its ownership of LP Units and Class D CT Units, the Trust will indirectly invest in the Mortgage Investments and the Properties (each as defined below). The principal business of the Trust will be to issue Units to Subscribers and to invest the proceeds from such issuance in the applicable LP Units.

Since its formation on April 12, 2021, the Trust has received subscriptions for Units resulting in more than 150 beneficiaries of the Trust. As set out above, funds received by the Trust are invested through Kazana LP (directly) and Kazana RE LP (indirectly, through Kazana CT).

Since its formation on April 9, 2021, Kazana LP has funded more than 20 mortgages in the Province of British Columbia. As of the date hereof, none of the mortgages are in default and the portfolio has an average loan-to-value of 62%.

Kazana RE LP has been formed to address the pressing demand for multifamily housing in the Province of British Columbia. Its goal is to realize opportunities presented by that region’s burgeoning population and housing shortage. British Columbia has witnessed an increase in immigration in recent years, attracting individuals and families from around the world. This population growth has created a compelling need for housing solutions, which has outpaced the supply of available housing. Kazana RE LP aims to address the housing shortage by focusing on multi-family developments.

Business of the Limited Partnerships:

Kazana GP Inc. (formerly Father and Son Retirement GP Inc., the “**General Partner**”), as general partner, and Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill), as initial limited partners, established the Partnerships pursuant to the laws of the Province of British Columbia for the purposes of:

- (a) investment in mortgages secured by Canadian real estate, with an emphasis on British Columbia, and in Canadian real estate and in related business activities;
- (b) investment in and acquisition, management, operating and holding of the Properties, which consists of a diversified portfolio of real estate investments in Canada, with an emphasis on British Columbia, held directly and indirectly for the purpose of making a return from income and on an opportunistic basis from capital gain; and
- (c) conducting any other business or activity incidental, ancillary, or related thereto.

Kazana LP may issue limited partnership units in three classes: Class A Limited Partnership Units, Class B Limited Partnership Units, and Class C Limited Partnership Units. Kazana RE LP may issue Class D Limited Partnership Units. Capital raised by each Partnership in respect of these distinct classes of limited partnership units may be invested in distinct investments with respect to such class, and the funds raised from the issuance of multiple classes may be invested together in the same investments, in each case in the discretion of the General Partner or the Administrator (in its capacity as manager of each Partnership).

Business of Kazana Commercial Trust:

Kazana Commercial Trust is a limited purpose, unincorporated, open-ended trust, governed by the terms and conditions of a Trust Declaration dated November 2, 2023, and by the general laws of trusts and the laws of British Columbia. The purpose of the Trust is to invest proceeds received from the Trust in and to acquire Class D Limited Partnership Units of Kazana RE LP (collectively, “**Class D LP Units**”), and to provide its Unitholders with cash distributions on a periodic basis derived from the income and net proceeds realized by Kazana Commercial Trust from its investment in Class D LP Units.

Through its ownership of Class D LP Units, the Trust will indirectly invest in the Mortgage Investments and the Properties (each as defined below).

Offering:

This is a continuous offering of the Units. The minimum offering is \$75,000 (75,000 Units) and there is no maximum offering. This Offering is being made pursuant to exemptions from the prospectus and, where applicable, registration requirements of applicable securities legislation in Canada.

See Item 5.2 - “Subscription Procedure”. A subscriber whose subscription is accepted by the Trustee will become a Unitholder of the Trust.

Subscription Procedure:

Subscribers may subscribe for Units by returning to the Trustee, or as the Trustee may direct, a completed Subscription Agreement, together with payment in the form of a wire transfer, certified cheque, bank draft, or, in the Trustee’s discretion, a personal cheque, in the amount of the aggregate Subscription Price for the Subscriber’s Units. A Subscriber whose subscription is accepted by the Trustee will become a Unitholder of the applicable Class of Units. The Trustee may terminate the Offering at any time. See Item 5.2 - “Subscription Procedure”.

Subscriptions for Units must involve an exempt market dealer, registered securities dealer, or investment advisor registered in the Province of British Columbia, or their respective sub-advisors, dealers, or agents.

Subscription Price:

The subscription price per Unit is \$1.00 per Unit for Class A Units, Class B Units, and Class C Units, and \$100.00 per Unit for Class D Units, in each case unless determined otherwise by the Trustee in accordance with the terms of the Trust Declaration and will be payable by a Subscriber upon subscribing for a Unit.

Minimum Subscription:

Subject at all times to the discretion of the Trustee to waive such requirement, Subscribers must initially subscribe for a minimum of \$25,000 in Units.

Thereafter, subsequent subscriptions shall be in such minimum amounts as may be established from time to time by the Trustee. Subscribers for additional Units must maintain a minimum of \$25,000 in Unit subscriptions, subject again to the discretion of the Trustee to waive such requirement.

Notwithstanding any such waivers, the Trustee shall use its best efforts to cause, at all relevant times after April 1, 2022, in respect of at least one class of the Trust's Units there to be no fewer than 150 beneficiaries of the Trust, each of whom holds at least one block of units of the class and Units of the class having an aggregate fair market value of not less than \$500.

See Item 5.2 - "Subscription Procedure" and Item 6 - "Summary of Income Tax Consequences and Eligibility – Tax Status of the Trust – Qualification as a 'Mutual Fund Trust'".

Selling Agent:

Subscriptions for Units must involve a registered securities dealer, exempt market dealer, or investment advisor registered in the Province of British Columbia, or its sub-advisors, dealers, or agents.

The Administrator may pay a sales fee to registered securities dealers, exempt market dealers, or where permitted, non-registrants, determined by the Administrator in its discretion, acting reasonably, payable at the time of the initial investment. Such sales fees may also be payable in connection with funds raised through the sale of shares of Kazana Developments Ltd., the proceeds of which would be used to acquire limited partnership units of Kazana RE LP.

See Item 7 - "Compensation Paid to Sellers and Finders."

Use of Proceeds:

The Net Subscription Proceeds (as defined below) of each Class of Units will be used by the Trust to invest in the corresponding class of LP Units: Net Subscription Proceeds in respect of Class A Units will be used by the Trust to invest in Class A LP Units, Net Subscription Proceeds in respect of Class B Units will be used by the Trust to invest in Class B LP Units, Net Subscription Proceeds in respect of Class C Units will be used by the Trust to invest in Class C LP Units, and Net Subscription Proceeds in respect of Class D Units will be used by the Trust to invest in Class D CT Units. In turn, the applicable Partnership will invest the proceeds of the issuance of their respective LP Units to the Trust in the investments in the Mortgage Investments and the Properties. A portion of the proceeds received by the applicable Partnership on account of the issuance of LP Units to the Trust will also be used to pay due diligence and documentation costs relating to such investments, sales commissions where applicable, and other fees and expenses related to the Mortgage Investments and investments in the Properties.

As a result, an investment in Units of the Trust represents an indirect investment in the Mortgage Investments and the Properties and distributions and other returns on and of capital payable on account of the applicable class of LP Units will flow through to the applicable Class of Unitholders of the Trust.

Pending investment in the LP Units, the Net Subscription Proceeds may be invested in Permitted Investments (as defined below). If the Net Subscription Proceeds are not to be immediately deployed in the investments in Mortgage Investments or in one or more Properties, then the Trustee will use its best efforts to make suitable investments of the Net Subscription Proceeds as soon as possible following each Closing.

**Distributions by
the Trust:**

The Trust will distribute to each Unitholder amounts which it receives from the applicable Partnership or Kazana Commercial Trust as distributions paid by such Partnership in respect of the corresponding class of LP Units or Class D CT Units acquired by the Trust with the proceeds from the issuance of such Class of Units as and when such amounts are received, less all costs and expenses of the Trust for the distribution period less all amounts that relate to the redemption of such Class of Units. For example, the Trust will distribute to each Class A Unitholder amounts which it receives from Kazana LP as distributions paid by Kazana LP in respect of the Class A LP Units acquired by the Trust with the proceeds from the issuance of the Class A Units as and when such amounts are received, less all costs and expenses of the Trust for the distribution period less all amounts that relate to the redemption of the Class A Units, and the Trust will distribute to each Class D Unitholder amounts which it receives from Kazana Commercial Trust as distributions paid by Kazana Commercial Trust in respect of the Class D CT Units acquired by the Trust with the proceeds from the issuance of the Class D Units as and when such amounts are received, less all costs and expenses of the Trust for the distribution period less all amounts that relate to the redemption of the Class D Units. Subject to the foregoing, the Trust intends to make quarterly distributions to Unitholders of record on the last Business Day of each quarter. Distributions will be paid within a reasonable period of time following the end of each quarter for which a distribution is declared. The Trust may also make additional distributions in excess of quarterly distributions during the year, as the Trustee may determine from time to time.

Each distribution declared pursuant to the Trust Declaration constitutes a binding obligation of the Trust on the date so declared. Consequently, a Unitholder holding Units can demand a payment of a declared distribution in respect of the applicable Class of Units on the declaration date and upon receipt of such demand, the Trust must pay that amount to the Unitholder forthwith.

To the extent distributions are calculated in respect of a period and payable at the end of such period, if for any reason, including the termination of the Trust, such period is not completed, or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened period and be payable at the end of such shortened period.

If, on a Distribution Payment Date, the Trust does not have cash in an amount sufficient to pay the cash distribution to be made on such Distribution Payment Date, the Trustee may, in its discretion, borrow sufficient funds on such terms as it deems appropriate to make such cash distributions. In the event that the Trustee is unable to, or determines that it is not in the best interests of, the Trust and the Unitholders to borrow funds in order to make a distribution wholly in cash, the distribution payable to the Unitholders on such Distribution Payment Date will, to the extent necessary to ensure that the Trust does not have an income tax liability under Part I of the Tax Act, be distributed to holders of Units in the form of additional Units, and will include a distribution of additional Units (at Net Asset Value per Unit in respect of the applicable Class of Units) having a value equal to the cash shortfall. Those additional Units will be issued under exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The distribution of Units will be subject to the requirements of the applicable securities authority and if not permitted, distributions will be made in cash. The Trustee will consolidate the number of outstanding Units after a distribution of additional Units, so that each Unitholder holds the same number of Units held before the distribution of additional Units.

- Redemption:** Units will be redeemable at the request of the Unitholders, subject to applicable laws and certain other conditions set out in the Trust Declaration.
- The total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter in which the Redemption Date occurs will not exceed \$50,000 for all Classes of Units collectively; and the total amount payable by the Trust by cash payment in respect of the redemption of Units in any twelve month period ending at the end of the calendar quarter in which the Redemption Date occurs will not exceed 3% of the aggregate Subscription Price of all Units that were issued and outstanding at the start of such twelve month period.
- If the Trustee does not, in its sole discretion, waive such limitations in respect of all Units tendered for redemption in any particular calendar quarter, the Redemption Price shall be paid and satisfied by way of either of the following, as determined by the Trustee in its sole discretion: (i) the issuance and delivery of a number of Trust Notes, each in the principal amount of \$1,000, having an aggregate principal amount equal to the redemption price per Unit multiplied by the number of Units tendered for redemption; or (ii) a distribution *in specie* to the Unitholder of a number of Debt Securities (each in the principal amount of \$1,000) having an aggregate principal amount equal to the redemption price per Unit multiplied by the number of Units tendered for redemption.
- See Item 5.1 - "Terms of Units – Redemption".
- Retraction:** The Trust has the right to retract Units from Unitholders. See Item 5.1 - "Terms of Units – Trust's Right of Retraction"
- Closing:** This is a continuous offering. The initial closing was on April 12, 2021. Subsequent closings may occur on such dates as established by the Trustee from time to time. The Trustee may terminate the Offering at any time.
- Administration Agreement:** In consideration for an annual \$10.00 payment, the Administrator has agreed to provide general administrative services to the Trust in connection with the Trust's business.
- See Item 2.7 - Material Agreements.
- Management Agreement:** The Administrator has agreed to provide certain management services to the Partnerships in connection with issuance of the LP Units, the Mortgage Investments, the Properties, and the business of each of the Partnerships.
- In consideration for the provision of the services provided by the Administrator in its capacity as manager of each Partnership, the applicable Partnership will pay to the Administrator the Management Fee (as defined below), in priority over any distributions payable on limited partnership units, including the LP Units held by the Trust.
- See Item 2.7 - Material Agreements.
- Distribution on Termination of Trust:** On the termination of the Trust, the assets of the Trust will be liquidated, and the proceeds distributed to pay the liabilities of the Trust and to establish reserves for the contingent liabilities of the Trust. Thereafter, the Trustee will redeem the Units from the Unitholders of a given Class of Units on a *pro rata* basis within that Class.
- See Item 5.1 - "Terms of Units – Termination of the Trust"
- Residency Requirement:** Unless otherwise permitted by the Trustee, at no time may Non-residents or Designated Beneficiaries hold or be the beneficial owners of, directly or indirectly, Units or any other rights or options, including convertible debentures, that may entitle them (conditionally or otherwise) to acquire Units.
- See Item 5.1 - "Terms of the Units – Constraint on Non-Resident Unitholders"

Eligibility for Investment:

Provided that the Trust is, at all relevant times a “mutual fund trust” for the purpose of the Tax Act, the Units will be a qualified investment for Deferred Plans. Notwithstanding the foregoing, a holder, annuitant or subscriber of a Deferred Plan will be subject to a penalty tax in respect of Units held in a trust governed by a Deferred Plan if such Units are a “prohibited investment” for the purposes of the Tax Act. See Item 6 - “Summary of Income Tax Consequences and Eligibility”.

Taxation of the Trust and Unitholders:

While this Offering Memorandum contains a general description of certain Canadian federal income tax consequences, it is provided for information purposes only and is not a complete analysis of all potential tax considerations that may be relevant to an investment in Units. **Subscribers should consult their own professional advisers to obtain advice on the income tax consequences that apply to them.**

Subject to various tax considerations (refer to Item 6 - “Summary of Income Tax Consequences and Eligibility”), income is generally taxed in the hands of a Unitholder as ordinary income, capital gains, or dividends. Amounts in excess of the income of the Trust that are paid or payable by the Trust to a Unitholder (i.e., return of capital) are generally not considered income and are generally non-taxable to a Unitholder (but reduce the Unitholder’s adjusted cost base in the Unit for purposes of the Tax Act). See Item 6 - “Summary of Income Tax Consequences and Eligibility”.

Transferability:

Subject to exceptions set out in the Trust Declaration, Units are transferable only on the register of Unitholders maintained by the Trustee or by a registrar and transfer agent appointed by the Trustee. As well, securities requirements may prohibit or restrict transferability of Units. See Item 10 - “Resale Restrictions”.

Risk Factors:

An investment in Units entails a number of risks, including that this Offering is a blind pool offering, that there is no market for Units and a market for Units is not expected to develop; that there can be no assurance that more than the minimum Offering will be sold; that an investment in Units is an indirect investment in the Mortgage Investments or the Properties acquired by the Trust through its ownership in LP Units, and have attached to them various risks of investing in real estate, including changes to interest rates and changes to tenant occupancy levels; environmental risk; competition for real estate properties; risk associated with changes in economic conditions; risks associated with redemptions and retractions of Units; the possibility of conflicts of interest; risks associated with foreign currency controls; and risks associated with changes in income tax regulation. These risks are more fully described in Item 8 - “Risk Factors”.

This Offering is not suitable for Subscribers who cannot afford to assume any significant risks or lose their entire investment in connection with their investments.

GLOSSARY

The following terms appear throughout this Offering Memorandum. Care should be taken to read each term in the context of the particular provision of this Offering Memorandum in which such term is used.

“Administration Agreement” an agreement amended and restated November 2, 2023, between the Administrator and the Trust, pursuant to which the Administrator will provide certain administrative and management services to the Trust.

“Administrator” means Kazana Management Inc. (formerly Father and Son Retirement Management Inc.), a company existing under the laws of the Province of British Columbia.

“Affiliate” or **“Affiliates”** has the same meaning as in the B.C. Securities Act.

“B.C. Securities Act” means the *Securities Act* (British Columbia), with all amendments thereto in force from time to time and any statutes that may be passed which have the effect of supplementing or superseding such statute.

“Business Day” means a day, other than a Saturday, Sunday, or statutory holiday in the City of Vancouver, British Columbia.

“Canada Five-Year Yield” means on any date the yield to maturity on such date (expressed as a percentage), assuming semi-annual compounding, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada at 100% of its principal amount on such date with a term to maturity of approximately five years, which Canada Five-Year Yield shall be determined by a major Canadian investment dealer selected by the Trustee.

“Class” means a class of Units, as applicable in the context.

“Class A LP Units” means the Class A limited partnership units of Kazana LP designated as “Class A Limited Partnership Units” pursuant to the Kazana LP Limited Partnership Agreement.

“Class A Net Asset Value” means, on a particular date, means the net asset value of the Class A Units on a per Class A Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust’s monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class A Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class A Units.

“Class A Unit” means a Class A Unit of the Trust.

“Class B LP Units” means the Class B limited partnership units of Kazana LP designated as “Class B Limited Partnership Units” pursuant to the Kazana LP Limited Partnership Agreement.

“Class B Net Asset Value” means, on a particular date, means the net asset value of the Class B Units on a per Class B Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust’s monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class B Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class B Units.

“Class B Unit” means a Class B Unit of the Trust.

“Class B Unitholders” means the holders of Class B Units.

“Class C LP Units” means the Class C limited partnership units of Kazana LP designated as “Class C Limited Partnership Units” pursuant to the Kazana LP Limited Partnership Agreement.

“Class C Net Asset Value” means, on a particular date, means the net asset value of the Class C Units on a per Class C Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust’s monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class C Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class C Units.

“Class C Unit” means a Class C Unit of the Trust.

“Class C Unitholders” means the holders of Class C Units.

“Class D LP Units” means the Class D CT Units of Kazana Commercial Trust.

“Class D LP Units” means the Class D limited partnership units of Kazana RE LP designated as “Class D Limited Partnership Units” pursuant to the Kazana RE LP Limited Partnership Agreement.

“Class D Net Asset Value” means, on a particular date, means the net asset value of the Class D Units on a per Class D Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust’s monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class D Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class D Units.

“Class D Unit” means a Class D Unit of the Trust.

“Class D Unitholders” means the holders of Class D Units.

“Closing” means a closing of the sale of Units as the Trustee or the Administrator may determine from time to time.

“Debt Securities” means debt securities of any subsidiary of the Trust that may be created and issued from time to time, that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the option of the issuer prior to maturity, and pay an annual rate of interest equal to the Canada Five-Year Yield, payable monthly in arrears.

“Designated Beneficiary” has the meaning given to it in section 210 of the Tax Act and subsection 210(1) of the Tax Act.

“Distributable Cash Flow” means the distributable cash flow for, or in respect of, a Distribution Period, will be equal to the Cash Flow for such Distribution Period less any amount that the Trustee may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Trust (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow of the Trust) and less such reserves or amounts as are, in the opinion of the Trustee, necessary or desirable.

“Distribution Payment Date” in respect of any Distribution Period, means a date on which the Trustee is required to make a distribution of Distributable Cash Flow, which date shall be a date that falls within a reasonable period of time following the end of the Distribution Period, as determined from time to time by the Trustee in its discretion.

“Distribution Period” means each quarter of each calendar year, being any of the periods ending on April 1, June 30, September 30, and December 31 in each year.

“Distribution Record Date” in respect of any Distribution Period means the last Business Day of such Distribution Period.

“Distribution Reinvestment Plan” or **“DRIP”** means the distribution reinvestment plan of the Trust.

“Fair Market Value”, with respect to an LP Unit, means the fair market value of the Unit determined by the General Partner or the Administrator (in its capacity as manager of the applicable Partnership), acting reasonably and in consultation with the firm of chartered professional accountants retained as the accountants for the applicable Partnership.

“Fiscal Year” means each consecutive period of 12 months coinciding with the calendar year and ending on December 31 (the first Fiscal Year of the Trust commenced on April 12, 2021 and ended on December 31, 2021).

“GAAP” means generally accepted accounting principles in Canada from time to time applying, for the avoidance of doubt, the standards prescribed in Part II of the *CPA Canada Handbook – Accounting (Accounting Standards for Private Enterprises)*, or such other accounting principles as may be required by applicable laws.

“General Partner” means Kazana GP Inc. (formerly Father and Son Retirement GP Inc.), a company existing under the laws of the Province of British Columbia.

“Gross Asset Value” means the Fair Market Value of all assets of the applicable Partnership, including the Mortgage Investments FMV, the Property FMV (for all Properties), cash, and any other assets, and including the aggregate amount of proceeds received on the applicable class of LP Units (less any redemptions in respect thereof), as measured on the financial statements of such Partnership as at the end of each month.

“Initial Contribution” means the amount of \$10.00 paid by the Settlor to the Trustee for the purpose of settling the Trust.

"Kazana LP" means Kazana Limited Partnership (formerly Father and Son Retirement Limited Partnership), a limited partnership established under the laws of the Province of British Columbia.

"Kazana LP Limited Partnership Agreement" means the limited partnership agreement dated April 9, 2021, and amended May 31, 2022, governing Kazana LP as the same is amended from time to time and in effect.

"Kazana RE LP" means Kazana Real Estate Limited Partnership, a limited partnership established under the laws of the Province of British Columbia.

"Kazana RE LP Limited Partnership Agreement" means the limited partnership agreement dated October 31, 2023, governing Kazana RE LP as the same is amended from time to time and in effect.

"Kazana Commercial Trust" means Kazana Commercial Trust, a trust established under the laws of the Province of British Columbia;

"Limited Partner" means a limited partner of the applicable Partnership.

"LP Units" means, as applicable in the given context, the Class A LP Units, the Class B LP Units, the Class C LP Units, or the Class D LP Units or all such classes of units of the applicable Partnership collectively.

"Management Agreement" means the second amended and restated management agreement among the Partnerships and the Administrator dated November 2, 2023, as such agreement may be further amended, restated, and or supplemented from time to time, pursuant to which the Administrator (in its capacity as manager of the Partnerships has agreed to provide certain services to the Partnerships in connection with issuance of the LP Units, the Mortgage Investments, the investments in the Properties, and the business of each of the Partnerships.

"Management Fee" means an annual fee payable by each of the Partnerships to the Administrator (in its capacity as manager of such Partnership) on account of services provided pursuant to the Management Agreement, calculated as (a) 2% per annum management expense ratio on the gross assets under management by the Partnership or any of its direct or indirect subsidiaries; and (b) a performance fee of 15% per annum, payable solely in respect of the Class D Units and subject to a 10% per annum hurdle rate, determined by the Administrator from time to time, plus the amount of placement fees and administrative fees earned by the General Partner on behalf of the applicable Partnership pursuant to the placement of Mortgage Investments, which fees are payable monthly no later than the last Business Day of the quarter.

"Mortgage Investments" means loans secured by mortgages against residential, commercial, and industrial real estate located in Canada, with an emphasis on British Columbia, and registered as directed by the General Partner, in any case made solely with subscription proceeds received by the applicable Partnership in respect of the offering of, and subscriptions for, the applicable class of LP Units (at the exclusion of other classes of LP Units) in the given context.

"Mortgage Investments FMV" means an amount equal to the Fair Market Value of the Investments, which shall be determined by the Manager upon review of independent evidence and advice of counsel and relevant advisors.

"Net Asset Value" means, as applicable in the given context, the Class A Net Asset Value, the Class B Net Asset Value, the Class C Net Asset Value, or the Class D Net Asset Value.

"Net Asset Value Per Class A Unit" means the Net Asset Value divided by the number of outstanding Class A Units of the Trust (determined before giving effect to any reinvestment of net income, Net Realized Capital Gains, or other distributions then payable to Class A Unitholders and before giving effect to any redemptions, retractions, or issuances of Class A Units to be implemented as of the Valuation Date) to ascertain the Net Asset Value Per Class A Unit as of the Valuation Date.

"Net Asset Value Per Class B Unit" means the Net Asset Value divided by the number of outstanding Class B Units of the Trust (determined before giving effect to any reinvestment of net income, Net Realized Capital Gains, or other distributions then payable to Class B Unitholders and before giving effect to any redemptions, retractions, or issuances of Class B Units to be implemented as of the Valuation Date) to ascertain the Net Asset Value Per Class B Unit as of the Valuation Date.

"Net Asset Value Per Class C Unit" means the Net Asset Value divided by the number of outstanding Class C Units of the Trust (determined before giving effect to any reinvestment of net income, Net Realized Capital Gains, or other distributions then payable to Class C Unitholders and before giving effect to any redemptions, retractions, or issuances of Class C Units to be implemented as of the Valuation Date) to ascertain the Net Asset Value Per Class C Unit as of the Valuation Date.

"Net Asset Value Per Class D Unit" means the Net Asset Value divided by the number of outstanding Class D Units of the Trust (determined before giving effect to any reinvestment of net income, Net Realized Capital Gains, or other distributions

then payable to Class D Unitholders and before giving effect to any redemptions, retractions, or issuances of Class D Units to be implemented as of the Valuation Date) to ascertain the Net Asset Value Per Class D Unit as of the Valuation Date.

"Net Asset Value Per Unit" means, as applicable in the given context, the Net Asset Value Per Class A Unit, the Net Asset Value Per Class B Unit, the Net Asset Value Per Class C Unit, or the Net Asset Value Per Class D Unit.

"Net Realized Capital Gains" means the amount, if any, by which the aggregate of the capital gains of the Trust realized in such year exceeds the sum of:

- (a) the aggregate of the capital losses of the Trust realized in such year;
- (b) any capital gains that are realized by the Trust as a result of a redemption of Units pursuant to the Trust Declaration and that are payable to redeeming Unitholders; and
- (c) each amount determined by the Trustee in respect of any net capital loss for a prior taxation year that the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for such year.

"Net Subscription Proceeds" means the gross proceeds to the Trust from the sale of the Units less the costs of this Offering and any applicable fees.

"Non-residents" means non-residents of Canada within the meaning of Section 248(1) of the Tax Act and includes partnerships that are not "Canadian partnerships" within the meaning of Section 102(1) of the Tax Act.

"Offering" means this offering of Units.

"Partnerships" means Kazana LP and Kazana RE LP, and **"Partnership"** means each of them as applicable in the context.

"Permitted Investments" means:

- (a) debt obligations of or guaranteed by the Government of Canada or a province of Canada;
- (b) commercial paper obligations of a corporation or other person whose commercial paper is rated investment grade by Dominion Bond Rating Service Limited or its successors or assigns or by Standard & Poor's Rating Services, or its successors or assigns;
- (c) interest-bearing accounts and short-term certificates of deposit issued or guaranteed by a Canadian chartered bank or trust company;
- (d) money market mutual funds;
- (e) any other purposes permitted by the Trustee;
- (f) any expenses related to any of the foregoing; or
- (g) any combination thereof.

"Properties" means a property in which an ownership interest is acquired through investments in or related to real estate in Canada, with an emphasis on British Columbia, whether held directly or indirectly, for the benefit and entitlement of the applicable Partnership, in any case pursuant solely to such acquisitions or investments by such Partnership in respect of its respective LP Units.

"Property FMV" means an amount equal to the Fair Market Value of a Property (or an investment therein), which shall be determined assuming a fully informed willing buyer and a willing seller dealing at arms'-length with one another and a free and open market for such Property (or investment therein), unless the Administrator, upon review of independent evidence such as third party appraisals, property tax assessment information, or other third party market information, reasonably determines that any Property has a fair market value other than as described above, in which case the value of such interest in the Property will be deemed to be the value as determined by the Administrator, acting reasonably.

"Proportionate Share" means, in relation to the Units, for each Unitholder of the Trust, that fraction which has as its denominator the total number of issued Units of the applicable Class and has as its numerator the total number of Units of such Class held by such Unitholder.

"Redemption" means a redemption of Units by a Unitholder.

“Sales Fee” means a fee which may be paid by the Trust to registered securities dealers, exempt market dealers, or where permitted, non-registrants, payable at the time of the initial subscription for Units by a Subscriber.

“Settlor” means Jaswinder Gill, the settlor of the Trust.

“Subscriber” means a subscriber for Units.

“Subscription Agreement” means the subscription agreement executed by a subscriber to subscribe for Units.

“Subscription Price” means the price payable by a Subscriber upon subscribing for a Unit as established from time to time by the Trustee.

“Tax Act” means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1.

“Trust” means Kazana Mutual Fund Trust (formerly Father and Son Retirement Trust), a limited purpose, unincorporated, open-ended trust created pursuant to the Trust Declaration.

“Trust Declaration” means the Declaration of Trust dated April 12, 2021, amended May 31, 2022, and further amended November 2, 2023, as further amended from time to time, creating the Trust under the laws of British Columbia.

“Trust Income” means, for any taxation year of the Trust, the income for such year computed in accordance with the provisions of the Tax Act, other than paragraph 82(l)(b) and subsection 104(6) thereof, and taking into account such other amounts and adjustments as are determined in the discretion of the Trustee regarding the calculation of income for the purposes of determining the “taxable income” of the Trust. provided, however, that capital gains and capital losses will be excluded from the computation of Trust Income and, if an amount has been designated by the Trust under subsection 104(19) of the Tax Act, such designation shall be disregarded.

“Trust Liabilities” means:

- (a) the Trust Property or the ownership, use, operation, acquisition, or disposition thereof or the exercise or enjoyment of the rights, privileges, conditions, or benefits attached thereto, associated therewith or derived therefrom;
- (b) the obligations, liabilities, activities or affairs of the Trust;
- (c) any actual or alleged act or omission of the Trustee or any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration);
- (d) any actual or alleged act or omission of the Trustee or any other person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion, or authority conferred upon the Trustee or such other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration);
- (e) any transaction entered into by the Trustee or by any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration); or
- (f) any taxes, levies, imposts, or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustee or by any other person (except the Unitholder to the extent required by applicable tax laws) on behalf of or in connection with the activities or affairs of the Trust.

“Trust Notes” means promissory notes of the Trust that may be created and issued from time to time that are subordinated and unsecured, have a maturity of five years or less, are pre-payable at any time at the Trust’s option prior to maturity, and pay an annual rate of interest equal to the Canada Five-Year Yield, payable monthly in arrears.

“Trust Property” means the properties and assets held from time to time by the Trust or by the Trustee on behalf of the Trust, including:

- (a) the Initial Contribution;
- (b) all funds or property derived from the issuance or sale of Units and Trust Notes or other funds or property received by the Trust;
- (c) any LP Units or other securities of each of the Partnerships or of any other person held from time to time by or on behalf of the Trust;

- (d) any Permitted Investments held from time to time by or on behalf of the Trust;
- (e) any proceeds of disposition of any of the foregoing property or in respect of the investment or substitution of the properties and assets of the Trust; and
- (f) all proceeds, income, dividends, interest, profit, return of capital, gains and accretions, and all substituted assets, rights, and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to such foregoing property or such proceeds of disposition.

“Trust Region” means the Province of British Columbia.

“Trustee” means Kazana Services Inc. (formerly Father and Son Retirement Services Inc.), a company existing under the laws of the Province of British Columbia, or any successor Trustee appointed pursuant to the Trust Declaration.

“Unit” means, as applicable in the given context, Class A Units, Class B Units, Class C Units, or Class D Units, or all such units collectively. Units (generally, which include Class A Units, Class B Units, Class C Units, and Class D Units) may be issued in one or more classes or series of units, called **“Classes”** and **“Series”**, respectively.

“Unitholders” means those Subscribers whose subscriptions to purchase Units are accepted by the Trust and thereafter at any particular time the persons entered in the register or registers of the Trust as holders of the applicable Class of Units and the singular form means one such registered holder.

“Valuation Date” means each Distribution Record Date.

“Valuation Time” means 4:00 p.m. (Vancouver time) on such days on which the Trust is required under applicable securities laws or the Trust Declaration to calculate Net Asset Value or Net Asset Value Per Unit.

All dollar amounts stated herein, unless otherwise stated, are expressed in Canadian currency.

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Available Funds of the Trust		
Sources of Funds	Assuming Minimum Offering⁽¹⁾	Assuming Maximum Offering⁽²⁾
A. Amount to be Raised by this Offering	\$75,000	\$45,000,000
B. Selling Commissions and Fees ⁽³⁾	(\$2,250)	(\$900,000)
C. Costs of the Offering (e.g., legal, accounting, audit) ⁽³⁾	(\$30,000)	(\$190,000)
D. Available Funds: D = (A + C) – B	\$42,750	\$43,910,000
E. Additional Sources of Funding Required	--	--
F. Working Capital Deficiency	--	--
G. Total: G = (D+E) - F⁽⁴⁾	\$42,750	\$43,910,000

Notes:

⁽¹⁾ The minimum offering is \$75,000 (75,000 Units).

⁽²⁾ There is no maximum offering. The numbers in the table assume a maximum offering of \$45,000,000 (45,000,000 Units) for illustrative purposes only.

⁽³⁾ Estimated Offering costs include expenses of or incidental to the issue, sale, and delivery of the Units pursuant to this Offering, including, without limitation, fees and disbursements of legal counsel and accountants, and the reasonable out-of-pocket expenses (including applicable taxes) of the Administrator in connection with such issue, sale, and delivery.

⁽⁴⁾ The net proceeds raised by the Trust from the issuance of the Units will be invested indirectly in the Mortgage Investments and the Properties, through the Trust's investment in LP Units.

1.2 Use of Available Funds

The Trust has been established to invest in the LP Units and Class D CT Units, and thereby to indirectly invest in the Mortgage Investments and the Properties. The Trust does not have an operating history.

Sources and Uses of Funds by the Trust		
Sources of Funds	Assuming Minimum Offering⁽¹⁾	Assuming Maximum Offering⁽²⁾
A. Gross proceeds from the issuance of Units	\$75,000	\$45,000,000
B. Selling Commissions and Fees ⁽³⁾	(\$2,250)	(\$900,000)
C. Costs of the Offering (e.g., legal, accounting, audit) ⁽³⁾	(\$30,000)	(\$190,000)
D. Total Proceeds: D = (A + B) – C	\$42,750	\$43,910,000
Uses of Funds		
E. Investment in LP Units ⁽⁴⁾	\$42,750	\$43,910,000
F. Working capital reserve ⁽⁵⁾	\$0	\$0
G. Total: G = (E+F)	\$42,750	\$43,910,000

Notes:

⁽¹⁾ The minimum offering is \$75,000 (75,000 Units).

⁽²⁾ There is no maximum offering. The numbers in the table assume a maximum offering of \$45,000,000 (45,000,000 Units) for illustrative purposes only.

⁽³⁾ Estimated Offering costs include expenses of or incidental to the issue, sale, and delivery of the Units pursuant to this Offering, including, without limitation, fees and disbursements of legal counsel and accountants, and the reasonable out-of-pocket expenses (including applicable taxes) of the Administrator in connection with such issue, sale, and delivery.

⁽⁴⁾ Through its investment in the LP Units, as described in this Offering Memorandum, the Trust intends to indirectly invest in the Mortgage Investments and the Properties.

⁽⁵⁾ The Trust does not initially intend to create a working capital reserve.

1.3 Reallocation

The Trust intends to spend the Net Subscription Proceeds as stated. Funds will be reallocated only for sound business reasons.

ITEM 2 - BUSINESS OF THE TRUST

2.1 Structure

The Trust – The Trust is a limited purpose, unincorporated, open-ended trust created under the laws of the Province of British Columbia, pursuant to a Trust Declaration dated April 12, 2021, amended May 31, 2022, and further amended November 2, 2023. The registered and records office of the Trust is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of the Trust is located at 2328 138th Street, Surrey, British Columbia, V4A 4G6.

The Administrator – The Administrator of the Trust is Kazana Capital Corp. (formerly Father and Son Retirement Management Inc.), which was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 21, 2021, under incorporation number BC1285068. The name of the Administrator was changed to “Kazana Capital Corp.” on May 31, 2022. The registered and records office of the Administrator is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of the Administrator is located at 2328 138th Street, Surrey, British Columbia, V4A 4G6. The Administrator is the Administrator of the Trust pursuant to the Administration Agreement. The directors of the Administrator are Manjit Gill and Sajhan Gill. The issued shares of the Administrator are owned by Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), Armani Holdings Ltd. (a corporation controlled by Manjit Gill), and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill).

The Trustee – The trustee of the Trust is Kazana Services Inc. (formerly Father and Son Retirement Services Inc.), which was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 21, 2021, under Incorporation No. BC1285137. The name of the Trustee was changed to “Kazana Services Inc.” on May 31, 2022. The registered and records office of the Trustee is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of the Trustee is located at 2328 138th Street, Surrey, British Columbia, V4A 4G6. The directors of the Trustee are Manjit Gill and Sajhan Gill. The issued shares of the Trustee are owned by Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), Armani Holdings Ltd. (a corporation controlled by Manjit Gill), and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill).

Kazana LP – Kazana LP was formed by the General Partner, as the general partner, and by Marrs Consulting Ltd. (a corporation controlled by Manjit Gill) and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill), as initial limited partners, under the name “Father and Son Retirement Limited Partnership” by a Limited Partnership Agreement dated April 9, 2021, and pursuant to the filing of a Certificate of Limited Partnership filed pursuant to the *Partnership Act* (British Columbia) on April 12, 2021, under registration number LP0841117. The name of the Partnership was changed to “Kazana Limited Partnership” pursuant to the filing of an Amended and Restated Certificate of Limited Partnership filed pursuant to the *Partnership Act* (British Columbia) on June 3, 2022, and its Limited Partnership Agreement was amended on the same date to reflect the change of name. The registered office of Kazana LP is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, and the head office of Kazana LP is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC.

Kazana RE LP – Kazana RE LP was formed by the General Partner, as the general partner, and by Marrs Consulting Ltd. (a corporation controlled by Manjit Gill) and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill), as the initial limited partners, under the name “Kazana Real Estate Limited Partnership” by a Limited Partnership Agreement dated October 31, 2023, and pursuant to the filing of a Certificate of Limited Partnership filed pursuant to the *Partnership Act* (British Columbia) on November 2, 2023, under registration number LP893648. The registered office of Kazana RE LP is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of Kazana RE LP is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC.

Kazana Commercial Trust – The Trust is a limited purpose, unincorporated, open-ended trust created under the laws of the Province of British Columbia, pursuant to a Trust Declaration dated November 2, 2023. The registered and records office of the Trust is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, and the head office of the Trust is located at 2328 138th Street, Surrey, British Columbia, V4A 4G6.

Kazana Development Limited Partnership – Kazana Development LP was formed by the Development GP, as the general partner, and by Kazana RE LP, as initial limited partner, under the name “Kazana Development Limited Partnership” by a Limited Partnership Agreement dated October 31, 2023, and pursuant to the filing of a Certificate of Limited Partnership filed pursuant to the *Partnership Act* (British Columbia) on November 2, 2023, under registration number LP893647. The

registered office of Kazana Development LP is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, and the head office of Kazana Development is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC.

2.2 The Trust's Business

The Trust – The Trust has been established to acquire LP Units and Class D CT Units, for the purpose of indirectly investing in the Mortgage Investments and the Properties through the investment in the LP Units and Class D CT Units.

The Trustee may also, on behalf of the Trust, temporarily hold cash in interest bearing accounts, short-term government debt, or short-term investment grade corporate debt or money market mutual funds for the purposes of paying the expenses and liabilities of the Trust, pay amounts payable in connection with the redemption of any Units, and make distributions to Unitholders. The principal business of the Trust will be to issue Units and to acquire LP Units. The Trust's long-term objective is to earn income from its investment in LP Units, which will be an indirect investment in the Mortgage Investments and the Properties, through the investment in the LP Units. An investment in Units is intended to provide Subscribers with the opportunity to receive cash distributions ultimately originating from the Mortgage Investments and the ongoing operation of the Properties.

Trust Property in respect of Class A Units will be invested only in Class A LP Units, and the Trust will provide Class A Unitholders with cash distributions received in respect thereof. Trust Property in respect of Class B Units will be invested only in Class B LP Units, and the Trust will provide Class B Unitholders with cash distributions received in respect thereof. Trust Property in respect of Class C Units will be invested only in Class C LP Units, and the Trust will provide Class C Unitholders with cash distributions received in respect thereof. Trust Property in respect of Class D Units will be invested only in Class D CT Units.

The Trust may pay sales commissions negotiated with dealers and other representatives from time to time on a contract basis.

The Partnerships – Kazana LP, Kazana RE LP, and Kazana Developments LP were each established pursuant to the laws of the Province of British Columbia for the purposes of (i) investment in mortgages secured by Canadian real estate, in Canadian real estate, and in related business activities; (ii) investment in and acquisition, management, operating and holding of the Properties, which consists of a diversified portfolio of real estate investments in Canada, held directly and indirectly for the purpose of making a return from income and on an opportunistic basis from capital gain; and (iii) such additional mortgage and real estate investments and activities as shall be approved by the General Partner, in its sole discretion, from time to time. The principal business of each Partnership will be to issue limited partnership units, to invest the proceeds from such issuance directly or indirectly in the Mortgage Investments and the Properties. Each Partnership intends to concentrate on identifying Mortgage Investments and Properties for possible investment, and to manage the investments with the view to preserving capital and providing cash returns to Limited Partners. Each Partnership may also develop or re-develop, either on its own, through a third-party development company or by way of joint venture agreement, a building or buildings on any of the Properties.

Kazana LP may issue limited partnership units in three classes: Class A Limited Partnership Units, Class B Limited Partnership Units, and Class C Limited Partnership Units. Capital raised by Kazana LP in respect of these distinct classes of limited partnership units may invest in distinct investments with respect to such class, and multiple classes may invest together in the same investments, in each case in the discretion of the General Partner or the Administrator (in its capacity as manager of Kazana LP).

Kazana RE LP may issue Class D Limited Partnership Units or such other classes of units as the General Partner may authorize from time to time. Capital raised by Kazana RE LP in respect of these limited partnership units may invest in investments in the discretion of the General Partner or the Administrator (in its capacity as manager of Kazana RE LP). Unlike Kazana LP, Kazana Developments Ltd. may acquire Class D Limited Partnership Units of Kazana RE LP.

Kazana Development LP may issue limited partnership units or such other classes of units as Development GP may authorize from time to time. Capital raised by Kazana Development LP in respect of these limited partnership units may invest in investments in the discretion of the Development GP. The investments by Kazana Development LP are expected to be acquisitions of interests in limited partnerships or other entities which in turn hold an interest in one or more Properties, and with those investments on a shorter time horizon.

The LP Units acquired by the Trust will be Class A Limited Partnership Units, Class B Limited Partnership Units, Class C Limited Partnership Units, and Class D CT Units. Investors in Class A Units of the Trust will only participate in investments made by Kazana LP with subscription proceeds received by Kazana LP in respect of its offering of its Class A Limited Partnership Units. Investors in Class B Units of the Trust will only participate in investments by Kazana LP with subscription proceeds received by Kazana LP in respect of its offering of its Class B Limited Partnership Units. Investors in Class C Units

of the Trust will only participate in investments by Kazana LP with subscription proceeds received by Kazana LP in respect of its offering of its Class C Limited Partnership Units. Investors in Class D Units of the Trust will only participate in investments by Kazana Commercial Trust with subscription proceeds received by Kazana Commercial Trust in respect of its offering of its Class D CT Units.

Kazana Commercial Trust – Kazana Commercial Trust is established pursuant to the laws of the Province of British Columbia for the purposes of indirect investment in and acquisition, management, operating and holding of the Properties, which consists of a diversified portfolio of real estate investments in Canada, held indirectly for the purpose of making a return from income and on an opportunistic basis from capital gain, and such additional real estate investments and activities as shall be approved by the trustee of Kazana Commercial Trust, in its sole discretion, from time to time. The principal business of Kazana Commercial Trust will be to issue Class D CT units, to invest the proceeds from such issuance in Class D LP Units of Kazana RE LP, and in doing so to indirectly invest in the investments through Kazana RE LP.

Kazana Commercial Trust may issue trust units in one initial class, Class D CT Units, or any subsequently authorized class of trust units, in the discretion of the trustee of Kazana Commercial Trust.

Kazana Developments Ltd. – Kazana Developments Ltd. is a corporation established pursuant to the laws of the Province of British Columbia for the purposes of indirect investment in and acquisition, management, operating and holding of the Properties, which consists of a diversified portfolio of real estate investments in Canada, held indirectly for the purpose of making a return from income and on an opportunistic basis from capital gain. Kazana Developments Ltd. has common voting ownership with the Manager, and offers its preferred shares to certain qualified investors. The principal business of Kazana Developments Ltd. will be to issue preferred shares, to invest the proceeds from such issuance in Class D LP Units of Kazana RE LP, and in doing so to indirectly invest in the investments through Kazana RE LP. The Administrator may pay sales fees to registered securities dealers, exempt market dealers, or where permitted, non-registrants, in connection with the sale of shares of Kazana Developments Ltd. Any such fees may be paid on behalf of Kazana Developments Ltd. but any related expenses will be borne by Kazana Developments Ltd.

Kazana Commercial Trust may issue trust units in one initial class, Class D CT Units, or any subsequently authorized class of trust units, in the discretion of the trustee of Kazana Commercial Trust.

Investment Objectives – Each Partnership's primary investment objectives are as follows:

- (a) sourcing and acquiring mortgages on Canadian real estate, with an emphasis on British Columbia, (i) which mortgages may secure residential, commercial, or industrial real property; (ii) which mortgages may be subsequent in priority to first mortgages; and (iii) real estate for which will be located in areas considered by the General Partner or the Manager to provide reasonable access to liquidity by foreclosure and sale on default; and/or
- (b) the investment in and acquisition, management, operating, and holding of the Properties, which consist of a diversified portfolio of real estate investments held directly and indirectly for the purpose of making a return from income and on an opportunistic basis from capital gain.

Distribution Reinvestment Plan – The Trust will offer investors the opportunity to take part in an optional distribution reinvestment plan (“**DRIP**”) for Units, pursuant to which Unitholders are entitled to elect to have cash distributions from the Trust automatically reinvested in additional Units of the same Class. No brokerage commissions, service charges, or similar fees are payable in connection with the purchase of Units under the DRIP. Units issued under the DRIP are issued by the Trust from its treasury. Participation in the DRIP does not relieve Unitholders of any liability for any income or other taxes that may be payable on or in respect of the distributions that are reinvested for their account under the DRIP. No fractional Units will be issued by the Trust under the DRIP. Residual cash distributions which are not used to purchase additional Units will be credited to the account of the Unitholder. Unitholders who do not enrol in the DRIP will receive regular cash distributions from the Trust, as more particularly described in this Offering Memorandum.

All investors in the Trust have the option to request enrolment in the DRIP only through such investor's Subscription Agreement. Unitholders may enroll all or any portion of their Units of such Class in the DRIP. Enrolment will continue until the investor gives written notice to the Trust that the investor no longer wishes to participate in the DRIP. Such notice of termination of enrolment may be given at any time. Written notice terminating participation in the DRIP must be received by the Trust no later than the fifteenth day of the calendar month preceding the calendar month in which the Distribution Declaration Date occurs and will only be effective at the end of the quarter in which such notice is delivered to the Trustee or the Administrator.

2.3 Development of the Business

Since its formation on April 12, 2021, the Trust has received subscriptions for Units resulting in more than 150 beneficiaries of the Trust. As set out above, funds received by the Trust are invested through Kazana LP (directly) and Kazana RE LP (indirectly, through Kazana CT).

Since its formation on April 9, 2021, Kazana LP has funded more than 20 mortgages in the Province of British Columbia. As of the date hereof, none of the mortgages are in default and the portfolio has an average loan-to-value of 62%.

Kazana RE LP has been formed to address the pressing demand for multifamily housing in the Province of British Columbia. Its goal is to realize opportunities presented by that region's burgeoning population and housing shortage. British Columbia has witnessed an increase in immigration in recent years, attracting individuals and families from around the world. This population growth has created a compelling need for housing solutions, which has outpaced the supply of available housing. Kazana RE LP aims to address the housing shortage by focusing on multi-family developments.

The Market Opportunity

The Trust has been established to provide Subscribers with returns via the Trust's investment in LP Units, which is an indirect investment in the Mortgage Investments and the Properties.

2.4 Long-Term Objectives

The long-term objectives of the Trust are:

- (a) to issue Units and in turn acquire LP Units, to benefit from each Partnership's investments in Mortgage Investments and Properties in respect of the LP Units;
- (b) to provide Unitholders with profits derived from the Trust's investment in LP Units, and indirectly from each Partnership's investments in the Mortgage Investments and the Properties; and
- (c) to distribute such profits among the Unitholders.

Subject to future events which may have an impact on the timing of such decisions, it is the current intention of the Trust to continue its business for an indefinite period of time.

2.5 Short-Term Objectives and How the Trust Intends to Achieve Them

The business objectives of the Trust for the next 12 months are to continue to acquire LP Units and to acquire Class D CT Units, and to benefit from each Partnership's and Kazana Commercial Trust's direct and indirect investments in Mortgage Investments and Properties in respect of the LP Units and Class D CT Units.

What the issuer must do and how it must do it	Target completion date or if not known, number of months to complete	Cost to complete
Investments in LP Units and Class D CT Units	Since the Trust has an ongoing investment program, there is no target completion date for its business plan	The Trust's costs to carry out its investment program generally consists of administrative costs and fees

2.6 Insufficient Funds

Not applicable.

2.7 Material Agreements

The following is a list of agreements which are material to this Offering and to the Trust, all of which are in effect:

- (a) Administration Agreement amended and restated November 2, 2023, between the Administrator and the Trust. The Administration Agreement is described below.
- (b) Subscription Agreements – The Agreement by which Subscribers will subscribe for and acquire Units on the terms and conditions described in this Offering Memorandum. The Subscription Agreement is described in Item 5.2 – “Subscription Procedure”.

- (c) Trust Declaration dated April 12, 2021, amended May 31, 2022, and further amended November 2, 2023, between the Trustee, the Settlor creating the Trust, and acquirors of Units, under the laws of the Province of British Columbia. The Trust Declaration is described below in Item 5.1 – “Terms of Units”.
- (d) Limited Partnership Agreement dated April 9, 2021, amended May 31, 2022, among the General Partner and the Limited Partners of Kazana LP. The Kazana LP Limited Partnership Agreement is described in Item 2.1 – “Structure” and Item 2.2 – “The Trust’s Business”.
- (e) Limited Partnership Agreement dated October 31, 2023, among the General Partner and the Limited Partners of Kazana RE LP. The Kazana RE LP Limited Partnership Agreement is described in Item 2.1 – “Structure” and Item 2.2 – “The Trust’s Business”.
- (f) Limited Partnership Agreement dated October 31, 2023, among the Developments GP and the Limited Partners of Kazana Developments LP. This Limited Partnership Agreement is described in Item 2.1 – “Structure” and Item 2.2 – “The Trust’s Business”.

Copies of all contracts referred to above may be inspected during normal business hours, on not less than one Business Day’s notice, at the principal office of the Administrator, located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC.

A. Administration Agreement

Under the Administration Agreement, the Administrator, as “Administrator” has agreed to provide to the Trust general administrative services, including:

- (a) establishing and maintaining bank accounts on behalf of the Trust;
- (b) receiving distributions from the Partnerships from the investment in their respective LP Units and processing cash flow distributions to Unitholders;
- (c) establishing appropriate legal and accounting systems for the proper control of the Trust;
- (d) collecting and mailing financial and other reports and all other notices given by the Trust to Unitholders;
- (e) responding to all inquiries by Unitholders;
- (f) providing Unitholders with detailed statements for income tax purposes;
- (g) distributing any excess funds;
- (h) ensuring that any regulatory or legislative matters affecting the Trust are dealt with in a timely manner;
- (i) preparing annual financial reports on investments in the Properties and arranging for an audit of such annual financial reports; and
- (j) performing such other administrative duties as a reasonably prudent administrative Administrator would provide in the same or comparable circumstances and such other administrative duties as the Trust may reasonably request from time to time.

Under the Administration Agreement, the Administrator will be paid a fee equal to \$10 per annum plus out-of-pocket expenses incurred by the Administrator in completing any of the above duties.

B. Management Agreement

Under the Management Agreement, the Administrator has agreed to provide financing, real estate, and management services to the Partnerships, for which it will be paid the Management Fee. In addition, the Administrator will be entitled to be reimbursed for any deposits paid and for all out-of-pocket expenses incurred by the Administrator in completing any of the above duties and services, including deposits paid in respect of any investments in any Properties.

The Management Agreement will continue in full force and effect indefinitely, unless otherwise terminated in accordance with its terms. Under the Management Agreement, each Partnership and the Administrator provide indemnification of each other.

ITEM 3 - INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS, AND PRINCIPAL HOLDERS

The Trust is a limited purpose, unincorporated, open-ended investment trust created under the laws of the Province of British Columbia, pursuant to a Trust Declaration dated April 12, 2021, amended May 31, 2022, and further amended November 2, 2023. The registered and records office of the Trust is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of the Trust is located at 2200 HSBC Building, 885 West Georgia Street.

The Administrator of the Trust is Kazana Capital Corp. (formerly Father and Son Retirement Management Inc.), which was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 21, 2021, under incorporation number BC1285068. The name of the Administrator was changed to “Kazana Capital Corp.” on May 31, 2022. The registered and records office of the Administrator is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of the Administrator is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC. The Administrator is the Administrator of the Trust pursuant to the Administration Agreement. The directors of the Administrator are Manjit Gill and Sajhan Gill. The issued shares of the Administrator are owned by Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), Armani Holdings Ltd. (a corporation controlled by Manjit Gill), and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill).

The trustee of the Trust is Kazana Services Inc. (formerly Father and Son Retirement Services Inc.), which was incorporated pursuant to the *Business Corporations Act* (British Columbia) on January 21, 2021, under Incorporation No. BC1285137. The name of the Trustee was changed to “Kazana Services Inc.,” on May 31, 2022. The registered and records office of the Trustee is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC and the head office of the Trustee is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC. The directors of the Trustee are Manjit Gill and Sajhan Gill. The issued shares of the Trustee are owned by Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), Armani Holdings Ltd. (a corporation controlled by Manjit Gill), and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill).

3.1 Compensation and Securities Held

1. *The Trustee*

The following table sets out information about each director, officer, and promoter of the Trustee and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Trustee (a “**principal holder**”).

Name and municipality of principal residence	Positions held (e.g. Director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Trustee in the most recently completed financial year (or if the Trustee has not completed a financial year, since inception) and the compensation anticipated to be paid in the current financial year	Number, percentage, and type of securities of the Trustee held after completion of minimum offering	Number, percentage, and type of securities of the Trustee held after completion of maximum offering
Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), Surrey, BC	Principal holder since incorporation (January 21, 2021)	Nil	450 Class A Common Shares 450 Class B Common Shares (25%)	450 Class A Common Shares 450 Class B Common Shares (25%)
Armani Holdings Ltd. (a corporation controlled by Manjit Gill), Surrey, BC	Principal holder since April 9, 2021	Nil	450 Class A Common Shares 450 Class B Common Shares (25%)	450 Class A Common Shares 450 Class B Common Shares (25%)
Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill), Surrey, BC	Principal holder since incorporation (January 21, 2021)	Nil	900 Class A Common Shares 900 Class B Common Shares (50%)	900 Class A Common Shares 900 Class B Common Shares (50%)

Name and municipality of principal residence	Positions held (e.g. Director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Trustee in the most recently completed financial year (or if the Trustee has not completed a financial year, since inception) and the compensation anticipated to be paid in the current financial year	Number, percentage, and type of securities of the Trustee held after completion of minimum offering	Number, percentage, and type of securities of the Trustee held after completion of maximum offering
Manjit Gill Surrey, BC	Director and officer since incorporation (January 21, 2021)	Nil	Nil	Nil
Sajhan Gill Surrey, BC	Director and officer since incorporation (January 21, 2021)	Nil	Nil	Nil

Notes: Other than as is otherwise disclosed in this Offering Memorandum, the directors and officers of the Trustee do not presently receive compensation in their capacity as directors and officers. The Trustee anticipates that it may compensate its directors in the future, and such compensation will be reasonable and similar to compensation paid to directors and officers of entities with similar business to the Trustee. There is no minimum or maximum offering of securities of the Trustee. The number of securities of the Trustee are not anticipated to change.

2. *The Administrator*

The following table sets out information about each director, officer, and promoter of the Administrator and each person who directly or indirectly beneficially owns or controls 10% or more of any class of voting securities of the Trust (a “**principal holder**”).

Name and municipality of principal residence	Positions held (e.g. Director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by the Administrator in the most recently completed financial year (or if the Administrator has not completed a financial year, since inception) and the compensation anticipated to be paid in the current financial year	Number, percentage and type of securities of the Administrator held after completion of minimum offering	Number, percentage and type of securities of the Administrator held after completion of maximum offering
Marrs Consulting Ltd. (a corporation controlled by Manjit Gill), Surrey, BC	Principal holder since incorporation (January 21, 2021)	Nil	450 Class A Common Shares 450 Class B Common Shares (25%)	450 Class A Common Shares 450 Class B Common Shares (25%)
Armani Holdings Ltd. (a corporation controlled by Manjit Gill), Surrey, BC	Principal holder since April 9, 2021	Nil	450 Class A Common Shares 450 Class B Common Shares (25%)	450 Class A Common Shares 450 Class B Common Shares (25%)
Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill), Surrey, BC	Principal holder since incorporation (January 21, 2021)	Nil	900 Class A Common Shares 900 Class B Common Shares (50%)	900 Class A Common Shares 900 Class B Common Shares (50%)
Manjit Gill Surrey, BC	Director and officer since incorporation (January 21, 2021)	Nil	Nil	Nil
Sajhan Gill Surrey, BC	Director and officer since incorporation (January 21, 2021)	Nil	Nil	Nil

Notes: Other than as is otherwise disclosed in this Offering Memorandum, the directors and officers of the Administrator do not presently receive compensation in their capacity as directors and officers. The Administrator anticipates that it may compensate its directors in the future, and such compensation will be reasonable and similar to compensation paid to directors and officers of entities with similar business to the Administrator. There is no minimum or maximum offering of securities of the Administrator. The number of securities of the Administrator are not anticipated to change.

3.2 Management Experience

The following table discloses the principal occupations of the directors and senior officers of the Trustee and Administrator over the past five years.

Name	Principal occupations and related experience
Manjit Gill Director and Officer of Trustee and Administrator	Mr. Gill started his career in 1990 as a realtor in Burnaby, Vancouver, and Surrey, British Columbia. Since 2002, he has served as the founder and operator of Armani Holding Ltd., a construction company specializing in custom-built homes. From 2007 to 2018, Mr. Gill served as the director of Earth King Investments Ltd., which specializes in large land assemblies and real estate marketing projects. Mr. Gill has acquired a portfolio of bare land and commercial real estate in British Columbia and Saskatchewan. Mr. Gill has participated joint venture projects with other individuals and private companies and has managed assets over \$100 million dollars, including Delta Fresh Inc. (rezoned land to build a 300,000 sq ft cold storage facility), Earth King Forest Plaza Ltd. (an office building), and Somerset (a 1,350 unit mixed use subdivision). He has earned the respect of his clients by working tirelessly on their behalf and having their best interests at heart as well as offering them candid advice.
Sajhan Gill Director and Officer of Trustee and Administrator	Mr. Gill graduated with Bachelor of Arts from the University of British Columbia in 2020. He has completed the Canadian Securities Course and Mortgage Brokers course offered through the University of British Columbia's Sauder's School of Business.

3.3 Penalties, Sanctions, and Bankruptcy

No penalty or sanction has been in effect during the last 10 years, no cease trade order has been in effect for a period of more than 30 consecutive days during the past 10 years, and no declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, or arrangement or compromise with creditors, appointment of a receiver, receiver Administrator, or trustee to hold assets has been in effect during the last 10 years against or with regard to any:

- (a) director, executive officer, or control person of the Trustee or the Administrator, or control person of the Trust; or
- (b) any issuer of which any person referred to in sub-paragraph (a) above was a director, senior officer, or control person of at that time.

3.4 Loans

There are no debentures or loans due to or from the directors, management, promoters, or principal holders of the Trustee as at the date of this Offering Memorandum.

3.5 Promoter

By reason of their initiative in forming and establishing the Trust and taking steps necessary for the public distribution of the Units, the Trustee and the Administrator are the promoters of this Offering. The directors of the Trustee and the Administrator are Manjit Gill and Sajhan Gill. Neither the Trustee nor the Administrator will receive any benefits, directly or indirectly, from the issuance of the Units other than as described in this Offering Memorandum.

ITEM 4 - CAPITAL STRUCTURE**4.1 Capital Structure**

A. The following are the details of the outstanding securities of the Trust at August 31, 2023:

Description of Security	Number Authorized to be Issued	Number Outstanding as at August 31, 2023	Number outstanding after min. offering ⁽¹⁾	Number outstanding after max. offering ⁽¹⁾
Class A Trust Unit	Unlimited	\$0	75,000	10,000,000
Class B Trust Unit	Unlimited	\$6,763,108	75,000	25,000,000
Class C Trust Unit	Unlimited	\$2,286,762	75,000	10,000,000
Class D Trust Unit	Unlimited	\$0	75,000	10,000,000

Note:

⁽¹⁾ The minimum aggregate Offering across Class A Trust Units, Class B Trust Units, Class C Trust Units, and Class D Trust Units, collectively, is \$75,000 (75,000 Units). As described in this Offering Memorandum, the Trust intends to offer of a sufficient number of Units pursuant to this Offering Memorandum to establish that, to the best efforts of the Trustee, at all relevant times after April 1, 2022, there be no fewer than 150 beneficiaries of the Trust, each of whom holds at least one block of units having an aggregate fair market value of not less than \$500. There is no maximum offering. The numbers in the table assume a maximum offering of \$45,000,000 (10,000,000 of each of the Class A Trust Units, Class C Trust Units, and Class D Trust Units and 25,000,000 of the Class B Trust Units) for illustrative purposes only.

B. The following are the details of the outstanding securities of Kazana LP and Kazana Commercial Trust at August 31, 2023:

Description of Security	Number Authorized to be Issued	Number Outstanding as at August 31, 2023	Number outstanding after min. offering ⁽¹⁾	Number outstanding after max. offering ⁽¹⁾
Class A Unit	Unlimited	\$0	500,000	10,000,000
Class B Unit	Unlimited	\$6,763,108	75,000	25,000,000
Class C Unit	Unlimited	\$2,286,762	75,000	10,000,000
Class D CT Unit	Unlimited	\$0	75,000	10,000,000

Note:

⁽¹⁾ There is no minimum or maximum offering of either Partnership or Kazana Commercial Trust. The numbers in the table assume a minimum offering of \$500,000 and a maximum offering of \$10,000,000 for each of the Class A Units, Class C Units, and Class D CT Units and of \$25,000 for the Class B Units, for illustrative purposes only.

4.2 Long Term Debt Securities

The Trust is only recently established and has not yet issued any long-term debt securities.

4.3 Prior Sales

Each of the outstanding securities of the Trust set out in Section 4.1 above were issued in the 12 months prior to August 31, 2023.

4.4 Redemption History

From May 31, 2022, to August 30, 2023: (a) Kazana LP redeemed 1,050,000 Class B Units for an aggregate of \$1,050,000 and the Trust has redeemed 1,050,000 Class B Trust Units for an aggregate of \$1,050,000; and (b) Kazana LP redeemed 282,859 Class B Units for an aggregate of \$282,859 and the Trust has redeemed 282,859 Class B Trust Units for an aggregate of \$282,859; No other units of the Trust or either of the Partnerships have been redeemed.

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Units

A. Trust Units

Units Offered and Subscription Price

The securities offered pursuant to this Offering Memorandum are Class A Units, Class B Units, Class C Units, and Class D Units. These Units comprise the only authorized Units of the Trust as of the date hereof.

The subscription price per Unit is \$1.00 per Unit for Class A Units, Class B Units, and Class C Units, and \$100.00 per Unit for Class D Units, in each case unless determined otherwise by the Trustee in accordance with the terms of the Trust Declaration and will be payable by a Subscriber upon subscribing for a Unit.

The minimum Offering shall consist of a sufficient number of Units to establish, to the best efforts of the Trustee, at all relevant times after April 1, 2022, that in respect of at least one class of Units of the Trust there be no fewer than 150 beneficiaries of the Trust, each of whom holds at least one block of Units of the class and Units of the class having an aggregate fair market value of not less than \$500. See "Summary of Income Tax Consequences and Eligibility – Tax Status of the Trust – Qualification as a 'Mutual Fund Trust'".

Trust Declaration

The rights and obligations of the Trust and the Unitholders are governed by the Trust Declaration dated April 12, 2021, amended May 31, 2022, and further amended November 2, 2023, between the Trustee and the Settlor creating the Trust under the laws of the Province of British Columbia. The following is a summary of certain material provisions of the Trust Declaration. **This summary does not purport to be complete and reference should be to the Trust Declaration itself, a copy of which is available from the Trustee. Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the Trust Declaration.**

Units

The Trust is authorized to issue an unlimited number of Units. Except as provided in the Trust Declaration and this Offering Memorandum, each Unit entitles the Unitholder to the same rights and obligations as any other Unitholder of the same Class of Units and no Unitholder is entitled to any privilege, priority, or preference in relation to any other Unitholders of the same Class (e.g., no Class A Unitholder is entitled to any privilege, priority, or preference in relation to any other Class A Unitholders, as such).

Subject to the provisions of the Trust Declaration relating to distributions, as described below, each Unit represents an equal undivided beneficial interest or share in any distribution from the Trust in respect of the applicable Class of Units (whether of Distributable Cash Flow, Trust Income, Net Realized Capital Gains, or other amounts, other than amounts in respect of a distribution *in specie* on a redemption of Units specifically to Unitholders who redeem their Units) and in Trust Property in the event of the termination or winding-up of the Trust. Class A Units, Class B Units, Class C Units, and Class D Units do not have voting rights attached to them. All Units of the same Class rank among themselves equally and ratably without discrimination, preference, or priority. Units of different Classes may have different rights, benefits, and other attributes from Units of other Classes.

Classes of Units

The Trustee will have the power and authority, from time to time, for and on behalf of the Trust, to create one or more Classes of Units on such terms and conditions as may be determined by the Trustee, provided that such creation does not adversely affect the pecuniary value of the interest of any unitholder in the Trust. All of the Units in any Class of Units will have the same rights, benefits, and other attributes, and will rank equally, with every other Unit in such Class and no Unit in a Class of Units will have any preference or priority over any other Unit of such Class. The number of Units issued in any Class is unlimited, unless the number of Units for such Class is limited at the time the Class is established.

All Units are uncertificated, subject to the discretion of the Trustee to issue unit certificates for such Units in accordance with the terms of the Trust Declaration.

Before the issue of a Class of Units other than the Class A Units, Class B Units, Class C Units, or Class D Units, the Trustee may execute a supplemental indenture creating such Class of Trust units and establishing the terms thereof and confirming that the Trust unitholders who hold Trust units issued as part of such Class of Trust units are entitled to the benefits of the Trust in respect of such Class of Trust units.

Any Trust units in any Class of Trust units created by supplemental indenture will:

- (a) be designated by a letter by the Trustee; and
- (b) have such rights and restrictions with respect to subscription price and other terms and conditions of their offering and manner of subscription, sharing in the property of the Trust and other matters as the Trustee determines to be appropriate, which rights and restrictions may be different from the rights and restrictions which pertain to the Trust units of any other Class of Trust units.

At the option of the Trustee, the maximum number of Trust units of any Class of Trust units may be limited, such limitation to be expressed in the supplemental indenture providing for the creation of the Class of Trust units.

Distributions of Distributable Cash Flow

The Trustee may, in respect of each Distribution Period, on or before each Distribution Record Date, declare payable to the Unitholders of record of a given Class of Units at the close of business on each Distribution Record Date, all or any part of the Distributable Cash Flow for the Distribution Period in respect of such Class of Units. Any such distribution will be payable to each Unitholder of record of such Class of Units on such Distribution Record Date *pro rata* in proportion to the number of Units of such Class held as of record by such Unitholder on such Distribution Record Date. Subject to the terms of the Trust Declaration, any Distributable Cash Flow that has been declared to be payable to Unitholders in respect of a Distribution Period will be paid in cash on the Distribution Payment Date in respect of such Distribution Period.

Investments made in respect of the Class D Units, the proceeds of which will be used to invest indirectly in Properties through Kazana Commercial Trust, Kazana RE LP, and one or more additional vehicles, are expected to be held for a longer term with time horizons dependent on the milestones and completion of development-related projects. As such, distributions in respect of the Class D Units are not expected to provide regular periodic distributions.

Computation of Distributable Cash Flow of the Trust

The cash flow of the Trust for any Distribution Period (the “**Cash Flow**”), with respect to the applicable Class of Units, will be equal to:

- (a) the sum of all cash amounts received by the Trust, or the assets allocated to the Trust, for or in respect of such Distribution Period in respect of such Class of Units, including the amounts received as a limited partner holding the class of LP Units corresponding to such Class of Units and all other income, interest, distributions, dividends, proceeds from the disposition (other than by way of security interest) of such class of LP Units, returns of capital, and repayments of indebtedness, as well as all amounts received by the Trust in respect of such Class of Units in any prior Distribution Period to the extent not previously distributed; less
- (b) all costs and expenses of the Trust that, in the opinion of the Trustee, may reasonably be considered to have accrued and become owing in respect of such Class of Units and in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less
- (c) all amounts payable in cash that relate to the redemption or repurchase of such Class of Units and that have become payable by the Trust in such Distribution Period or prior Distribution Period; and less
- (d) any interest expense incurred by the Trust between distributions in respect of such Class of Units,

provided that any funds borrowed by the Trust or the proceeds of the issuance of such Class of Units or other securities of the Trust and related transactions in connection therewith will not be included in the calculations of Cash Flow in respect of any Distribution Period in respect of such Class of Units.

The Distributable Cash Flow for, or in respect of, a Distribution Period, with respect to the applicable Class of Units, will be equal to the Cash Flow for such Distribution Period in respect of such Class of Units less any amount that the Trustee may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Trust in respect of such Class of Units (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow of the Trust in respect of such Class of Units) and less such reserves or amounts in respect of such Class of Units as are, in the opinion of the Trustee, necessary or desirable.

Distributions of Distributable Cash Flow

The Trustee may, in respect of each Distribution Period, on or before each Distribution Record Date, declare payable to the Unitholders of any Class of Units of record at the close of business on each Distribution Record Date, all or any part of the Distributable Cash Flow for the Distribution Period in respect of such Class of Units. Any such distribution will be payable to each Unitholder of record in respect of such Class of Units on such Distribution Record Date pro rata in proportion to the number of Units of such Class held as of record of such Class of Units by such Unitholder on such Distribution Record Date. Subject to the provisions of the Trust Declaration (see "Method of Payment of Distributions" below), any Distributable Cash Flow that has been declared to be payable to Unitholders in respect of such Class of Units in respect of a Distribution Period will be paid in cash on the Distribution Payment Date in respect of such Distribution Period.

Other Distributions

In addition to distributions of Distributable Cash Flow, the Trustee may allocate, declare payable and/or make distributions, from time to time, out of Trust Income, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates and to Unitholders of record on such dates, as the Trustee may determine.

Having regard to the present intention of the Trustee to allocate, distribute, and make payable to unitholders all of the Trust Income, Net Realized Capital Gains, and other applicable amounts in respect of the applicable Class of Units so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year, the following amounts will, without any further actions on the part of the Trustee, be due and payable to Unitholders of record at the close of business on December 31 in each year:

- (a) the amount of Trust Income for such year not previously paid, allocated, or made payable to Unitholders of such Class in such year; and
- (b) the amount of Net Realized Capital Gains for such year not previously paid, allocated, or made payable to Unitholders of such Class in such year.

Any such distributions will be payable to each Unitholder of record of the applicable Class on the applicable record date in respect of such distribution, or on December 31 in the year of distribution in respect of a distribution as set out above, pro rata in proportion to the number of Units of such Class held of record by such holder of Trust units on such applicable record date or December 31 in the year of such distribution, as the case may be.

The Trustee may designate as payable to redeeming Unitholders as part of the Redemption Price any capital gain and/or income realized by the Trust as a result of an *in specie* distribution on a redemption of Units of such Class pursuant to the terms of the Trust Declaration.

Allocation

Trust Income and Net Realized Capital Gains shall be allocated to the Class A Unitholders for the purposes of the Tax Act in the same proportion as the total distributions received by Class A Unitholders in the taxation year, subject to (i) the discretion of the Trustee to adopt an allocation method that the Trustee considers to be more reasonable in the circumstances, and (ii) the Trustee's ability to designate as allocable to redeeming Class A Unitholders any capital gain and / or income realized by the Trust as a result of an *in specie* distribution.

Trust Income and Net Realized Capital Gains shall be allocated to the Class B Unitholders for the purposes of the Tax Act in the same proportion as the total distributions received by Class B Unitholders in the taxation year, subject to (i) the discretion of the Trustee to adopt an allocation method that the Trustee considers to be more reasonable in the circumstances, and (ii) the Trustee's ability to designate as allocable to redeeming Class B Unitholders any capital gain and / or income realized by the Trust as a result of an *in specie* distribution.

Trust Income and Net Realized Capital Gains shall be allocated to the Class C Unitholders for the purposes of the Tax Act in the same proportion as the total distributions received by Class C Unitholders in the taxation year, subject to (i) the discretion of the Trustee to adopt an allocation method that the Trustee considers to be more reasonable in the circumstances, and (ii) the Trustee's ability to designate as allocable to redeeming Class C Unitholders any capital gain and / or income realized by the Trust as a result of an *in specie* distribution.

Trust Income and Net Realized Capital Gains shall be allocated to the Class D Unitholders for the purposes of the Tax Act in the same proportion as the total distributions received by Class D Unitholders in the taxation year, subject to (i) the discretion of the Trustee to adopt an allocation method that the Trustee considers to be more reasonable in the circumstances, and (ii) the Trustee's ability to designate as allocable to redeeming Class D Unitholders any capital gain and / or income realized by the Trust as a result of an *in specie* distribution.

Character of Distributions and Designations

In accordance with and to the extent permitted by the Tax Act and analogous provisions of any applicable Provincial income tax legislation, the Trustee in each year will make designations in respect of the amounts paid or payable to Unitholders for such amounts that the Trustee considers to be reasonable in all of the circumstances, including designations relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net capital gains realized by the Trust in the year and foreign source income of and foreign taxes paid by the Trust for the year, as well as elect under subsection 104(13.1) and/or subsection 104(13.2) of the Tax Act that income be taxed to the Trust, rather than to the Unitholders. Distributions paid or payable to Unitholders pursuant to Article 6 of the Trust Declaration will be distributed from Trust Income, Net Realized Capital Gains, trust capital or other items in such amounts as the Trustee may, in its absolute discretion, determine. For greater certainty, it is hereby declared that any distribution of Net Realized Capital Gains will include the non-taxable portion of the capital gains of the Trust that are encompassed in such distribution.

Special Distribution Provisions

To the extent distributions are calculated in respect of a Distribution Period and payable at the end of such Distribution Period, if for any reason, including the termination of the Trust, such Distribution Period is not completed, or such amounts are no longer payable, then the distribution will be pro-rated to the end of the shortened Distribution Period and be payable at the end of such shortened Distribution Period.

In the event that a Unitholder has held his Unit for less than the entire Distribution Period for which a distribution is payable, the Unitholder shall only be entitled to a Proportionate Share of the distributions based on the proportion that the number of days between the date of first issue of his Units and the last day of the Distribution Period bears to the aggregate total number of days in such Distribution Period.

The Trustee shall have the right but not the obligation to distribute and allocate Distributable Cash, Trust Income, Net Realized Capital Gains, and any other applicable amounts among Unitholders in such a manner so as to ensure where possible that they are treated equitably taking into account differences that may arise as a result of the acquisition of Units at different times in a fiscal year or in different fiscal years.

Enforceability of Right to Receive Distributions

Notwithstanding any provision of Article 6 of the Trust Declaration, each Unitholder will have the legal right to enforce payment on the Distribution Payment Date or December 31, as the case may be, of any amount payable to such Unitholder as a result of any distribution declared or otherwise made payable pursuant to Article 6 of the Trust Declaration on the applicable Distribution Record Date or the applicable December 31, as the case may be, to, and not yet received by, such Unitholder pursuant to Article 6 of the Trust Declaration.

Method of Payment of Distributions

Where the Trustee determines that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable, pursuant to Article 6 of the Trust Declaration on the due date for such payment or for any other reason cannot pay the distribution in cash, the payment may, at the option of the Trustee, include the issuance of additional Units, or fractions of Units, if necessary or desirable, having a value equal to the difference between the amount of such distribution declared to be payable and the amount of cash that has been determined by the Trustee to be available for the payment of such distribution. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities, or a prospectus or similar filing.

The value of each Unit that is issued as in the above paragraph will be equal to the Subscription Price for such Unit, unless the Trustee determines that the value of a Unit is materially different than the Subscription Price, in which case the Unit will be issued at such different value.

Withholding Taxes

The Trustee may deduct or withhold from distributions payable to any Unitholder all amounts required by law to be withheld from such distributions. In the event of a distribution in the form of additional Units, the Trustee may sell Units of such Unitholder to pay such withholding taxes and to pay all of the Trustee's reasonable expenses with regard thereto and the Trustee shall have the power of attorney of such Unitholder to do so. Upon such sale, the affected Unitholder shall cease to be the holder of such Units.

Calculation of Net Asset Value

The Trustee will determine, or cause to be determined, the Net Asset Value and Net Asset Value Per Unit of the Trust as of each Valuation Time.

Method of Determining Value

The Class A Net Asset Value, on a particular date, means the net asset value of the Class A Units on a per Class A Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust's monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class A Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class A Units.

The Class B Net Asset Value, on a particular date, means the net asset value of the Class B Units on a per Class B Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust's monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class B Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class B Units.

The Class C Net Asset Value, on a particular date, means the net asset value of the Class C Units on a per Class C Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust's monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class C Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class C Units.

The Class D Net Asset Value, on a particular date, means the net asset value of the Class D Units on a per Class D Unit basis as determined each month effective on the last Business Day of the month during the term of the Trust in conjunction with the preparation of the Trust's monthly internal financial statements, which shall be determined by the Trustee acting in a commercially reasonable manner, and confirmed annually in connection with the preparation of year-end financial statements, in consultation with the auditors of the Trust, and the Class D Net Asset Value, once determined shall be in effect for determining the Redemption Price, Retraction Price, and issue price of the Class D Units.

Redemption

Right of Redemption by Unitholders

Each Unitholder will be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the Trust Declaration.

Exercise of Redemption Right

A Unitholder who desires to exercise redemption privileges must do so by delivering a written notice (the "**Redemption Notice**") to the Trust of the Unitholder's intention to redeem Units, not less than 90 days in advance of the Redemption Date (as defined below). By delivering a Redemption Notice to the Trust, the Unitholder will be deemed to have irrevocably surrendered such Unitholder's Units for redemption on the Redemption Date.

Effect of Redemption Notice

Upon receipt by the Trust of the Redemption Notice, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon that are declared payable to the Unitholders of record on a date that is subsequent to the Redemption Date. Units shall be considered to be tendered for redemption on the date that the Trustee has, to the satisfaction of the Trustee, received the Redemption Notice and further documents or evidence the Trustee may reasonably require with respect to the identity, capacity, or authority of the person giving such notice, subject to the requirement for 90 days' advance written notice by the Unitholder as set out above (the "**Redemption Date**").

The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to the holders of such Class of Units, since the payment of redemptions will take priority over the payment of cash distributions. See Item 8 - "Risk Factors".

Redemption Price

Unitholders whose Units are redeemed will be entitled to receive a redemption price (the “**Redemption Price**”) per Unit equal to the Net Asset Value Per Unit in respect of the applicable Class of Unit as determined on the Valuation Date which immediately precedes the Redemption Date, subject to any administration and processing fees that may be determined and applied by the Trustee, in its sole discretion, from time to time.

Payment of Redemption Price in Cash

The Redemption Price per Unit multiplied by the number of Units of such Class tendered for redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Redemption Date occurs, subject to the following limitations or unless otherwise provided by the Trustee in its sole discretion:

- (a) a total amount payable by the Trust by cash payment in respect of the redemption of Units for the calendar quarter in which the Redemption Date occurs will not exceed \$50,000 for all Classes of Units collectively; and
- (b) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any twelve month period ending at the end of the calendar quarter in which the Redemption Date occurs will not exceed 3% of the aggregate Subscription Price of all Units that were issued and outstanding at the start of such twelve month period.

Payment of Redemption Price in Specie

If any of the conditions in Sections 8.5(a) and 8.6(b) of the Trust Declaration (see “Payment of Redemption Price in Cash” above) preclude the payment of the Redemption Price in cash, and the Trustee does not, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar quarter, the Redemption Price shall be paid and satisfied by way of any of the following methods to be selected by the Trustee, using its sole discretion:

- (a) the issuance and delivery of a number of Trust Notes, each in the principal amount of \$1,000, having an aggregate principal amount equal to the redemption price per Unit multiplied by the number of Units tendered for redemption; or
- (b) a distribution *in specie* to the Unitholder of a number of Debt Securities (each in the principal amount of \$1,000) having an aggregate principal amount equal to the redemption price per Unit multiplied by the number of Units tendered for redemption.

Notwithstanding the foregoing, the Trustee, in its sole discretion, may but will in no way be obligated to make cash payments on account of the Redemption Price in excess of the limits set out in Sections 8.5(a) and 8.6(b) of the Trust Declaration (see “Payment of Redemption Price in Cash” above).

General

Units will be redeemed according to the order in which Redemption Notices are received by the Trustee.

Trust’s Right of Retraction

The Trust may retract the Units either in whole at any time or in part from time to time.

Partial Retraction

If the Trust elects to retract less than all of the outstanding Units, the Units to be retracted shall be retracted either:

- (a) on a *pro rata* basis;
- (b) be drawn by lot; or
- (c) be selected in such other manner as the Trustee, in its sole discretion, may determine, including the retraction of Units from one or more specified Unitholder.

For this purpose, the Trust may make, and from time to time amend, regulations with regard to the manner in which such Units will be selected and such regulations shall be binding upon all Unitholders.

Exercise of Right

The Trustee shall exercise the retraction right provided for in the Trust Declaration by giving notice to a Unitholder or Unitholders (a "**Retraction Notice**"). Such notice will be irrevocable except with respect to any Units called for retraction in respect of which the retraction proceeds are not paid by the Trust on or before the date on which such payment is due and except as otherwise provided herein.

Retraction Price

Unitholders whose Units are retracted pursuant to the Trust Declaration will be entitled to receive payment (the "**Retraction Price**") per Unit equal to the Net Asset Value Per Unit of the applicable Class as at the most recent Valuation Date.

Termination of the Trust

The Trustee may at any time terminate and dissolve the Trust by giving written notice to each of the then Unitholders of its intention to terminate the Trust at least 90 days before the date on which the Trust is to be terminated. Upon termination, the net assets of the Trust will be distributed to the Unitholders of a given Class on a *pro rata* basis within such Class, who shall not be entitled to the net assets of the Trust. Prior to the termination date, the Trustee will convert the assets of the Trust to cash. After payment of the liabilities of the Trust, each Unitholder registered as such at the close of business on the date fixed as the termination date will be entitled to receive from the Trustee his Proportionate Share of the value of the Trust in accordance with the number of Units of a Class which he, she, or it then holds.

Amendments to the Trust Declaration

Any provision of the Trust Declaration may be amended, deleted, expanded, or varied by the Trustee, if the amendment is, in the opinion of counsel for the Trustee, not a material change which adversely affects the pecuniary value of the interest of any Unitholders and does not relate to:

- (a) any material change in the position, authority, or responsibility of the Trustee;
- (b) any change in the investment policy of the Trust; or
- (c) any change to the Trust Declaration, if such change is material or is otherwise required by the Trust Declaration.

Information and Reports

After the end of each calendar year, the Trustee will distribute or make available in accordance with applicable securities legislation to each Unitholder the Trust's accountant prepared and reviewed financial statements, and each Partnership's accountant prepared and reviewed financial statements. On or before April 1 in each year, the Trustee will:

- (a) deliver or make available to each Unitholder the Trust's audited financial statements, and each Partnership's accountant prepared and reviewed financial statements, for the previous fiscal year and such other reports as are from time to time required by applicable securities or other laws; and
- (b) deliver to each person who received a distribution at any time during the previous calendar year, tax reporting information in such a manner as will enable such person to report the income tax consequences of investment in Units in their annual Canadian income tax return.

Such financial statements will be prepared in accordance with GAAP; provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

Liability of Unitholders

No Unitholder, in its capacity as Unitholder, will incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind, to any person in connection with: (a) the Trust Property or the ownership, use, operation, acquisition or disposition thereof or the exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto, associated therewith or derived therefrom; (b) the obligations, liabilities, activities or affairs of the Trust; (c) any actual or alleged act or omission of the Trustee or any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration); (d) any actual or alleged act or omission of the Trustee or any other person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Trustee or such other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration); (e) any transaction entered into by the Trustee or

by any other person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to the Trust Declaration); or (f) any taxes, levies, imposts, charges, fines, penalties, or interest in respect thereof payable by the Trust or by the Trustee or by any other person (except the Unitholder to the extent required by applicable tax laws) on behalf of or in connection with the activities or affairs of the Trust (collectively, "**Trust Liabilities**").

No Unitholder, in its capacity as such, will be liable to indemnify the Trustee or any other person with respect to any Trust Liabilities.

To the extent that, notwithstanding the provisions of Section 2.8 of the Trust Declaration, any Unitholder, in its capacity as such, may be determined by a judgement of a court of competent jurisdiction to be subject to or liable in respect of any Trust Liabilities, such judgement and any writ of execution or similar process in respect thereof will be enforceable only against, and will be satisfied only out of, the Units held by such Unitholder.

To the extent that, contrary to the provisions of Section 2.8 of the Trust Declaration, any Unitholder is held personally liable as such to any other person in respect of any Trust Liabilities, such Unitholder will be entitled to indemnity and reimbursement out of the Trust Property to the full extent of such liability and for all costs of any litigation or other proceedings in which such liability has been determined, including, without limitation, all fees and disbursements of counsel. The rights accruing to a Unitholder under Section 2.8(d) of the Trust Declaration do not exclude any other rights to which such Unitholder may be lawfully entitled, nor does anything herein contained restrict the right of the Trustee to indemnify or reimburse a Unitholder out of the Trust Property in any appropriate situation not specially provided herein but, for greater certainty, the Trustee has no liability to reimburse a Unitholder for taxes assessed against them by reason of or arising out of their ownership of Units.

Powers of the Trustee

The Trustee is vested with and will have continuing, full, absolute, and exclusive power, control, and authority and discretion over the Trust Property and over, and management of, the affairs and undertaking of the Trust, to the same extent as would the sole and absolute legal and beneficial owner of the Trust Property, and may, in respect of the Trust Property, exercise any and all rights, powers, and privileges that could be exercised by a legal and beneficial owner thereof without the necessity of applying to any court for leave to do so. Without restricting or limiting the generality of the foregoing, such powers of the Trustee will include the powers enumerated in the ensuing section and elsewhere in the Trust Declaration.

Specific Powers and Authorities

Subject only to the express limitations contained in the Trust Declaration, and in addition to any other powers and authorities conferred by the Trust Declaration or which the Trustee may have by virtue of any present or future statute or rule of law, the Trustee, without any action or consent by the Unitholders, will have and may exercise at any time and from time to time the following powers and authorities, which may be exercised by the Trustee in such manner and upon such terms and conditions as they may from time to time determine proper:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to hold the Trust Property in safekeeping, retaining moneys, securities, property, assets or investments, and investing moneys from time to time forming part of the Trust Property;
- (c) to ensure that the Subscription Proceeds are invested in LP Units;
- (d) to borrow money as necessary to pay distributions to Unitholders, and to guarantee and/or encumber Trust Property in respect thereof;
- (e) to pay properly incurred expenses out of Trust Property;
- (f) to open, operate and close bank accounts and other similar credit, deposit, and banking arrangements, to negotiate and sign banking and financing contracts and agreements and deposit monies from time to time forming part of the Trust Property in such accounts;
- (g) to possess and exercise rights, powers, and privileges appertaining to ownership of or interests in Trust Property;
- (h) to hold legal title to the Trust Property;
- (i) to appoint the accountants of the Trust;
- (j) to ensure compliance with applicable securities legislation;

- (k) to prepare and file or cause to be prepared and filed all requisite returns, reports, and filings;
- (l) to provide all requisite office accommodation and associated facilities;
- (m) to provide or cause to be provided to the Trust all other administrative and other services and facilities required by the Trust;
- (n) to maintain or cause to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (o) to prescribe any instrument provided for or contemplated by this Declaration;
- (p) to effect payment of distributions to the Unitholders;
- (q) to collect, sue for, and receive all sums of money or other property or items that are believed due to the Trust and obtain security, including encumbrances on assets, to secure the full payment of monies owed to the Trust and the performance of all obligations in favour of the Trust, and to exercise all of the rights of the Trust, and to perform all of the obligations of the Trust, under such security;
- (r) to possess and exercise all the rights, powers, and privileges pertaining to the ownership of all or any part of the Trust Property, including the LP Units, to the same extent that any person might, unless otherwise limited herein;
- (s) where reasonably required, to engage, employ, contract with, or retain on behalf of the Trust any persons as agents, representatives, employees, or independent contractors in one or more capacities;
- (t) except as prohibited by law, to delegate from time to time to the Trust's employees, consultants, agents, and other persons the doing of such things and the exercise of such powers hereunder as the Trustee may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of this Declaration and subject at all times to the general control and supervision of the Trustee as provided for herein;
- (u) to issue and redeem or retract Units pursuant to the terms and conditions of the Trust Declaration;
- (v) where desirable to make or cause to be made application for the listing or quotation on any stock exchange or market of Units, and to do all things which in the opinion of the Trustee may be necessary or desirable to effect or maintain such listing or quotation;
- (w) to use commercially reasonable efforts to do all such acts and things as are necessary to ensure that the Trust qualifies at Closing and at all times thereafter as a "mutual fund trust" pursuant to subsection 132(6) of the Tax Act, including *inter alia* those things set out in the Trust Declaration;
- (x) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustee in connection with the Trust Property, undertaking or income of the Trust, or imposed upon or against the Trust Property in connection with the undertaking or income of the Trust, or any part thereof, and to settle or compromise disputed tax liabilities, and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections, allocations and determinations in respect of Trust Income, Net Realized Capital Gains, or any other amounts distributed, allocated and made payable to Unitholders in a year and any other matter as shall be permitted under the Tax Act and analogous provisions of any provincial income tax legislation, and to do all such other acts and things as may be deemed by the Trustee in its sole discretion to be necessary, desirable, or convenient;
- (y) to do all such acts and things, and to execute, deliver, and perform the obligations of the Trust under all such agreements and instruments as are necessary to complete the Offering or as are contemplated by this Offering Memorandum; and
- (z) to do all such other acts and things and execute all such agreements and other instruments as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the purpose and activities of the Trust, to promote or advance any of the purposes or objectives for which the Trust is formed and to carry out the provisions of the Trust Declaration whether or not specifically mentioned in the Trust Declaration.

Resignation of Trustee

The Trustee or any successor trustee may resign upon 60 days' notice to Unitholders, provided that a successor trustee is appointed or the Trust is terminated. In the event that the Trustee resigns or becomes incapable of acting or if for any cause a vacancy shall occur in the office of the Trustee, a successor trustee may forthwith be appointed by the former Trustee to fill such vacancy.

Following the appointment of a successor Trustee, the former Trustee will account to the new Trustee for all Trust Property which the former Trustee holds as trustee and will execute and deliver such documents as the new Trustee may require for the conveyance of any Trust Property held in the Trustee's name.

Indemnification of Trustee

The Trust Declaration provides that the Trustee will be indemnified out of the Trust Property in respect of any civil, criminal, or administrative action or proceeding to which it, any of its officers or directors, or any officer or director of any of its affiliates, is made a party by reason of being or having been a Trustee or officer or director of the Trustee, and/or in respect of any and all taxes, penalties, or interest in respect of unpaid taxes or other governmental charges imposed upon such parties as a result of the exercise of his or her powers or duties under the Trust Declaration. However, any such party will not be indemnified in respect of unpaid taxes or other governmental charges that result from his or her failure to act honestly and in good faith with a view to the best interests of the Trust, or as a result of his or her failure to exercise that degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where such party did not have reasonable grounds for believing that his or her conduct was lawful.

In addition, the Trust Declaration contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

Fees

As part of the expenses of the Trust, the Trustee may pay or cause to be paid out of the Trust Property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including (without limitation) fees of auditors, accountants, lawyers, appraisers, and other agents, consultants and professional advisors employed by or on behalf of the Trust, and the cost of reporting or giving notices to Unitholders. All costs, charges, and expenses properly incurred by the Trustee on behalf of the Trust will be payable out of the Trust Property.

Standard of Care

The Trustee is required to exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Trust and to exercise the degree of care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances.

Conflicts of Interest

A director or officer of the Trustee who directly or indirectly has a material interest in a material contract or transaction or proposed material contract or transaction with the Trust, other than an affiliate of the Trust, must disclose in writing to the Trust the nature and extent of such interest forthwith after becoming aware of the material contract or transaction or proposed material contract or transaction.

Where the Trustee or any director or officer of the Trustee fails to disclose his or her interest in a material contract or transaction, the Trustee or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the material contract or transaction and directing that the Trustee or such director or officer account to the Trust for any profit or gain realized, provided that if the Trustee or director or officer is acting honestly and in good faith, he or she will not be accountable to the Trust or to the Unitholders for any profit or gain realized from such material contract or transaction, and such material contract or transaction will not be void or voidable and may not be set aside, if the material contract or transaction was reasonable and fair to the Trust at the time it was approved.

The Administrator may also charge fees to real estate developers for which the Administrator provides capital raising services and any related capital markets services. Such real estate developers may include those involved in real estate projects which funds from the sale of Units are invested in, indirectly. Any such fees will be negotiated between the Administrator and the applicable developer on a case-by-case basis.

Constraint on Non-Resident Unitholders

Unless otherwise permitted by the Trustee, the Trust shall not issue Units to Non-residents or Designated Beneficiaries. Additionally, at no time shall Non-residents or Designated Beneficiaries hold or beneficially own, directly or indirectly, Units or any other rights or options, including convertible debentures (“**Options**”) that may entitle them to acquire Units.

The Trustee may require declarations as to the jurisdictions in which beneficial owners of Units and/or Options are resident. The Trustee shall not accept a subscription for Units or Options from or issue or register a transfer of Units or Options to a person unless the person provides a declaration that the person is not a Non-resident or Designated Beneficiary. If the Trustee determines that Units and/or Options then outstanding are beneficially held by Non-residents or Designated Beneficiaries, the Trustee shall send a notice to such Non-resident Unitholders or Designated Beneficiaries, requiring them to dispose of their Units and/or Options or a portion thereof within a specified period of not less than 10 Business Days to residents of Canada or partnerships which are “Canadian partnerships” for the purposes of the Tax Act.

If the Unitholders receiving such notice have not disposed of the specified number of Units and/or Options or provided the Trustee with satisfactory evidence that they are not Non-Residents or Designated Beneficiaries within such period, the Trustee may, on behalf of such Unitholders, dispose of such Units and/or Options without further notice and, in the interim, shall suspend any voting and distribution rights attached to such Units and/or Options. For all purposes of such disposition, the Trustee shall be deemed to be the agents and lawful attorneys of such Non-Resident or Designated Beneficiary. Upon such disposition the affected holders shall cease to be holders of Units and/or Options and their rights shall be limited to receiving the net proceeds of disposition, subject to the right to receive payment of any distribution declared by the Trustee which is unpaid and owing to such Unitholders. The Trustee shall have no liability for the amount received provided that it acts in good faith.

The Trustee shall have the sole right and authority to make any determination required or contemplated, including without limitation as to the transferees of Units and/or Options disposed of, and as to the valuation of Units and/or Options disposed of. If the Trustee considers that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Trustee shall make a determination with respect to the matter. Any such determination shall be conclusive, final, and binding except to the extent modified by any subsequent determination by the Trustee.

The Trustee may determine not to take any of the actions described above if the Trustee has been advised by counsel to the Trust that the failure to take any such actions would not adversely impact the status of the Trust as a “mutual fund trust” for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a “mutual fund trust” for purposes of the Tax Act.

The foregoing is a summary only of certain of the material provisions of the Trust Declaration. For a complete understanding of all of the provisions of the Trust Declaration, reference should be made to the Trust Declaration itself, a copy of which is available from the Trustee.

B. Limited Partnership Units

As the Trust is investing essentially all of its capital in the Partnerships, the following is provided to describe the Partnerships and the rights of the Trust as a Limited Partner of each of the Partnerships.

The rights and obligations of the General Partner and the Kazana LP Limited Partners are governed by the Limited Partnership Agreement made as of April 9, 2021, amended on May 31, 2022, among the General Partner and all persons who subscribe for limited partnership units establishing Kazana LP, being the Class A LP Units, Class B LP Units, and Class C LP Units.

The rights and obligations of the General Partner and the Kazana RE LP Limited Partners are governed by the Limited Partnership Agreement made as of October 31, 2023, among the General Partner and all persons who subscribe for limited partnership units establishing Kazana RE LP, being the Class D LP Units.

The following is a summary of certain material provisions of each of the Limited Partnership Agreements. **This summary does not purport to be complete and reference should be to the respective Limited Partnership Agreement itself, a copy of which is available from the General Partner or the Administrator.**

Capitalized terms in this summary which are not defined in this Offering Memorandum are defined in the applicable Limited Partnership Agreement.

Capital in the Limited Partnership

The capital of Kazana LP consists of an unlimited number of Class A LP Units, Class B LP Units, and Class C LP Units plus the interest held by the General Partner.

The capital of Kazana RE LP consists of an unlimited number of Class D LP Units plus the interest held by the General Partner.

The General Partner has made a capital contribution of \$100 to each Partnership, and has no further obligation to contribute capital to either Partnership. As initial Limited Partners, Marrs Consulting Ltd. (a corporation controlled by Manjit Gill) and Armani Holdings Ltd. (a corporation controlled by Manjit Gill), have also each made a capital contribution of \$50 to each Partnership, and Sajhan Gill Investments Ltd. (a corporation controlled by Sajhan Gill), has also made a capital contribution of \$100 to each Partnership, which capital contributions were returned to them upon the completion of their initial subscriptions for LP Units. Limited Partners will contribute to the respective Partnership \$1.00, or such other amount as the General Partner may determine, per LP Unit subscribed for.

As between the Class A LP Units, the Class B LP Units, and the Class C LP Units:

- (a) subject to the Class A Preferred Return (defined below) and the terms of the Kazana LP Limited Partnership Agreement, distributions on the Class A LP Units be made only with respect to the Cash Available for Distribution and Capital Proceeds Available for Distribution available in respect of investments originating from investments in Mortgage Investments and/or Properties arising from the capital of such Class A LP Units, and any reinvested returns thereon;
- (b) subject to the Class A Preferred Return (defined below) and the terms of the Kazana LP Limited Partnership Agreement, distributions on the Class B LP Units be made only with respect to the Cash Available for Distribution and Capital Proceeds Available for Distribution available in respect of investments originating from investments in Mortgage Investments and/or Properties arising from the capital of such Class B LP Units, and any reinvested returns thereon; and
- (c) distributions on the Class C LP Units be made only with respect to the Cash Available for Distribution and Capital Proceeds Available for Distribution available in respect of investments originating from investments in Mortgage Investments and/or Properties arising from the capital of such Class C LP Units, and any reinvested returns thereon.

Distributions on the Class D LP Units be made only with respect to the Cash Available for Distribution and Capital Proceeds Available for Distribution available in respect of investments originating from investments in Mortgage Investments and/or Properties arising from the capital of such Class D LP Units, and any reinvested returns thereon.

Cash Flow from Operations

In consideration for the provision of the services provided by the Administrator in its capacity as manager of each Partnership, each Partnership will pay to the Administrator the Management Fee, in priority over any distributions payable on limited partnership units, including the LP Units held by the Trust.

Limited Partners holding Class A LP Units shall be entitled to receive distributions in respect of their respective capital contributions for such Class A LP Units at a preferred rate of return equal to 5% of the amount of their respective capital contribution for such Class A LP Units, on an annual basis and calculated and payable quarterly on its capital contribution, which will be paid in priority over any payments on Class B LP Units (the "**Class A Preferred Return**"), with distributions made quarterly by Kazana LP to the applicable Limited Partner. In the event that the performance of Kazana LP's investments in respect of such Class A LP Units is not sufficient to provide distributions at the rate of the Class A Preferred Return, contributions of Limited Partners with respect to Class B Units shall be contributed towards the distributions to be made to Limited Partners holding Class A LP Units, up to the Class A Preferred Return.

In the event that the Cash Available for Distribution and the Capital Proceeds Available for Distribution is insufficient for the Class A Preferred Return, the remaining balance for such distributions shall be paid by and on account of any of the following, in the discretion of the General Partner: (a) Cash Available for Distribution on the Class B LP Units; (b) Capital Proceeds Available for Distribution on the Class B LP Units; and (c) Capital Contributions on the Class B LP Units, with any such payment by and on account of Class B LP Units allocated pro rata to each holder of Class B LP Units as to all Class B LP Units then issued.

Class A Unitholders, though their investment in Class A Units, do not participate as such in distributions on the Class B LP Units, the Class C LP Units, the Class D CT Units, or the Class D LP Units. Class B Unitholders, though their investment in Class B Units, do not participate as such in distributions on the Class A LP Units, the Class C LP Units, the Class D CT Units, or the Class D LP Units. Class C Unitholders, though their investment in Class C Units, do not participate as such in distributions on the Class A LP Units, the Class B LP Units, the Class D CT Units, or the Class D LP Units. Class D Unitholders, though their investment in Class D Units, do not participate as such in distributions on the Class A LP Units, Class B LP Units, or the Class C LP Units.

Additional Capital Contributions

No Limited Partner is required to make additional capital contributions to the applicable Partnership over and above the purchase price paid for such Limited Partner's LP Units.

Allocation of Income and Losses for Tax and Accounting Purposes

All income, gains, losses, and deductions of each Partnership shall be allocated, for federal and provincial income tax purposes, among the Limited Partners of such Partnership in accordance with the allocation of such income, gains, losses, and deductions among such Limited Partners for computing their capital accounts, except that, if any such allocation for tax purposes is not permitted by the Tax Act, the Partnership's subsequent income, gains, losses, and deductions shall be allocated among such Limited Partners for tax purposes, to the extent permitted by the Tax Act, so as to reflect as nearly as possible the allocation set forth herein in computing their capital accounts.

Management and Control of the Limited Partnership

Under the terms of each Limited Partnership Agreement, the General Partner is given full power and authority to manage, control, administer and operate the business of such Partnership, except for certain matters in respect of Kazana LP being subject to votes of the Class B Limited Partners. No Limited Partner, as such, is permitted to take part in the management of the business of either Partnership. The General Partner has delegated the management and administration of each Partnership to the Manager on and subject to the terms of the Management Agreement. The General Partner has unlimited liability for the debts, liabilities, and obligations of each Partnership to the extent required by the *Partnership Act* (British Columbia) and other applicable legislation. A Limited Partner will not be liable for any debts, liabilities, or obligations of the Partnership of which they are a Limited Partner, in excess of such Limited Partner's paid capital contributions and any unpaid capital contributions agreed to be paid in respect of such Limited Partner's LP Units, provided such Limited Partner does not take part in the control or management of the business of such Partnership.

Voting

Class A LP Units, Class B LP Units, Class C LP Units, and Class D LP Units do not have attached to them the right to vote at meetings of the applicable Partnership.

Residency

Under the terms of each Limited Partnership Agreement, LP Units may only be held by persons or entities that are residents of Canada for Canadian income tax purposes. If, at any time, a Limited Partner becomes a Non-resident, such Non-resident may be required to sell such Limited Partner's LP Units to a resident of Canada.

The foregoing is a summary only of certain of the material provisions of each Limited Partnership Agreement. For a complete understanding of all of the provisions of the respective Limited Partnership Agreement, reference should be made to such Limited Partnership Agreement itself, a copy of which is available from the General Partner or the Administrator.

5.2 Subscription Procedure – Trust

Subject at all times to the discretion of the Trustee to waive such requirement, Subscribers must initially subscribe for a minimum of \$500 in Units.

Thereafter, subsequent subscriptions shall be in such minimum amounts as may be established from time to time by the Trustee. Subscribers for additional Units must maintain a minimum of \$500 in Unit subscriptions, subject again to the discretion of the Trustee to waive such requirement. As described in this Offering Memorandum, the Trust intends to offer of a sufficient number of Units pursuant to this Offering Memorandum to establish, by the best efforts of the Trustee, at all relevant times after April 1, 2022, there be no fewer than 150 beneficiaries of the Trust, each of whom holds at least one block of units having an aggregate fair market value of not less than \$500.

The Units are being offered for sale in the Province of British Columbia. The Units are conditionally offered if, as, and when subscriptions are accepted by the Trust and subject to prior sale. Subscriptions for Units will be received by the Trust subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

This offering is being made in accordance with certain statutory prospectus exemptions and, where applicable, registration exemptions, contained in securities legislation in the jurisdictions in which the Units are being offered. Such exemptions relieve the Trust from provisions under such statutes requiring the Trust to file a prospectus and, in certain cases, to utilize a registered securities dealer to sell the Units. As such, Subscribers: (a) may not receive the benefits associated with the involvement of such registrants, and (b) will not receive the benefits associated with purchasing the Units pursuant to a filed prospectus, including the review of the material by the securities commissions or similar regulatory authority in such jurisdictions.

The Units are being offered on a continuous basis pursuant to exemptions from the prospectus and, where applicable, registration requirements of applicable securities legislation. In order to subscribe for Units, Subscribers must agree to provide the Trust with such information and to execute and deliver to the Trust the form of Subscription Agreement (including the certificates, acknowledgements, questionnaires and other documents as the Trust may request) in order to enable it to determine the availability of an exemption, including the following:

- (a) if the Subscriber is relying on “offering memorandum” exemption to the prospectus requirement in section 2.9 of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, two copies of a Risk Acknowledgement Form (Form 45-106F4);
- (b) if the Subscriber is relying on the “accredited investor” exemption to the prospectus requirement in section 2.3 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia:
 - (i) the Subscriber must be an “accredited investor” as defined in NI 45-106; and
 - (ii) if applicable, two copies of a Risk Acknowledgment Form for Individual Accredited Investors (Form 45-106F9);
- (c) if the Subscriber is relying on the “minimum investment” exemption (\$150,000) to the prospectus requirement in section 2.10 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia:
 - (i) the Subscriber is not an individual (as defined in applicable securities laws); and
 - (ii) the conditions of section 2.10 of NI 45-106 are satisfied; and
- (d) if the Subscriber is relying on the “family, friends and business associates” exemption to the prospectus requirement in section 2.5 of NI 45-106 and the Subscriber is resident in or otherwise subject to the securities laws of British Columbia, such supporting documentation that the Trust or its legal counsel may request to establish the Subscriber’s qualification to rely on such exemption.

In addition to the foregoing, Units may be issued pursuant to other available exemptions from the prospectus requirements of applicable securities legislation provided the conditions of such exemptions are satisfied.

Subscribers may subscribe for Units by returning to the Trustee at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC, V6C 3E8 or as otherwise directed by the Trustee the following:

- (a) a completed Subscription Agreement (including all applicable schedules, appendices, acknowledgements, certificates, and other documents requested by the Trust); and
- (b) a wire transfer, certified cheque, bank draft, or, in the Trustee’s discretion, personal cheque drawn on a Canadian chartered bank in an amount equal to the price per Unit multiplied by the number of Units subscribed for, payable to the Trustee, or by wire transfer in the amount of the aggregate Purchase Price to the Trustee pursuant to the wiring instructions attached.

In accordance with the requirements of NI 45-106, the Trustee will hold the subscription monies advanced by each Subscriber in trust for the Subscriber until midnight on the second business day after the Subscription Agreement is signed by the Subscriber.

Subscriptions received will be subject to rejection or allotment by the Trust in whole or in part in the Trustee’s sole discretion. The Trust is not obliged to accept any subscription. If any subscription is not accepted, the Trust will promptly return to the

subscriber the Subscription Agreement and the money comprising such subscription. Confirmation of acceptance of a subscription will be forwarded to the subscriber by the Trust. The Trust reserves the right to close the subscription books at any time without notice.

The Trust intends to accept subscriptions for Units on a continuous basis, on such days as the Trustee may determine from time to time. For convenience, subscription funds which are received by the Trust prior to any acceptance date will be held in a separate bank account of the Trust until subscriptions are accepted by the Trust. The deposit of subscription funds by the Trust into such bank account shall not constitute acceptance of the subscription for Units in respect of which such funds have been delivered.

The Units have not been and will not be registered under the *United States Securities Act* of 1933, as amended, and subject to certain exceptions, may not be offered or sold in the United States.

All subscription documents should be reviewed by prospective subscribers and their professional advisers prior to subscribing for Units.

ITEM 6 - SUMMARY OF INCOME TAX CONSEQUENCES AND ELIGIBILITY

6.1 Summary of Income Tax Consequences

PROSPECTIVE PURCHASERS SHOULD OBTAIN INDEPENDENT ADVICE FROM THEIR OWN TAX AND LEGAL ADVISORS REGARDING THE INCOME TAX CONSEQUENCES APPLICABLE TO THEIR OWN PARTICULAR CIRCUMSTANCES.

The following is a summary, of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a Unitholder who acquires Units pursuant to this Offering and who, for purposes of the Tax Act and at all relevant times, is resident in Canada for the purposes of the Tax Act, deals at arm's length and is not affiliated with the Trust, has not entered and will not enter into a "derivative forward agreement" (as defined in the Tax Act) with respect to his, her, or its Units and holds the Units as capital property. Generally, the Units will be considered to be capital property to a Unitholder provided such Units are not held in the course of carrying on a business and have not been acquired in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold their Units as capital property may, in certain circumstances, be entitled to have them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Unitholders should consult their own tax advisors regarding their particular circumstances as such election would affect the Canadian federal income tax treatment of dispositions by the Unitholder of all of their "Canadian securities" (as defined in the Tax Act).

This summary is not applicable to a Unitholder: (i) that is a "financial institution" for purposes of the "mark-to-market" rules or a "specified financial institution", (ii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); or (iii) that has elected to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules contained in the Tax Act. This summary does not address the tax considerations of Unitholders borrowing money to acquire Units. All such Unitholders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of the Units acquired pursuant to this Offering. This summary describes certain principal Canadian federal income tax considerations based on the application of specific provisions of the Tax Act to the transactions described in this Offering Memorandum and does not address any tax consequences which could arise as a result of any potential application of the general anti-avoidance rule in subsection 245(2) of the Tax Act to any particular transaction or series of transactions.

This summary is based on the facts set out in this Offering Memorandum. This summary is also based upon the provisions of the Tax Act and the regulations (the "**Regulations**") thereunder in force as of the date hereof and on the publicly available administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published prior to the date hereof. This summary considers all specific proposals to amend the Tax Act and the Regulations thereunder which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "**Proposed Amendments**"). There can be no assurance that these proposals will be enacted in their current form or at all, or that the CRA will not change its administrative policies and assessing practices.

This summary does not otherwise consider or anticipate any changes in law, whether by legislative, governmental, or judicial decision or action. There can be no assurances that such changes, if made, might not be retroactive. Modification or amendment of the Tax Act or Proposed Amendments could significantly alter the tax status of the Trust and the tax consequences of investing in Units. **This summary also does not consider provincial, territorial, U.S., State, or other foreign tax legislation or considerations, which may differ significantly from those discussed in this summary.**

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the particular circumstances applicable to each Unitholder. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. The Trust has not obtained, nor sought, an advance tax ruling from the CRA in respect of this Offering. Prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units based on their particular circumstances.

Tax Status of the Trust

Qualification as a “Mutual Fund Trust”

This summary assumes that the Trust has qualified at all times since inception, currently qualifies, and will continue to qualify as a “mutual fund trust” as defined in the Tax Act. If the Trust does not qualify or ceases to qualify as a mutual fund trust, the Canadian federal income tax considerations would be materially different from those described in this summary, and in particular, adverse consequences may arise including that (a) the Trust may become liable to pay certain additional taxes (with the result that the amount of cash available for distribution by the Trust would be reduced and Unitholders may otherwise be adversely affected), and, (b) unless at such time the Units are listed on a designated stock exchange, the Units will not be qualified investments for Deferred Plans (with the result that a Deferred Plan or the annuitant or holder thereof may become liable to pay additional tax or penalties or may be otherwise adversely affected).

To qualify as a mutual fund trust at any particular time: (a) the Trust must be a unit trust (as defined in the Tax Act) resident in Canada; (b) the Trust must not reasonably be considered to be established or maintained primarily for the benefit of non-residents of Canada; (c) the Units must have conditions requiring the Trust to accept, at the demand of a Unitholder and at prices determined and payable in accordance with the conditions, the surrender of the Units that are fully paid; (d) the only undertaking of the Trust must be the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable), or the acquiring, holding, maintaining, improving, leasing or managing of real property (or an interest in real property) or an immovable (or real right in immovables) that is capital property of the Trust, or any combination of such activities; and (e) the Trust must comply with certain prescribed requirements including that the Units be qualified for distribution to the public and, at all relevant times after April 1, 2022, there must be no fewer than 150 Unitholders of one Class of Units of the Trust, each of whom holds at least one “block of units” (as defined in the Regulations) of the Class having an aggregate fair market value of not less than \$500. This summary assumes that these requirements will be met so that the Trust will be, or will be deemed to be, a mutual fund trust at all relevant times.

The SIFT Measures

The Tax Act contains rules regarding the taxation of certain types of publicly listed or traded trusts and partnerships and their investors (the “**SIFT Measures**”). The SIFT Measures effectively tax certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. The SIFT Measures apply to any “specified investment flow-through” (a “**SIFT**”) and its investors.

A SIFT is generally a trust or partnership investment which is listed or traded on a stock exchange or other public market, and which holds “non-portfolio properties” (as defined in the Tax Act). The effect of the SIFT Measures is that SIFT trusts and SIFT partnerships are generally subject to a special tax (“**SIFT tax**”) on their “non-portfolio earnings”, where such earnings are distributed or allocated to investors of the trust or partnership. For those purposes, “non-portfolio earnings” generally includes income (other than taxable dividends) from, or net taxable capital gains realized on, “non-portfolio properties” in the taxation year. Non-portfolio properties include certain Canadian real, immovable or resource properties, certain property used in the course of carrying on a business in Canada, and securities in certain intermediary entities which own non-portfolio properties.

The Trust does not have immediate plans to list the Units on any stock exchange for public trading. Should the Units be in the future listed or traded on a stock exchange or other public market, the Trust expects to hold no property and carry out no activities that would cause it to become liable to SIFT tax. Specifically, the Trust, the Trustee, and the Administrator do not expect to hold any “non-portfolio property” for the purposes of the Tax Act.

The SIFT Measures do not apply to an entity if no “investments” in that entity are listed or traded on a stock exchange or other public market. For these purposes, an “investment” would include an interest in or debt issued by the Trust as well as any right that may reasonably be considered to replicate a return on, or the value of, any such interest or debt. A stock exchange or other public market includes a trading system or other organized facility on which securities that are qualified for public distribution are listed or traded but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition, or cancellation by the issuer. The Trust does not expect Units or any interest in the

Trust to be so listed or traded. On this basis, the SIFT Measures should not be applicable to the Trust. The remainder of this summary assumes that the SIFT Measures do not apply to the Trust. Consequently the Trust expects, and this summary assumes, that the Trust will not be liable to SIFT tax under the SIFT Measures. Should the Units be listed or traded on a stock exchange or public market, and should the Trust hold any non-portfolio property, the Canadian federal income tax considerations could be materially and adversely different from those described in this summary. In particular the non-deductible distributions amount of the Trust, if any, could be taxable to the Trust (with the result that the amount of cash available for distribution by the Trust may be reduced), and such amount could also, depending on the circumstances, be included in the income of Unitholders for purposes of the Tax Act as eligible dividends. There can be no assurances that the treatment of SIFTs under the Tax Act will not be changed, or that administrative policies or assessing practices of the CRA will not develop, in a manner which adversely affects the Trust or Unitholders.

Taxation of the Trust

The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its income for purposes of the Tax Act for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of the amounts paid or payable in the year to Unitholders (whether in cash, additional Units or otherwise). An amount will be considered to be payable to a Unitholder in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in that year to enforce payment of the amount.

The Trust will generally be required to include in computing income for a particular taxation year its allocated share of the income or loss of the applicable Partnership for the fiscal period of such Partnership ending on or before the year-end of the Trust, whether or not a distribution is received from the applicable Partnership, and all income from Kazana Commercial Trust which is paid or payable to the Trust in the year. Any dividend received by the applicable Partnership will retain its character as a dividend when allocated to the Trust. The Trust's ability to deduct any losses allocated to it by the applicable Partnership will be limited by certain rules under the Tax Act. The Trust may also realize a capital gain or loss on the disposition or deemed disposition of LP Units (including from any distribution *in specie* of LP Units), from the disposition of foreign currency or upon the allocation of a capital gain or loss from the applicable Partnership, as described below under "Taxation of the Limited Partnership". Also, as described under "Taxation of the Limited Partnership" below, cash flow distributed by the applicable Partnership to the Trust will be generally received free from tax, except to the extent that such distributions reduce the adjusted cost base of LP Units held by the Trust to a negative amount at the end of a fiscal year of the applicable Partnership.

Amounts received by the Trust from Kazana Commercial Trust as a return of capital on the CT Units will generally not be taxable to the Trust; however, the adjusted cost base to the Trust of the CT Units will be reduced by the amount of any such distribution received. To the extent the adjusted cost base of the CT Units held by the Trust would otherwise be a negative amount, the Trust will be deemed to have realized a capital gain equal to such negative amount and the adjusted cost base of the CT Units to the Trust will be reset to nil.

In computing its income for purposes of the Tax Act, the Trust may generally deduct reasonable administrative costs, interest and other expenses of a current nature incurred by it for the purpose of earning income. The Trust will be entitled to deduct reasonable expenses incurred by it in the course of issuing Units on a five-year straight line basis (subject to pro-rata for short taxation years), to the extent such costs are not reimbursed.

The Trust will be entitled for each taxation year to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on the redemption of Units during the year (the "**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust's tax liability for that taxation year arising in connection with the distribution of its property on the redemption of Units. The Trust Declaration provides that all or a portion of any income or taxable capital gain realized by the Trust as a result of that redemption may, at the discretion of the Trustee, be treated as income or taxable capital gain paid to, and designated as income or taxable capital gain of, the redeeming Unitholders, and thus generally deductible by the Trust in computing its income.

Under the Trust Declaration, an amount equal to the net income (including taxable capital gains) of the Trust (determined without reference to paragraph 82(1)(b) and subsection 104(6) of the Tax Act), plus the non-taxable portion of any net capital gain realized by the Trust, but excluding:

- (a) income and capital gains arising on or in connection with an *in specie* distribution on the redemption of Units which are paid or payable and designated by the Trust to redeeming Unitholders;
- (b) capital gains, which may be offset by capital losses, if any, carried forward from prior years or, if not so offset, tax on which is recoverable by the Trust; and

(c) income, which may be offset by non-capital losses, if any, carried forward from prior years, may be payable in the year to Unitholders, subject to the qualifications described below.

The Trust Declaration provides that, to the extent cash of the Trust is unavailable for distributions, and the income of the Trust in a taxation year exceeds the cumulative cash distributions for that year, such excess income may be distributed to Unitholders in the form of additional Units or otherwise. Income of the Trust payable to Unitholders, whether in cash, additional Units or otherwise, will generally be deductible by the Trust in computing its taxable income.

Losses incurred by the Trust in a particular taxation year cannot be allocated to Unitholders, but may be deducted by the Trust, in the case of non-capital losses in the particular year and in the ensuing twenty taxation years, and in the case of capital losses in the particular year and in any future taxation year to the extent of capital gains in computing taxable income of the Trust in accordance with, and subject to, applicable provisions of the Tax Act.

In certain circumstances a deduction by the Trust in respect of amounts paid or payable in the year to Unitholders may not be available, including where subsection 104(7.1) of the Tax Act applies to the Trust. Generally, subsection 104(7.1) of the Tax Act will apply where it is reasonable to consider that one of the main purposes for the existence of any term, condition, right or other attribute of an interest in a trust is to give a beneficiary of the trust a percentage interest in the property of the trust that is greater than the beneficiary's percentage interest in the income of the trust. Generally, the CRA has interpreted subsection 104(7.1) as only applying where the impugned term, condition, right or other attribute of the interest in the trust is tax-motivated (e.g., the trust was or is designed to stream different types of trust income to different beneficiaries based on their tax status). Based, in part, on the Trust's understanding of the current publicly available administrative views of the CRA, the Trust does not expect that this provision would apply to the Trust to cause it to be taxable on amounts paid or payable to the Unitholders. The Trust has not applied for, and does not intend to apply for, an advanced tax ruling that would be binding on the CRA in respect of this issue. There are no assurances that the CRA or the courts would agree with the position taken by the Trust with respect to the applicability of subsection 104(7.1) of the Tax Act to the Trust. If subsection 104(7.1) were to apply to the Trust, it may have material adverse consequences for the Trust and its Unitholders.

Taxation of Kazana Commercial Trust

The taxation year of Kazana Commercial Trust is the calendar year. In each taxation year, Kazana Commercial Trust will be subject to tax under Part I of the Tax Act on its income for the year, including its allocated share of the income of Kazana RE LP, except to the extent such income is paid or payable or deemed to be paid or made payable in such year to its unitholders, including the Trust, and is deducted by Kazana Commercial Trust in computing its income for tax purposes. In computing its income for tax purposes, Kazana Commercial Trust will generally be entitled to deduct its expenses incurred to earn such income, provided such expenses are reasonable and otherwise deductible, subject to the relevant provisions of the Tax Act. Under the Trust Declaration of Kazana Commercial Trust, all of the income of Kazana Commercial Trust for each year, together with the taxable and non-taxable portion of any capital gains realized by Kazana Commercial Trust in the year, will generally be paid or made payable in the year to holders of Class D CT Units. For purposes of the Tax Act, Kazana Commercial Trust generally intends to deduct in computing its income the full amount available for deduction in each year to the extent of its taxable income for the year otherwise determined. The Trust does not expect Kazana Commercial Trust to be liable for any material amount of tax under Part I of the Tax Act. However, no assurance can be given in this regard.

Losses incurred by Kazana Commercial Trust or allocated to Kazana Commercial Trust by Kazana RE LP cannot be allocated to holders of Class D CT Units but may be carried forward for deduction by Kazana Commercial Trust in future years in accordance with the Tax Act.

Taxation of the Partnerships

Neither Partnership is subject to tax under the Tax Act. Each partner of each Partnership (including the Trust and Kazana Commercial Trust) is required to include in computing the partner's income for a particular taxation year the partner's share of the income or loss of the Partnership for its fiscal year ending in or on the partner's taxation year-end, whether or not any of that income or loss is distributed to the partner in the taxation year. For this purpose, the income or loss of each Partnership must be computed for each fiscal year as if each Partnership was a separate person resident in Canada, and will be required to be allocated to partners on the basis of their respective shares of that income or loss as provided for in the applicable Limited Partnership Agreement, subject to certain provisions of the Tax Act in that regard.

If a Partnership incurs losses for purposes of the Tax Act, its limited partner, including the Trust and Kazana Commercial Trust, will be entitled to deduct in the computation of its income for purposes of the Tax Act its share of any such losses for any fiscal year to the extent of that limited partner's "at-risk amount" in respect of the limited partnership. In general, the "at-risk amount" of a limited partner in respect of a limited partnership for any taxation year will be the adjusted cost base of the

limited partner's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year, less any amount owing by the limited partner (or a person with whom the limited partner does not deal at arm's length) to the limited partnership (or a person with whom it does not deal at arm's length), and less the amount of any benefit that the limited partner (or a person with whom the limited partner does not deal at arm's length) is entitled to receive or obtain for the purpose of reducing, in whole or in part, any loss of the limited partner from the investment.

On the sale or other disposition of all or some of the Properties, each Partnership, as applicable, must allocate the net proceeds of disposition (gross proceeds less costs of disposition) on a reasonable basis among each separate asset which comprises the property sold. On dispositions of Properties that are capital properties for purposes of the Tax Act, a capital gain will be realized on the amount by which the net proceeds of disposition allocated to a particular depreciable property exceed the capital cost of that property (no capital loss can be realized on depreciable property). A capital gain (or capital loss) will be realized on the amount by which the net proceeds of disposition allocated to a non-depreciable capital property exceed (or are less than) its adjusted cost base.

Taxation of Unitholders

Distributions

A Unitholder will generally be required to include in computing income for a particular taxation year the portion of the net income for purposes of the Tax Act of the Trust for a taxation year, including net realized taxable capital gains, that is paid or payable by the Trust to the Unitholder in the particular taxation year, whether that amount is received in cash, additional Units, or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated to Unitholders.

The non-taxable portion of any net realized capital gains of the Trust that is paid or payable to a Unitholder in a taxation year will not be required to be included in computing the Unitholder's income for the year and should not reduce the adjusted cost base of Units held by the Unitholder. Any other amount paid or payable by the Trust in that year (other than as proceeds of disposition) that is in excess of the Trust's net income for that year will not generally be required to be included in the Unitholder's income for the year. However, where such an amount is paid or payable to a Unitholder, the Unitholder will be required to reduce the adjusted cost base of the Units by that amount. To the extent that the adjusted cost base of a Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Unitholder will immediately thereafter be nil.

The Trust Declaration provides that net income and net taxable capital gains of the Trust for purposes of the Tax Act will be allocated among the Unitholders in the same proportion as distributions received by them, unless the Trustee otherwise determines.

The Trust Declaration also provides that the Trust shall make the requisite designations permitted by the Tax Act such that the portion of net taxable capital gains of the Trust distributed to Unitholders as may reasonably be considered to be part of the amount that was included in computing income of Unitholders for purposes of the Tax Act will be deemed to be received by Unitholders in the year as a taxable capital gain. Any such designated amount will be subject to the general rules relating to the taxation of capital gains described below. A Unitholder which is a "Canadian-controlled private corporation" (as defined in the Tax Act) or "substantive CCPC" (as defined in the Proposed Amendments released by the

Minister of Finance (Canada) on August 9, 2022) may also be liable to pay an additional refundable tax of 10 $\frac{2}{3}$ % on certain investment income, including taxable capital gains.

The Trust Declaration also provides that the Trust shall make the requisite designations permitted by the Tax Act such that the portion of a taxable dividend received by the Trust on a share of the capital stock of a taxable Canadian corporation as may reasonably be considered to be part of the amount that was included in computing income of Unitholders for purposes of the Tax Act will be deemed to be received by Unitholders in the year as a taxable dividend. To the extent that amounts distributed by the Trust to Unitholders are designated as taxable dividends from a taxable Canadian corporation, the normal gross-up and dividend tax credit rules will apply in respect of Unitholders who are individuals, the refundable tax under Part IV of the Tax Act will be payable by Unitholders that are private corporations (or certain other corporations controlled directly or indirectly by or for the benefit of an individual or related group of individuals) and the deduction in computing taxable income generally will be available to Unitholders that are corporations. An additional refundable 10 $\frac{2}{3}$ % tax will be payable by a Unitholder that is a Canadian-controlled private corporation (as defined in the Tax Act) or "substantive CCPC" (as defined in the Proposed Amendments released by the Minister of Finance (Canada) on August 9, 2022) in certain circumstances. Enhanced gross-up and dividend tax credit rules under the Tax Act will apply to Unitholders who are individuals to the extent that taxable dividends are designated by Investment Co as "eligible dividends" in accordance with the Tax Act.

The Trust Declaration also provides that the Trust shall make the requisite designations permitted by the Tax Act such that the portion of the Trust's taxable income from a U.S. source distributed to Unitholders as may reasonably be considered to be part of the amount that was included in computing the income of Unitholders for purposes of the Tax Act will be deemed to be received by Unitholders in the year as income from a U.S. source. For purposes of computing their entitlement to foreign tax credits under the Tax Act, Unitholders shall also be deemed to have paid their Proportionate Share of any U.S. tax paid by the Trust on such U.S. source income (see "*Foreign Tax Credits and Deductions*" below).

Purchases of Units

Since the net income of the Trust will be distributed on a quarterly basis, a purchaser of a Unit may become taxable on a portion of the net income of the Trust that is accrued or realized by the Trust in a period before the time the Unit was purchased but which was not paid or made payable to Unitholders until the end of the period and after the time the Unit was purchased. A similar result may apply on an annual basis in respect of a portion of capital gains accrued or realized by the Trust in a year before the time the Unit was purchased but which is paid or made payable to Unitholders at year end and after the time the Unit was purchased.

Dispositions of Units

On the disposition or deemed disposition of a particular Unit, a Unitholder will realize a capital gain (or capital loss) equal to the amount by which the Unitholder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base of such particular Unit and any reasonable costs of disposition. Proceeds of disposition will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder's income, including any capital gain realized by the Trust in connection with a redemption which has been designated by the Trust to the redeeming Unitholder. The taxation of capital gains and capital losses is described below.

The adjusted cost base of a Unit to a Unitholder will include the amount paid by the Unitholder for the Unit, subject to certain adjustments. The cost to a Unitholder of additional Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (including the applicable non-taxable portion of net capital gains) distributed by the issue of those respective Units. For the purpose of determining the adjusted cost base to a Unitholder of Units, when a Unit is acquired, the cost of the newly acquired Unit must be averaged with the adjusted cost base of all of the Units owned by the Unitholder as capital property immediately before that acquisition. The non-taxable portion of distributions (other than the non-taxable portion of any net capital gains) received on a Unit will generally reduce the adjusted cost base of the Unit.

Where Units are redeemed and the redemption price is paid by the delivery of Debt Securities to the redeeming Unitholder, the proceeds of disposition to the Unitholder of the Units will be equal to the fair market value of the Debt Securities so distributed less any income or capital gain realized by the Trust in connection with the redemption of those Units, and which has been designated by the Trust to the Unitholder. Where any income or capital gain realized by the Trust in connection with the distribution of Debt Securities on the redemption of Units has been designated by the Trust to a redeeming Unitholder, the Unitholder will be required to include in computing the Unitholder's income the income or taxable portion of the capital gain so designated.

Where Units are redeemed and the redemption price is paid by the delivery of Debt Securities as described above, the redeeming Unitholder will be required to include in income any interest on Debt Securities acquired (including interest that accrued prior to the date of the acquisition of such Debt Securities by the Unitholder that is designated as income to the Unitholder by the Trust) in accordance with the provisions of the Tax Act. The cost of any Debt Securities distributed by the Trust to a Unitholder upon redemption of Units will be equal to the fair market value of those Debt Securities at the time of the distribution less any accrued interest on such Debt Securities. Similarly, where Units are redeemed and the redemption price is paid by the delivery of LP Units as described above, a redeeming Unitholder will be required to include in income the Unitholder's allocable share of income or loss of the applicable Partnership for purposes of the Tax Act for the year that includes the redemption (and the Unitholder's allocable share of income or loss of the applicable Partnership for all years during which the Unitholder holds the LP Units), in accordance with the provisions of the applicable Limited Partnership Agreement and the detailed rules of in the Tax Act in that regard. In the case of the Unitholder's allocable share of loss of the applicable Partnership for any given fiscal year, the Unitholder, will be entitled to deduct in the computation of its income for purposes of the Tax Act only to the extent of that Unitholder's "at-risk amount" as described above under "Taxation of the Limited Partnership". The cost of any LP Units distributed by the Trust to a Unitholder upon a redemption of Units will be equal to the fair market value of those LP Units at the time of the distribution.

Where Units are redeemed and the redemption price is paid by the issuance to the redeeming Unitholder of Trust Notes, the proceeds of disposition to the Unitholder of Units will be equal to the fair market value of the Trust Notes issued. The cost of the Trust Notes issued to a Unitholder by the Trust upon redemption of Units will be equal to the fair market value of the Units disposed in exchange. The Unitholder will thereafter be required to include in computing income for purposes of the Tax Act interest on the Trust Notes, in accordance with the terms of such Trust Notes and the provisions of the Tax Act.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder on a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of a Unitholder must generally be included in the Unitholder's income as a taxable capital gain in the taxation year in which the disposition occurs or in respect of which a net taxable capital gains designation is made by the Trust. One-half of any capital loss realized by a Unitholder on a disposition or deemed disposition of Units generally may be deducted by the Unitholder against taxable capital gains of the Unitholder in the year of disposition, and to the extent such losses exceed such gains, in the three preceding taxation years or in any subsequent taxation year in accordance with the provisions of the Tax Act.

A Unitholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) or "substantive CCPC" (as defined in the Proposed Amendments released by the Minister of Finance (Canada) on August 9, 2022) may also be liable to pay an additional refundable tax of 10 $\frac{2}{3}$ % computed with reference to its "aggregate investment income" (as defined in the Tax Act) for the year, which includes amounts in respect of taxable capital gains.

Foreign Tax Credits and Deductions

To the extent that Unitholders are deemed to have paid their Proportionate Shares of any U.S. tax paid by the Trust on U.S. source income, such amount may be deductible as a foreign tax credit from the Unitholder's Canadian federal income tax otherwise payable for that year as relates to non-business income from U.S. sources. For purposes of calculating the foreign tax credit, non-business income from U.S. sources include taxable income of the Trust for purposes of the Tax Act that is from U.S. sources, is paid or payable by the Trust to the Unitholder, is included in computing income of the Unitholder for purposes of the Tax Act, and is designated by the Trust as U.S.-source income by filing requisite designations as permitted by the Tax Act. The amount deductible from Canadian federal income tax otherwise payable as a foreign tax credit is limited to the portion of the Unitholder's Canadian federal income tax otherwise payable under the Tax Act which is attributable to income from U.S. non-business income sources. If the U.S. tax paid attributable to a Unitholder exceeds the Unitholder's Canadian federal income tax otherwise payable on U.S. non-business income for the year, such part of the excess amount in respect of income from property (which should include for these purposes income of the Trust that is paid or payable by the Trust to the Unitholder and included in computing income of the Unitholder for purposes of the Tax Act) may be deducted as a foreign tax deduction in computing a Unitholder's income from such source for purposes of the Tax Act. A Unitholder's ability to apply U.S. taxes in the foregoing manner may be affected where the Unitholder has other U.S. source income or losses or has paid other U.S. taxes. Subscribers should consult their own tax advisors regarding their ability to claim foreign tax credits or foreign tax deductions.

The foregoing mechanism for recognition of U.S. taxes for purposes of the Tax Act through foreign tax credits or foreign tax deductions does not apply to Unitholders that are Deferred Plans. Annuitants, beneficiaries or holders of Unitholders that are Deferred Plans should consult their own tax advisors in this regard.

Alternative Minimum Tax

The Tax Act provides for a special "alternative minimum tax" applicable to certain taxpayers including individuals and certain trusts, depending on the amount of their "adjusted taxable income". In general terms, adjusted taxable income of a Unitholder who is an individual or a trust (and therefore the exposure of such Unitholder to liability for alternative minimum tax) must be increased by, among other things, any capital gains realized by such Unitholder on the disposition of Units and by any net income of the Trust that is paid or payable to such Unitholder and that has been designated as a taxable dividend or as a taxable capital gain.

Eligibility for Investment

Provided that at a particular time the Trust qualifies as a "mutual fund trust" within the meaning of the Tax Act, the Units will be "qualified investments" (as defined in the Tax Act and the Regulations) at that time for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans, first home savings accounts and tax free savings accounts (collectively, "**Deferred Plans**").

Generally, if at any time the Trust does not qualify or ceases to qualify as a mutual fund trust, the Units will not be, or will cease to be, qualified investments for Deferred Plans at that time. Debt Securities, Units or Trust Notes that may be issued by the Trust to holders of Units, on or in connection with redemption of Units, will generally not be qualified investments for Deferred Plans. Where a Unit, a Debt Security or Trust Note held by a Deferred Plan is not a qualified investment or is a prohibited investment, adverse tax consequences will generally arise to the Deferred Plan and the annuitant, beneficiary or holder of the Deferred Plan, including, depending on the circumstances, that the Deferred Plan and the annuitant,

beneficiary or holder may become subject to additional taxes and penalties, or that the annuitant, beneficiary or holder may be deemed to have received income from the Deferred Plan.

Notwithstanding that the Units may be a qualified investment for Deferred Plans as described above, a holder of a tax-free savings account, first home savings account or registered disability savings plan, a subscriber of a registered education savings plan, or an annuitant of a registered retirement savings plan or registered retirement income fund may be subject to a penalty tax if the Units held in the applicable Deferred Plan are a "prohibited investment" as defined in the Tax Act for such Deferred Plan. The Units will generally be a "prohibited investment" for the applicable Deferred Plan if the holder or annuitant of the applicable Deferred Plan does not deal at arm's length with the Trust for the purposes of the Tax Act, or has a "significant interest", as defined in the Tax Act, in the Trust. Generally, a holder or annuitant will have a significant interest in the Trust if the Deferred Plan, the annuitant or holder (as applicable), and other persons not at arm's length with the annuitant or holder together, directly or indirectly, hold interests as beneficiaries under the Trust that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Trust.

In light of the foregoing, Deferred Plans that propose to invest in Units should consult their own tax advisors before deciding to purchase Units and again before deciding to exercise the redemption rights attached to such Units.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Trust may pay a Sales Fee to registered securities dealers, exempt market dealers, or where permitted, non-registrants, determined by the Trustee in its discretion, acting reasonably, payable at the time of the initial investment.

Assuming an offering of 75,000 Units for aggregate sale proceeds of \$75,000 (based on a price per Unit of \$1.00), the Sales Fees would be approximately \$2,250. Assuming an offering of 30,000,000 Units for aggregate sale proceeds of \$30,000,000 (based on a price per Unit of \$1.00), the Sales Fees would be approximately \$900,000.

The Administrator may pay sales fees to registered securities dealers, exempt market dealers, or where permitted, non-registrants, in connection with the sale of shares of Kazana Developments Ltd. Any such fees may be paid on behalf of Kazana Developments Ltd. but any related expenses will borne by Kazana Developments Ltd.

The Administrator may also separately charge fees to real estate developers for which the Administrator provides capital raising services and any related capital markets services. Such real estate developers may include those involved in real estate projects which funds from the sale of Units are invested in, indirectly. Any such fees will be negotiated between the Administrator and the applicable developer on a case-by-case basis.

ITEM 8 - RISK FACTORS

The purchase of Units involves a number of risk factors. In addition to the factors set forth elsewhere in this Offering Memorandum, prospective Subscribers should consider the following factors.

1. ***No Market for Units***

There currently is no market whatsoever for the Units and it is not anticipated that any market will develop. Consequently, holders of such securities may not be able to sell them readily, and Units may not be readily accepted as collateral for a loan. Subscribers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

2. ***Highly Speculative***

The purchase of Units is highly speculative. A potential Subscriber should buy them only if it is able to bear the risk of the entire loss of its investment and has no need for immediate liquidity. An investment in the Units should not constitute a major portion of a Subscriber's portfolio.

3. ***Less than Full Offering***

There can be no assurance that more than the minimum Offering will be sold. In that case, less than the maximum proceeds will be available to the Trust and, consequently, their business development plans and prospects could be adversely affected, since fewer Mortgage Investments and Properties will be invested in by the Trust, and the Trust may not be able to invest in certain Mortgage Investments and Properties as planned.

4. **Limited Recourse**

The Trustee and the Administrator are companies without material assets. Should a claim be made against either of them, it will likely be difficult to realize upon any judgment which might be obtained against it.

5. **Major Assets**

Investments in LP Units by the Trust (and therefore indirectly investments in the Mortgage Investments and the Properties) will represent the major assets of the Trust and therefore the Trust's financial performance is directly tied to the performance of these particular assets. The Trust does not expect to have a large portfolio of diverse assets; therefore, its success is dependent on the success of the Partnerships and the LP Units to be invested in by the Trust.

6. **Risks of Real Estate Investment**

Investment in real estate, even indirectly, is subject to numerous risks, including the highly competitive nature of the real estate industry, changes in general or local conditions, failure of tenants to pay rent, changes in neighbourhood property values, interest rates, availability of mortgage funds, increases in real estate tax rates and other operating expenses, the possibility of competitive overbuilding and of the inability to obtain full occupancy of the properties, governmental rules and fiscal policies, including rent control legislation, which limit potential rent increases, and other events and factors which are beyond the control of the Trust.

The Properties or the real estate properties that are the subject of Mortgage Investments may not generate sufficient funds to service the investments in respect of them. If a default occurs, a property could be foreclosed upon.

7. **No Guaranteed Return**

There is no representation made by the Trustee that an investment in the Trust will have a guaranteed return to Unitholders, nor that losses will not be incurred by the Trust in respect of its investments. This Offering is not suitable for Subscribers who cannot afford to assume significant risks in connection with their investments.

8. **Illiquidity of Real Estate**

Investments in real estate properties are relatively illiquid. Such illiquidity will tend to limit each Partnership's ability to change its portfolio in respect of LP Units (as held by the Trust) promptly in response to changing economic or investment conditions.

9. **Market Risks**

The economic performance and value of each Partnership's interest in properties invested in by it will be subject to all of the risks associated with investing in real estate, including, but not limited to:

- (a) changes in the national, regional, and local economic climate;
- (b) local conditions, including a reduction in demand for properties like the properties invested in by such Partnership;
- (c) the attractiveness of the properties invested in by such Partnership to purchasers and renters;
- (d) competition from other available similar projects; and
- (e) changes in laws and governmental regulations, including those governing usage, zoning, the environment, and taxes.

10. **Competition**

The Trust competes with other investors and owners of similar properties to those to be invested in by the Trust in the Trust Region. Certain of these competitors may have greater financial and other resources and greater operating flexibility than the Trust. The existence of competing parties could have a material adverse effect on the revenues or profitability of the Trust and its ability to meet its debt obligations.

11. **Potential Liability under Environmental Protection Legislation**

Environmental and ecological legislation and policies have become increasingly important in recent years. Under various laws, owners of real estate properties could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on, from or in one or more of the Properties. The failure to remove or remediate such substances,

if any, may adversely affect the Trust's ability to realize a return on investment from such a property or to borrow using a property as collateral.

12. *Payment of Retraction Price by Promissory Note or in Kind*

The Trustee may determine that funds are not currently available for the payment of the redemption price of any Units in respect of which a Unitholder has requested a redemption, in which case the Trustee may elect to delay payment or pay the redemption price for such Units by way of promissory note or in kind. Therefore, there can be no assurance that Unitholders will be able to redeem any or all of their Units for cash payment when they wish to do so.

13. *Marketability of Units*

There is currently no market for the Units and it is not anticipated that any market will develop. Securities legislation, rules, policies and other requirements may prohibit or restrict transferability of Units. Consequently, holders of Units will not be able to resell their Units. See Item 10 - "Resale Restrictions".

14. *Uninsured Losses*

The Administrator will arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to the Properties and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to one or more of the Properties, the Trust could suffer a loss of capital invested and not realize any profits which might be anticipated from the ownership of the Properties.

15. *Reliance on Key Personnel*

The success of the Trust is highly dependent on the services of certain management personnel of the Administrator. The loss of the services of such personnel could have an adverse effect on the Trust.

16. *Limitations on Non-Resident Ownership*

The Trust Declaration provides that at no time may Non-residents or Designated Beneficiaries be the holders or beneficial owners of Units. The limitation on ownership of the Units by Non-residents may have an adverse impact on the liquidity of the Units.

17. *Tax Matters*

The return on the Unitholders; investment in the Units is subject to changes in Canadian federal and provincial tax laws, tax proposals, other governmental policies or regulations and governmental, administrative or judicial interpretation of the same. There can be no assurance that tax laws, tax proposals, policies or regulations, or the interpretation thereof, will not be changed in a manner which will fundamentally alter the tax consequences to Unitholders of acquiring, holding or disposing of Units.

If the Trust does not qualify or ceases to qualify as a "mutual fund trust" in the Tax Act, adverse consequences may arise including that (a) the Trust may become liable to pay certain additional taxes (with the result that the amount of cash available for distribution by the Trust would be reduced and Unitholders may otherwise be adversely affected), and, (b) unless at such time the Units are listed on a designated stock exchange, the Units will not be qualified investments for Deferred Plans (with the result that a Deferred Plan, its annuitant or holder thereof may become liable to pay additional tax or penalties or may be otherwise adversely affected). See Item 6 - "Summary of Income Tax Consequences and Eligibility – Tax Status of the Trust – Qualification as a 'Mutual Fund Trust'".

As set forth in this Offering Memorandum, the Trust expects that the Trust will not be liable to SIFT tax under the SIFT Measures. However, should the Units be listed or traded on a stock exchange or public market, and should the Trust hold any non-portfolio property, the non-deductible distributions amount of the Trust, if any, could be taxable to the Trust (with the result that the amount of cash available for distribution by the Trust may be reduced), and such amount could also, depending on the circumstances, be included in the income of Unitholders for purposes of the Tax Act as eligible dividends. There can be no assurances that the treatment of SIFTs under the Tax Act will not be changed, or that administrative policies or assessing practices of the CRA will not develop, in a manner which adversely affects the Trust or Unitholders. See Item 6 - "Summary of Income Tax Consequences and Eligibility – Tax Status of the Trust – The SIFT Measures".

For all of the aforesaid reasons and others set forth and not set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of the Units should be aware of these and other factors set forth in this

Offering Memorandum and should consult with his/her legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their total investment.

ITEM 9 - REPORTING OBLIGATIONS

As the Trust is not a "reporting issuer" as defined in the applicable securities legislation, the continuous reporting requirements of those acts do not generally apply to the Trust. The Trust will, however, on or before April 1 in each calendar year, provide to each Unitholder annual financial statements and all other information required to file Canadian income tax returns.

ITEM 10 - RESALE RESTRICTIONS

The Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the Units unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Trust becomes a reporting issuer in any province or territory of Canada.

The Trust has no current intention of becoming a reporting issuer in any jurisdiction and therefore the foregoing restriction on trading will continue indefinitely (subject to the availability of certain limited exemptions which may not apply in the circumstances).

ITEM 11 - PURCHASERS' RIGHTS

If you purchase the Units you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.

11.1 Two Day Cancellation Right for a Subscriber

You can cancel your agreement to purchase the Units. To do so, you must send a notice to the Trustee before midnight on the second business day after you sign the Subscription Agreement in respect of the Units.

11.2 Rights of Action in the Event of a Misrepresentation

Applicable securities laws in the offering jurisdictions provide you with a remedy to sue to cancel your agreement to buy these securities or for damages if this Offering Memorandum, or any amendment thereto, contains a misrepresentation. Unless otherwise noted, in this section, a "**misrepresentation**" means an untrue statement or omission of a material fact that is required to be stated or that is necessary in order to make a statement in this Offering Memorandum not misleading in light of the circumstances in which it was made.

These remedies are available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. In addition, these remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by you within the strict time limit prescribed in the applicable securities laws.

The applicable contractual and statutory rights are summarized below. By its execution of the Subscription Agreement, the Trust will be deemed to have granted these rights to you. Subscribers should refer to the applicable securities laws of their respective offering jurisdiction for the particulars of these rights or consult with professional advisors.

11.3 Statutory Rights of Action for Subscribers in the Province of British Columbia

If you are a resident in British Columbia and this Offering Memorandum, together with any amendments hereto, contains a misrepresentation, you have a statutory right to sue:

- (a) the Trust to cancel your agreement to buy the Units; or
- (b) for damages against the Trust, every person who was a director of the Trustee at the date of the Offering Memorandum, and every person or company who signed this Offering Memorandum.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, the Offering Memorandum, the misrepresentation is deemed to be contained in the Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the Units. If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations.

You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the Units.

You must commence your action for damages within the earlier of:

- (i) 180 days after learning of the misrepresentation; or
- (ii) three years after you signed the agreement to purchase the Units.

You should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.

You should consult your own legal advisers with respect to your rights and the remedies available to you. The rights discussed above are in addition to and without derogation from any other rights or remedies, which you may have at law.

You should refer to the applicable provisions of the securities legislation for particulars of the rights or consult with a lawyer.

You should consult your own legal advisers with respect to your rights and the remedies available to you. The rights discussed above are in addition to and without derogation from any other rights or remedies, which you may have at law.

THE SECURITIES LAWS OF BRITISH COLUMBIA ARE COMPLEX. THE FOREGOING IS A SUMMARY ONLY AND SUBJECT TO INTERPRETATION. REFERENCE SHOULD BE MADE TO THE APPLICABLE SECURITIES LEGISLATION, THE REGULATIONS AND THE RULES THEREUNDER FOR THE COMPLETE TEXT OF THE PROVISIONS UNDER WHICH THE FOREGOING RIGHTS ARE CONFERRED. THE FOREGOING SUMMARY IS SUBJECT TO THE EXPRESS PROVISIONS THEREOF.

THE RIGHTS DISCUSSED ABOVE ARE IN ADDITION TO, AND WITHOUT DEROGATION FROM, ANY OTHER RIGHTS OR REMEDIES WHICH THE SUBSCRIBERS MAY HAVE AT LAW. SUBSCRIBERS SHOULD CONSULT THEIR OWN LEGAL ADVISORS WITH RESPECT TO THEIR RIGHTS AND THE REMEDIES AVAILABLE TO THEM.

ITEM 12 - FINANCIAL STATEMENTS

Consolidated Financial Statements of the Trust and Kazana LP

See attached.



**KAZANA MUTUAL FUND TRUST
(Formerly Father and Son Retirement Trust)**

**Consolidated Financial Statements
December 31, 2022, and 2021
(Expressed in Canadian Dollars)**

<u>Index</u>	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Income and Comprehensive Income	4
Consolidated Statement of Changes in Unitholders' Equity	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 15



INDEPENDENT AUDITORS' REPORT

TO THE UNITHOLDERS OF KAZANA MUTUAL FUND TRUST

Opinion

We have audited the consolidated financial statements of Kazana Mutual Fund Trust (the "Trust"), which comprise:

- ◆ the consolidated statement of financial position as at December 31, 2022 and 2021;
- ◆ the consolidated statement of income and comprehensive income for the years ended December 31, 2022 and 2021;
- ◆ the consolidated statement of changes in unitholders' equity for the years ended December 31, 2022 and 2021;
- ◆ the consolidated statement of cash flows for the years ended December 31, 2022 and 2021; and
- ◆ the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Trust as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years ending December 31, 2022 and 2021 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

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decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ◆ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Smythe LLP

Chartered Professional Accountants
Vancouver, British Columbia

May 9, 2023

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KAZANA MUTUAL FUND TRUST (Formerly Father and Son Retirement Trust)
Consolidated Statement of Financial Position
December 31, 2022
(Expressed in Canadian Dollars)

	2022	2021
Assets		
Current		
Cash	\$ 203,387	\$ 709,528
Interest receivable	100,697	10,116
Mortgages receivable (note 6)	8,844,086	4,874,455
	\$ 9,148,170	\$ 5,594,099
Liabilities and Unitholders' Equity		
Liabilities		
Non-current		
Due to related parties (note 8)	103,848	84,289
Unitholders' Equity (note 9)	9,044,322	5,509,810
	\$ 9,148,170	\$ 5,594,099

Approved by on behalf of the Trust:

 Jaswinder Gill, Trustee

KAZANA MUTUAL FUND TRUST (Formerly Father and Son Retirement Trust)
Consolidated Statement of Income and Comprehensive Income
(Expressed in Canadian Dollars)

	Year ended 2022	263-day period ended 2021
Revenues		
Interest	\$ 1,030,427	\$ 360,542
Expenses		
Management fees (note 8)	252,522	118,896
Professional fees and dues	48,036	176,439
General and administrative	42,729	17,702
	343,287	313,037
Net Income and Comprehensive Income	\$ 687,140	\$ 47,505

The accompanying notes are an integral part of these consolidated financial statements.

KAZANA MUTUAL FUND TRUST
Consolidated Statement of Changes in Unitholders' Equity
(Expressed in Canadian Dollars)

2021			
	Class B Trust Units	Class C Trust Units	Total Unitholders' Equity
Balance, April 12, 2021	\$ -	\$ -	\$ -
Issuance of trust units	5,196,331	441,251	5,637,582
Net income for period	43,705	3,800	47,505
Distributions	(166,169)	(9,108)	(175,277)
Balance, December 31, 2021	\$ 5,073,867	\$ 435,943	\$ 5,509,810
2022			
	Class B Trust Units	Class C Trust Units	Total Unitholders' Equity
Balance, January 1, 2022	\$ 5,073,867	\$ 435,943	\$ 5,509,810
Issuance of trust units	4,072,000	1,343,140	5,415,140
Redemptions	(1,860,000)	(130,542)	(1,990,542)
Net income for year	560,701	126,439	687,140
Distribution reinvestment plan	12,637	19,595	32,232
Distributions	(553,217)	(56,241)	(609,458)
Balance, December 31, 2022	\$ 7,305,988	\$ 1,738,334	\$ 9,044,322

The accompanying notes are an integral part of these consolidated financial statements.

KAZANA MUTUAL FUND TRUST (Formerly Father and Son Retirement Trust)
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Year ended December 31, 2022	Period ended December 31, 2021
Operating Activities		
Net income	\$ 687,140	\$ 47,505
Changes in non-cash working capital		
Mortgages issued	(12,251,000)	(7,199,455)
Mortgages repaid	8,281,369	2,325,000
Due to related parties	19,559	84,289
Interest receivable	(90,581)	(10,116)
Cash used in operating activities	(3,353,513)	(4,752,777)
Financing Activities		
Issuance of trust units	5,415,140	5,637,582
Redemption of trust units	(1,990,542)	-
Distributions paid	(577,256)	(175,277)
Cash provided by financing activities	2,847,372	5,462,305
Increase (Decrease) of Cash	(506,141)	709,528
Cash, Beginning of Period	709,528	-
Cash, End of Period	\$ 203,387	\$ 709,528

The accompanying notes are an integral part of these consolidated financial statements.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Kazana Mutual Fund Trust (formally Father and Son Retirement Trust) (the “Trust”) is an unincorporated investment trust established under the laws of the Province of British Columbia pursuant to the Declaration of the Trust dated April 12, 2021. The Trust qualifies as a “mutual fund trust” under provisions of the *Income Tax Act* (Canada) (the “Tax Act”).

The Trust’s registered office address and its principal place of business is 2328 138th Street, Surrey, British Columbia, V4A 4G6.

The Trust was established for the purpose of investing, through Kazana Limited Partnership (formally Father and Son Retirement Limited Partnership), a partnership where the Trust is the sole limited partner and is consolidated with the trust (note 4(a)) (the “Partnership”), in a portfolio of mortgages underwritten on real property.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements were reviewed and authorized for issue by the directors on April 20, 2023.

3. BASIS OF PRESENTATION

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements are presented in Canadian dollars, which is the Trust’s functional currency.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Trust and the Partnership, a limited partnership described in note 1 of which the Trust owns 100% of the limited partnership units. The general partner of the Partnership and the Trustee of the Trust are subject to common control.

All intercompany balances and transactions are eliminated on consolidation.

(b) Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported revenues and expenses during the period.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods, and there are no known trends, commitments, events or uncertainties that we believe will materially affect the methodology or assumptions utilized in making those estimates and judgments in these consolidated financial statements.

Estimate and Judgment

Recoverability of mortgages receivable

Judgment is required to make an assessment of the impairment of mortgages receivable. Mortgages receivable are considered to be impaired only if objective evidence indicates that one or more events have occurred after its initial recognition, that have a negative effect on the estimated future cash flows of that asset. The estimate for the recoverable value of the mortgages receivable includes an assessment of historical loan collection experience, payments history, the value of the security underlying the mortgage and may include assumptions regarding local real estate market conditions, interest rates and the availability of credit, cost and terms of financing, the impact of present or future legislation or regulation, and prior encumbrances. These assumptions are limited by the availability of reliable comparable data, economic uncertainty and the uncertainty of predictions concerning future events. Accordingly, by their nature, estimates of impairment are subjective and do not necessarily result in precise determinations. Should the underlying assumptions change, the estimated fair value could vary by a material amount.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES – continued

(c) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that: i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and iii) is not designated as fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value therein, recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are carried in the consolidated statement of financial position at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method, net of any impairment allowance.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES – continued

(c) Financial instruments – continued

(ii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- The contractual rights to receive cash flows from the asset have expired; or
- The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iii) Financial liabilities

Financial liabilities are recognized when the Trust becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recorded at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. All interest-related charges are reported in profit or loss within interest expense, if applicable.

(iv) Fair value hierarchy

The Trust categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES – continued

(c) Financial instruments – continued

(v) Impairment of assets

The Trust assesses financial assets for impairment at the end of the reporting period using the expected credit loss (“ECL”) model. The ECL model is forward looking and results in a provision for losses being recorded on the consolidated financial statements regardless if there has been a loss event. ECLs are the difference between the present value of all contractual cash flows that are due under the original terms of the contract and the present value of all cash flows expected to be received.

The ECL model uses a three-stage impairment approach based on changes in the credit risk of the financial asset since initial recognition. The three stages are as follows: Stage 1 – financial assets that have not experienced a significant increase in credit risk since initial recognition. Stage 2 – financial assets that have experienced a significant increase in credit risk between initial recognition and the reporting date. Stage 3 – financial assets for which there is objective evidence of impairment at the reporting date. The Trust considers a number of factors when assessing if there has been a significant increase in credit risk.

(d) Mortgages receivable

Mortgages receivable are recognized initially at cost plus any directly attributable transaction costs, less placement and commitment fees charged. Subsequent to initial recognition, the mortgages receivable are measured at amortized cost using the effective interest method, less any impairment losses using the ECL model.

The mortgages receivable are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of an asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

Interest on the impaired asset continues to be recognized through the unwinding of the discount if it is considered collectable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. Specific allowances are established for individual mortgages identified as impaired and elected to measure loss allowances at the amount equal to lifetime ECLs.

(e) Revenue recognition

The Trust’s main source of revenues are interest and placement and commitment fees from its mortgages. Interest income is recognized as earned over the term of the mortgage using the effective interest rate method.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES – continued

(f) Income taxes

The Trust is subject to income taxes under the Tax Act on the amount of taxable income for the year and is permitted a deduction in computing its income taxes for all amounts paid or payable to the Trust's beneficiary in determining income for tax purposes. No provision for income taxes has been reflected in these consolidated financial statements because the annual excess of revenue over expenses of the Trust will be distributed to the beneficiaries at the end of each fiscal year. All trust distributions are made within 90 days of year end.

5. FINANCIAL INSTRUMENTS

The Trust classifies its cash as FVTPL and mortgages receivables and due to related party at amortized cost.

The carrying values of mortgages receivable and due to related party approximate their fair values due to the short-term maturity of these financial instruments.

The following tables set forth the Trust's significant financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2022	Level 1	Level 2	Level 3	Total
Cash	\$ 203,387	\$ -	\$ -	\$ 203,387
December 31, 2021	Level 1	Level 2	Level 3	Total
Cash	\$ 709,528	\$ -	\$ -	\$ 709,528

The Trust's risk exposure and the impact on the Trust's financial instruments are summarized below:

(a) Credit risk

Credit risk refers to the potential that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Trust manages credit risk in respect of its cash by placing its cash balances at major a Canadian financial institution.

The Trust is also exposed to credit risk with respect to its mortgages receivable. The Trust follows a program of credit evaluations of mortgagees and has a registered charge on the underlying property. The Trust maintains a provision for potential credit losses. As at December 31, 2022, the Trust has recorded a provision for mortgage losses of \$nil.

The Trust's maximum credit risk exposure at December 31, 2022 is represented by the respective amounts of the relevant financial assets in the consolidated statement of financial position.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS – continued

(b) Liquidity risk

Liquidity risk is the risk that the Trust will encounter difficulty in satisfying financial obligations as they become due.

The Trust manages its liquidity risk on an ongoing basis in accordance with policies and procedures in place. The Trust is not exposed to significant liquidity risk.

Trust units are redeemable at \$1 per unit at the option of the investor subject to certain restrictions.

(c) Market risk

Market risk is the risk that the fair value of the collateral securing any of the mortgages receivable falls to a level approaching the mortgage amount. The Trust ensures that it is aware of real estate market conditions in the regions in which it operates and monitors real estate market trends and lending practices. Policies are adjusted when necessary.

(d) Interest rate risk

Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Trust's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Trust is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market rates differ from the interest rate in the Trust's monetary assets and liabilities, the Trust is exposed to interest rate price risk.

The Trust's mortgages receivable are at fixed interest rates. Therefore, the Trust is not exposed to interest rate cash flow risk during the terms of the mortgages. The Trust is exposed to interest rate price risk, as the fair value of the mortgages receivable will fluctuate if market rates differ from the interest rates of the mortgages. Due to the short-term nature of these financial instruments, fluctuations in market rates of interest do not have a significant impact on future cash flows.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Trust is not exposed to significant other price risk, as it holds no financial instruments whose value changes due to changes in market prices.

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

6. MORTGAGES RECEIVABLE

The mortgages receivable bear interest at rates ranging from 10.49% to 13.00% (2021 - 10.00% to 12.00%) per annum, with a weighted average rate of 11.71% (2021 - 11.27%). The mortgages receivable individually mature within the next twelve months and are automatically renewed subject to good standing and credit risk analysis. Following is a schedule of amounts outstanding as at December 31.

	2022	2021
Mortgages receivable	\$ 8,844,086	\$ 4,874,455

7. CAPITAL MANAGEMENT

The Trust manages its capital to ensure that it will be able to preserve unit values, provide unit holders with stable distributions and use leverage in a conservative manner to improve return to unit holders. There have been no changes to the Trust's approach to capital management during the year.

The capital structure of the Trust consists of issued and outstanding units. The Trust manages its capital by using financial leverage as required to improve its return to unit holders.

8. RELATED PARTY TRANSACTIONS

As at December 31, 2022, the Trust owes \$103,848 (2021 - \$84,289) to a company with common control. These amounts are non-interest-bearing, unsecured and due on demand. Transactions with this related party during the year included \$252,522 (2021 - \$118,896) for management fees.

9. TRUST EQUITY

Authorized:

The Trust's authorized capital consists of an unlimited number of Class A, Class B and Class C non-voting trust units. Each class represents an equal undivided beneficial interest or share in any distribution from the Trust in respect of the class.

Outstanding:

	2022	
	Class B Trust Units	Class C Trust Units
Balance, beginning of year	5,196,331	441,251
Issuance of trust units	4,072,000	1,343,140
Redemptions	(1,860,000)	(130,542)
Distribution reinvestment plan	12,637	19,594
Balance, end of year	7,420,968	1,673,443

KAZANA MUTUAL FUND TRUST
(formerly Father and Son Retirement Trust)
Notes to the Consolidated Financial Statements
For The Year Ended December 31, 2022
(Expressed in Canadian Dollars)

9. TRUST EQUITY – continued

	2021	
	Class B Trust Units	Class C Trust Units
Balance, beginning of period	-	-
Issuance of trust units	5,196,331	441,251
Balance, end of period	5,196,331	441,251

Restrictions:

Restrictions on the trust units held include restriction of trading the units. Any redemption of units must be completed by delivering written notice of the unitholder's intention to redeem units to the Trust not less than 90 days in advance of the redemption date.

10. SEGMENT INFORMATION

The Trust operates in Canada in one business segment, being investment in mortgages receivable.

ITEM 13 - DATE AND CERTIFICATE

Dated November 2, 2023.

This Offering Memorandum does not contain a misrepresentation.

KAZANA SERVICES INC.

DocuSigned by:



368AE8D89691406
Name: Sajhan Gill
Title: Director

DocuSigned by:



4A788387B0314D9
Name: Manjit Gill
Title: Director

KAZANA CAPITAL CORP.

DocuSigned by:



368AE8D89691406
Name: Sajhan Gill
Title: Director

DocuSigned by:



4A788387B0314D9
Name: Manjit Gill
Title: Director