GOVERNANCE 360™

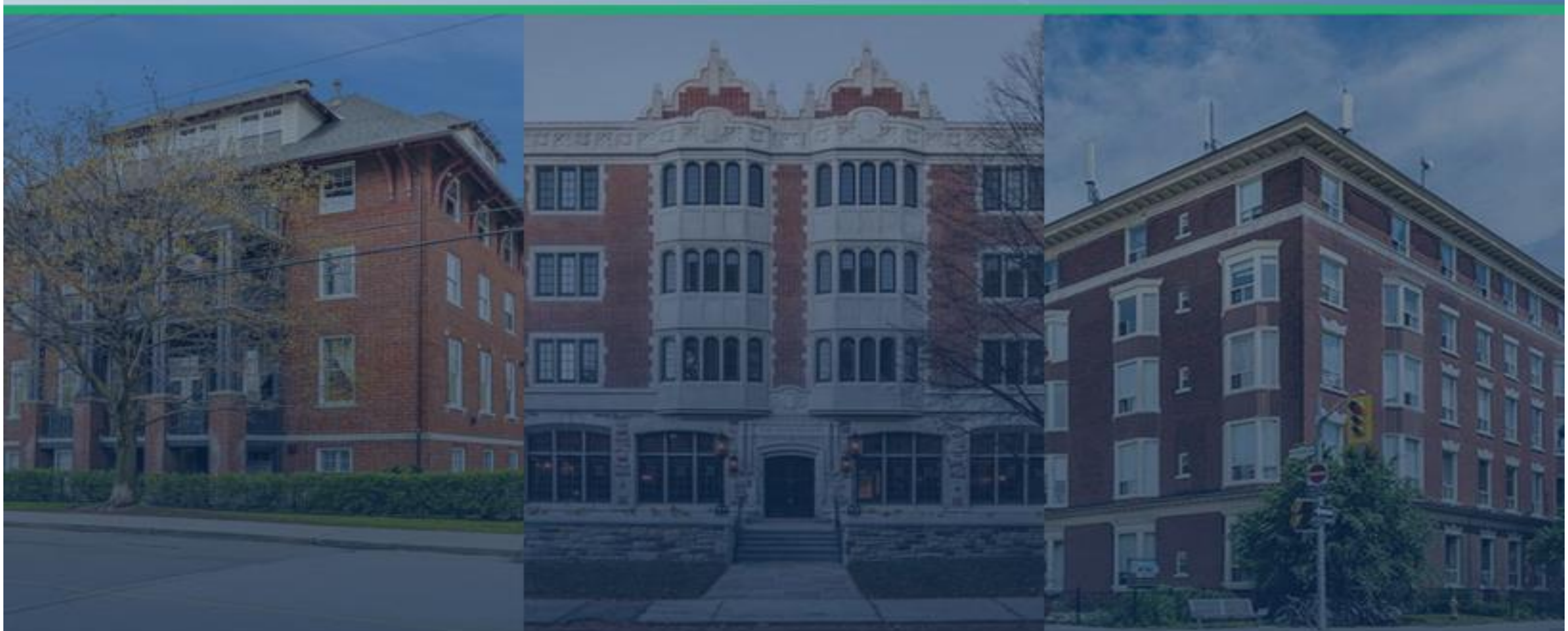
Better Governance. Better Decisions. Better Investments.

FOUNDING INVESTOR PROSPECTUS

EXECUTIVE OVERVIEW

Volume 1

Governance First • Capital Preservation • Positive Cash Flow



DOCUMENT STATUS AND USE

Important Notice

A concise executive overview of the Governance 360 real estate investment framework.

Purpose of this volume

Volume 1 presents the investment thesis, governance architecture, capital framework, distribution logic, and investor protections at an executive level. It is intended to support informed preliminary discussions with prospective founding investors.

This document is confidential and has been prepared for discussion purposes only. It is not a prospectus under securities legislation, an offering memorandum, a solicitation to buy securities, or a substitute for legal, tax, accounting, lending, appraisal, environmental, engineering, or investment advice.

Any investment opportunity will be subject to definitive corporate records, subscription documentation, property-specific due diligence, approved financing, investor eligibility requirements, and the applicable laws of Canada and Ontario. Where this executive overview differs from a signed governing document, the signed governing document controls.

Return objectives, capitalization rates, vacancy assumptions, portfolio growth illustrations, and other financial measures are planning parameters only. They are not guarantees. Real estate values, rents, expenses, interest rates, refinancing conditions, regulatory requirements, and liquidity can change materially.

Volume 1 at a glance

SECTION	EXECUTIVE FOCUS
1. Investment proposition	Why the strategy emphasizes governance, capital preservation, and cash-flow-positive multi-family assets.
2. Operating framework	How Governance 360 converts policy, underwriting standards, approvals, and reporting into a repeatable decision system.
3. Capital and returns	How founding capital, investor classes, preferred returns, reserves, and distributions are structured.
4. Governance and protection	How reserved matters, reporting, succession, transfer restrictions, and dispute mechanisms protect the enterprise.
5. Growth path	How stabilized assets, NOI growth, refinancing, and disciplined reinvestment support portfolio expansion.

Source framework: Multi-Family Real Estate Investment Holdings business plan; Investor Waterfall & Distribution Policy, Institutional Draft Version 1.0; and Unanimous Shareholders Agreement, Institutional Governance Draft.

01 | EXECUTIVE OVERVIEW

The Investment Proposition

A governance-first platform for long-term ownership of income-producing multi-family housing.

Capital preservation before profit

Governance 360 is designed around a simple hierarchy: protect capital, require sustainable cash flow, fund reserves, service debt, and only then distribute or redeploy excess cash.

In this prospectus, Governance 360 refers to the integrated operating framework through which the Corporation evaluates acquisitions, authorizes major decisions, manages capital, monitors property performance, and reports to shareholders. The framework is intended to reduce decision inconsistency and ensure that investment discipline survives changes in market conditions, management, and ownership.

The underlying real estate strategy focuses on acquiring and holding small to mid-scale multi-family residential properties in Ottawa and Eastern Ontario. Target assets generally contain 4 to 20 units, generate positive cash flow from acquisition, and offer opportunities to increase Net Operating Income through professional management, targeted renovations, rental optimization, and additional revenue streams.

4-20 TARGET UNITS Small to mid-scale assets	**5.5%+** MINIMUM CAP RATE Acquisition standard	**1.20x** MINIMUM DSCR Distribution threshold
90%+ REQUIRED OCCUPANCY Distribution threshold	**$300K** PROTECTED FOUNDING CAPITAL $150K loan + $150K equity	**8%** PREFERRED RETURN Class A and Class C, subject to cash

The investment model combines four sources of potential value: recurring rental income, mortgage principal reduction, operational improvement, and long-term asset appreciation. The governing documents expressly reject land speculation, property flipping, cryptocurrency investment, unsecured lending, and other high-risk speculative strategies.

Why Multi-Family, Why Eastern Ontario

A defensive housing strategy built on recurring demand, diversified rent streams, and operational upside.

Multi-family residential property is treated as a long-duration operating business rather than a short-term trading asset. Multiple rental units diversify income across tenants, while housing demand tends to persist across economic cycles. Smaller apartment buildings also remain more accessible to private capital than institutional-scale properties and may offer greater operational flexibility.

STRATEGIC DRIVER	INVESTMENT IMPLICATION
Persistent housing demand	Population growth, immigration, household formation, employment, and affordability constraints sustain rental demand.
Limited rental supply	Construction costs, approval timelines, labour constraints, and land availability can restrict new purpose-built supply.
Missing-middle opportunity	Properties below institutional scale may face less competition from large funds and REITs.
Operational improvement	Older or under-managed assets may support rent optimization, lower expenses, better collections, and new ancillary income.
Income-based valuation	Growth in stabilized NOI can increase property value without relying exclusively on cap-rate compression.
Portfolio diversification	Acquiring several smaller assets over time can diversify property, tenant, and location risk.

Geographic focus

Ottawa and Eastern Ontario, with emphasis on communities that combine durable rental demand, accessible acquisition pricing, employment connectivity, and long-term population support.

The business plan identifies Ottawa as a comparatively stable market supported by government employment, technology-sector activity, immigration, and a persistent housing supply imbalance. The broader Eastern Ontario strategy is intended to capture opportunities where purchase pricing and going-in yields may be more favourable than in the urban core.

The Corporation does not acquire solely because an asset is available. Every property must fit the approved acquisition standards, demonstrate financeable income, withstand conservative assumptions, and receive the required governance approvals.

03 | GOVERNANCE 360 OPERATING FRAMEWORK

From Opportunity to Governed Asset

A repeatable control system designed to make investment decisions transparent, documented, and auditable.

Governance 360 connects the Corporation's constitution, shareholder agreement, waterfall policy, underwriting standards, committee review, and reporting obligations. The objective is not simply to identify attractive properties; it is to ensure that each decision is made within a controlled governance pathway.

STAGE	GOVERNANCE 360 CONTROL	DECISION OUTPUT
1. Opportunity intake	Document property, seller, location, unit mix, pricing, and preliminary financing.	Qualified or rejected lead
2. Financial screening	Test NOI, cap rate, DSCR, break-even occupancy, expense ratio, cash flow, reserves, and sensitivity.	Initial Go / No-Go
3. Due diligence	Review legal, financial, physical, environmental, tenancy, insurance, and financing evidence.	Risk-adjusted recommendation
4. Committee review	Investment Committee reviews the business case, assumptions, risks, and mitigation measures.	Written recommendation
5. Reserved-matter approval	Class A and Class B approval is obtained for acquisitions, financing, refinancing, or sale.	Authorized transaction
6. Asset management	Track occupancy, rents, expenses, capital work, debt, reserves, and covenant compliance.	Quarterly performance record
7. Distribution review	Apply the waterfall only after expenses, debt service, reserves, and distribution tests are satisfied.	Approved allocation

Governance	Underwriting	Capital
Constitution + USA	**Dashboard + standards**	**Waterfall policy**
Authority, duties, reserved matters, voting rights, succession, transfer restrictions, dispute resolution.	Positive cash flow, 5.5% minimum cap rate, 1.20x minimum DSCR, occupancy and reserve testing.	Founding capital protection, preferred return, reinvestment, distribution, refinancing, sale, and dissolution priorities.

The result is a system in which underwriting does not operate independently of governance and governance does not operate independently of cash management. Each component reinforces the others.

04 | ACQUISITION DISCIPLINE

Core Underwriting Standards

Property selection begins with cash flow, coverage, resilience, and controllable risk.

METRIC / RULE	MINIMUM OR PREFERRED STANDARD	PURPOSE
Positive cash flow	Required from acquisition	Reduces reliance on speculative appreciation or future rent growth.
Capitalization rate	Minimum 5.5%; target range 5.5%-7%	Provides an acceptable going-in income yield before financing.
Debt Service Coverage Ratio	Minimum 1.20x; target 1.30x+	Confirms that NOI exceeds annual debt service by a prudent margin.
Occupancy	90% minimum for distributions; target markets below 5% vacancy	Protects liquidity and income stability.
Reserves	Mandatory before discretionary distributions	Funds repairs, capital work, vacancy, debt obligations, and contingencies.
Property profile	Generally 4-20 residential units	Targets the private-market missing-middle segment.
Value-add potential	Preferred, not mandatory	Supports NOI growth through operational improvement rather than speculation.
Financing	Conservative and covenant-compliant	Limits leverage risk and protects protected founding capital.

No-Go discipline

A property should not proceed where the underwriting depends on unrealistic market rents, deferred maintenance is not fully costed, financing assumptions are unconfirmed, required reserves are unavailable, or the acquisition would breach governance thresholds.

The Investment Committee is expected to review each acquisition and issue a written recommendation. The Board retains responsibility for strategy, financing, budgets, risk management, and compliance, while acquisitions and other reserved matters require the approval thresholds established in the shareholder agreement.

Sensitivity analysis should examine vacancy, bad debt, rent growth, interest rates, renewal risk, operating expenses, capital expenditures, financing fees, and exit capitalization rates. The intent is to understand the downside before capital is committed - not after closing.

05 | CAPITAL STRUCTURE

Aligned Capital, Defined Rights

The share-class model separates founding control, management authority, and investor economics.

The Corporation recognizes $300,000 of Protected Founding Capital. The governing documents allocate this amount between a $150,000 Founding Shareholder Loan Account and $150,000 of Class A Founding Equity. This structure is intended to preserve the original family capital while supporting acquisition financing and long-term portfolio growth.

CLASS	PRIMARY ROLE	CORE RIGHTS AND LIMITATIONS
Class A - Founding Shares	Founding ownership and control	Enhanced voting, veto and anti-dilution protections, priority return of capital, and director appointment rights.
Class B - Management Shares	Management participation and strategic execution	Voting rights, profit participation, and management authority subject to Board oversight and reserved matters.
Class C - Investor Shares	Economic participation by external or family investors	Information rights, capital-return priority, and an 8% preferred return under the waterfall; no board appointment or management authority unless separately authorized.

$150K	$150K	8%
FOUNDING LOAN	**FOUNDING EQUITY**	**PREFERRED RETURN**
Priority repayment account	Class A protected equity	Eligible Class A + C equity

No shareholder is automatically obligated to contribute additional capital. Where additional funding is reasonably necessary to preserve an asset, avoid default, complete an approved acquisition, or fund major capital improvements, the Board may authorize an optional capital call. Existing shareholders are to be offered the opportunity to participate before external investors are approached.

Investor alignment

Founders contribute protected capital and control; management contributes execution and oversight; investors receive defined economic rights, reporting, priority mechanisms, and transfer protections. Each role is distinct, but all are tied to enterprise performance.

06 | CASH MANAGEMENT AND DISTRIBUTIONS

Waterfall Before Distribution

Cash is allocated by policy, not by short-term preference.

The waterfall establishes the order in which operating cash flow, refinancing proceeds, sale proceeds, and dissolution proceeds are applied. The policy places property obligations, debt, reserves, and protected capital ahead of discretionary distributions.

Phase 1	Phase 2	Phase 3
Portfolio stabilization - Years 1-5	**After founding-loan repayment and reserve funding**	**Portfolio above $10M or 50 units**
Expenses -> debt service -> mandatory reserves -> acquisition reserve -> 50% of excess to founding-loan repayment -> 8% preferred return -> 70% reinvestment / 30% distribution.	Residual cash flow: 50% reinvestment / 50% distribution. Distribution split: 80% investors / 20% management.	Residual cash flow may become distributable subject to Board approval. Distribution split: 70% investors / 30% management.

TRANSACTION	PRIORITY SEQUENCE
Refinancing proceeds	Costs -> debt reserve -> founding-loan repayment -> partial return of founding equity -> acquisition reserve -> investor distribution.
Property sale proceeds	Closing costs -> mortgage payout -> taxes -> founding loan -> founding equity -> Class C capital -> unpaid preferred returns -> residual profit split.
Dissolution proceeds	Secured creditors -> founding loan -> other creditors -> founding equity -> investor capital -> preferred returns -> residual equity.

Distribution gate

No distribution may be made where DSCR is below 1.20x, occupancy is below 90%, reserve thresholds are unmet, or loan covenants are breached.

The 8% preferred return is an economic priority, not a guaranteed payment. It remains subject to distributable cash, the waterfall sequence, Board approval where required, financing covenants, and the Corporation's continuing ability to meet its obligations.

Institutional Controls for a Private Company

Defined authority, documented approvals, transparent reporting, and succession planning are treated as investment safeguards.

PROTECTION	HOW IT OPERATES
Reserved matters	Acquisitions, sales, refinancing, new mortgages, investor admissions, share issuances, governance amendments, dissolution, and waterfall changes require specified Class A and Class B approval.
Board oversight	The Board approves strategy, budgets, financing, acquisitions, risk systems, internal controls, and compliance.
Committee review	Investment; Audit and Finance; and Governance and Succession Committees provide specialized oversight under written terms of reference.
Quarterly reporting	Occupancy, rental income, cash flow, debt, reserves, and property performance metrics are reported to shareholders.
Annual reporting	Financial statements, property valuation, capital accounts, waterfall reporting, and strategic updates are required.
Transfer controls	Share transfers are restricted and subject to Class A, corporate, and shareholder rights of first refusal.
Succession planning	Estate purchase options, disability provisions, annual valuation, insurance funding, and family trust structures support continuity.
Dispute resolution	Good-faith negotiation is followed by mediation and, if necessary, binding arbitration. Emergency authority protects assets while disputes are unresolved.

Stewardship standard

Directors are required to act honestly and in good faith, exercise appropriate care, disclose conflicts, protect corporate opportunities, preserve capital, and consider the long-term financial stability of the Corporation.

The governance model also supports multi-generational continuity. Shareholders are encouraged to view themselves as stewards rather than short-term owners, and future generations are to be educated in financial management, real estate investment, corporate governance, and fiduciary responsibility.

08 | GROWTH AND RETURN FRAMEWORK

Scale Through Stabilization, Not Speculation

Portfolio growth is expected to follow operating performance, retained earnings, mortgage paydown, and disciplined equity recycling.

The long-term strategy is to acquire income-producing properties, improve operating performance, grow NOI, refinance stabilized assets where prudent, and redeploy a controlled portion of released equity into additional acquisitions. Growth is subordinate to reserve adequacy, debt coverage, financing covenants, and the protection of founding capital.

STAGE	PRIMARY OBJECTIVE	CAPITAL POSTURE
Acquire	Purchase a financeable, cash-flow-positive asset that meets governance standards.	Preserve liquidity and fully fund closing and initial reserves.
Stabilize	Improve collections, expenses, occupancy, tenant quality, maintenance, and compliance.	Retain cash and protect debt service.
Optimize	Complete targeted renovations and add defensible revenue streams.	Invest only where expected NOI improvement justifies risk and cost.
Refinance	Consider extracting equity after income and value are stabilized.	Repay protected capital priorities and replenish reserves first.
Expand	Acquire the next approved property without weakening the existing portfolio.	Use retained earnings, new equity, and prudent refinancing.

8-12%	14-18%	2.5x
CASH YIELD OBJECTIVE	**IRR OBJECTIVE**	**EQUITY MULTIPLE OBJECTIVE**
Business-plan target; not guaranteed	Project-level planning range	Long-term planning objective

These performance objectives are illustrative business-plan targets. Actual returns will depend on acquisition pricing, financing, operations, taxation, capital expenditures, market conditions, refinancing and sale timing, and the waterfall. The Corporation's governing principles require decisions to be based on capital preservation and sustainable cash flow rather than return targets alone.

Growth threshold

The mature portfolio phase begins when the portfolio exceeds $10 million in value or 50 units. Reaching the threshold does not automatically require a distribution; the Board must still evaluate liquidity, reserves, debt, and strategic priorities.

09 | RISK AND DUE DILIGENCE

Invest With the Risks Fully Visible

Governance reduces preventable risk; it does not eliminate real estate, financing, regulatory, operational, or liquidity risk.

RISK AREA	REPRESENTATIVE EXPOSURE	PRIMARY CONTROL
Acquisition risk	Overpayment, incomplete information, hidden defects, weak location, or unsupported rents.	Independent due diligence, conservative underwriting, committee recommendation, reserved-matter approval.
Financing risk	Rate increases, renewal pressure, covenant breaches, lender fees, reduced loan proceeds.	DSCR thresholds, sensitivity testing, liquidity reserves, lender confirmation, conservative leverage.
Operating risk	Vacancy, arrears, maintenance, utilities, insurance, property tax, management failure.	Quarterly metrics, budgets, reserves, professional management, preventive maintenance, internal controls.
Capital expenditure risk	Roof, foundation, mechanical, electrical, fire, accessibility, or environmental costs.	Building-condition review, capital plan, contingency reserve, staged improvements.
Regulatory risk	Landlord-tenant rules, zoning, building code, fire code, tax, securities, privacy, environmental obligations.	Qualified legal, accounting, planning, engineering, and compliance advice.
Liquidity risk	Private shares and real estate assets may be difficult to sell quickly.	Long-term ownership mandate, transfer controls, capital planning, no reliance on forced sales.
Governance risk	Conflicts, weak documentation, unauthorized commitments, family or shareholder disputes.	Fiduciary duties, conflict rules, reserved matters, reporting, mediation, arbitration, succession planning.

Investor diligence

Prospective investors should review the definitive shareholder agreement, articles, waterfall policy, subscription terms, financial model, property-specific reports, financing commitments, risk register, tax consequences, and exit constraints with independent advisors before committing capital.

A founding investor should be prepared for a long investment horizon, variable distributions, reinvestment during the stabilization period, limited liquidity, and the possibility that additional capital opportunities may arise. No decision should be based on this executive volume alone.

10 | FOUNDING INVESTOR ENGAGEMENT

The Next Step

Move from executive interest to informed diligence and documented alignment.

The founding investor process is intended to be deliberate. The objective is not merely to raise capital, but to establish a group of shareholders who understand the long-term mandate, accept the governance model, and support disciplined ownership of income-producing housing.

STEP	PROSPECTIVE INVESTOR ACTIVITY
1. Introductory review	Review Volume 1 and confirm alignment with the governance-first, long-term investment philosophy.
2. Governance review	Examine the Unanimous Shareholders Agreement, authorized share classes, reserved matters, transfer restrictions, and succession framework.
3. Economic review	Examine the Waterfall & Distribution Policy, protected founding capital, preferred return, reserve requirements, and distribution gates.
4. Property diligence	Review the approved acquisition model and all property-specific financial, legal, physical, tenancy, environmental, insurance, and financing information.
5. Independent advice	Obtain independent legal, tax, accounting, and investment advice.
6. Definitive documentation	Complete eligibility, subscription, shareholder adherence, disclosure, and funding documentation.

Founding principle

Governance First | Capital Preservation | Positive Cash Flow | Multi-Generational Wealth

This executive overview should be read together with the Corporation's definitive governance and financial documents. The management team should update this volume whenever the capital structure, acquisition standards, investor rights, waterfall, or corporate strategy is formally amended.

GODWIN-RENAUD REAL ESTATE INVESTMENT HOLDINGS

Governance 360 - Founding Investor Prospectus

Volume 1 - Executive Overview | Institutional Draft | August 2026

GOVERNANCE 360

FOUNDING INVESTOR PROSPECTUS

MARKET & STRATEGY

Volume 2

Disciplined Markets • Governed Acquisitions • Scalable Growth

GODWIN-RENAUD REAL ESTATE INVESTMENT HOLDINGS

Ottawa & Eastern Ontario

CONFIDENTIAL DRAFT | AUGUST 2026

DOCUMENT STATUS AND SCOPE

Market & Strategy Overview

The market logic, target asset profile, underwriting discipline, and scalable portfolio strategy supporting Governance 360.

Purpose of this volume

Volume 2 translates the Corporation's governance-first philosophy into a practical market and acquisition strategy. It explains where the Corporation intends to invest, what characteristics qualify an asset for review, and how market opportunity is filtered through conservative underwriting and formal approval controls.

This document is confidential and has been prepared for discussion purposes only. It is not a securities prospectus, offering memorandum, appraisal, market study, investment recommendation, or guarantee of results. Market statistics, forecasts, price ranges, return objectives, and portfolio illustrations are drawn from the current internal planning materials and should be independently verified before any property acquisition or capital commitment.

Volume 2 should be read together with Volume 1 - Executive Overview, the Unanimous Shareholders Agreement, the Investor Waterfall & Distribution Policy, and property-specific due diligence. Where this document differs from a signed governing instrument, the signed instrument controls.

SECTION	STRATEGIC FOCUS
1. Market thesis	Why rental housing in Ottawa and Eastern Ontario supports a long-term income strategy.
2. Demand and supply	Population, employment, immigration, affordability, rental demand, and housing constraints.
3. Acquisition strategy	Target property profile, screening criteria, and price bands.
4. Value creation	Operational improvements, rent optimization, ancillary income, and expense discipline.
5. Portfolio growth	Reinvestment, refinancing, equity recycling, and disciplined expansion.
6. Risk controls	How governance standards and operating thresholds constrain market and execution risk.

Primary source framework: Multi-Family Real Estate Investment Holdings business plan; Investor Waterfall & Distribution Policy, Institutional Draft Version 1.0; and Unanimous Shareholders Agreement, Institutional Governance Draft.

Housing as a Long-Term Operating Asset

The strategy is designed to earn returns from recurring income and disciplined execution rather than speculative market timing.

The strategic premise

Acquire small to mid-scale multi-family properties that are cash-flow-positive from acquisition, financeable under conservative assumptions, and capable of producing durable income through multiple rental units.

The Corporation approaches multi-family housing as an operating business. Property value is expected to be supported by rent collection, occupancy, expense control, mortgage principal reduction, and improvement in Net Operating Income. Appreciation is treated as a potential outcome rather than the sole basis for investment.

4-20 TARGET RESIDENTIAL UNITS Small to mid-scale assets	**5.5%+** MINIMUM CAP RATE Governance acquisition standard	**1.20x** MINIMUM DSCR Target 1.30x or better
<5% PREFERRED MARKET VACANCY Conservative rental demand screen	**Day 1** POSITIVE CASH FLOW Required at acquisition	**5-7 yrs** INITIAL GROWTH HORIZON Reinvestment and expansion

INVESTMENT PRINCIPLE	STRATEGIC EXPRESSION
Capital Preservation Before Profit	Avoid acquisitions that depend on aggressive rent growth, rapid resale, or unproven appreciation.
Positive Cash Flow Before Growth	Each property must contribute sustainable income rather than create an operating subsidy requirement.
Reserves Before Distributions	Liquidity, capital reserves, and debt obligations are funded before investor distributions.
Debt Reduction Before Speculation	Financing is used prudently and monitored through DSCR, covenant, and liquidity controls.
Long-Term Income Before Capital Gains	The portfolio is built to hold and operate assets, not to flip or trade properties.

Ottawa & Eastern Ontario

A regional strategy intended to balance market stability, rental demand, acquisition pricing, and achievable going-in yield.

The internal business plan identifies Ottawa as the anchor market because of its government employment base, technology-sector activity, immigration, population growth, and comparatively resilient rental demand. Eastern Ontario broadens the search area to communities where smaller multi-family assets may be available at pricing and capitalization rates that are more accessible than equivalent core-urban properties.

Market selection rule

A location qualifies for detailed review only when the property-level economics and the local rental fundamentals support stable occupancy, positive cash flow, prudent financing, and long-term ownership.

MARKET FACTOR	WHAT GOVERNANCE 360 EXAMINES
Rental demand	Vacancy, tenant depth, leasing velocity, unit mix, and affordability relative to local incomes.
Employment base	Diversity and stability of public-sector, private-sector, institutional, and regional employment.
Population support	Recent growth, household formation, immigration, and the durability of future housing demand.
Supply conditions	Existing rental inventory, new construction, development constraints, and competing properties.
Acquisition economics	Price per unit, going-in cap rate, operating expense ratio, financing availability, and required equity.
Operational feasibility	Property-management coverage, maintenance access, contractors, utilities, insurance, and compliance costs.
Exit and liquidity	Depth of the future buyer pool, refinancing potential, and the risks of relying on a single exit path.

The strategy does not assume that every Eastern Ontario market is equally attractive. Market selection remains subordinate to the same governance standards applied to each property: positive cash flow, minimum cap rate, adequate DSCR, funded reserves, documented due diligence, and formal approval.

Population, Employment & Household Formation

Rental demand is supported by structural drivers, but each acquisition must be evaluated against current local evidence.

The source business plan attributes Ottawa's long-term housing demand to population growth, federal government employment, expansion of the technology sector, international immigration, and interprovincial migration. These factors increase household formation and support demand for both rental housing and ownership housing.

DEMAND DRIVER	STRATEGIC RELEVANCE
Federal government employment	A large public-sector employment base can support income stability and a recurring renter population.
Technology-sector activity	Skilled employment can increase demand near major employment centres and transportation corridors.
Immigration and migration	New residents frequently enter the housing market as renters before transitioning to ownership.
Higher ownership costs	Mortgage qualification and affordability constraints can keep households in rental housing longer.
Student and young-professional demand	Universities, colleges, and early-career employment support demand for smaller unit types.
Household diversity	A broad tenant base reduces reliance on a single employment sector or tenant profile.

Source population frame

The internal planning document reports City of Ottawa population growth from 934,243 in 2016 to 1,017,449 in 2021, with an internal estimate of approximately 1.12 million in 2025 and a projection of 1.3 million by 2030. These later figures require independent confirmation before use in acquisition underwriting.

Governance 360 uses demographic evidence as a market-screening input, not as a substitute for property economics. A growing market does not justify paying an uneconomic price, accepting weak debt coverage, or assuming unsupported future rents.

The Rental Housing Imbalance

Constraints on new supply can support occupancy and rent stability, while also increasing acquisition and operating costs.

The source materials describe a persistent imbalance between population growth and housing construction. Rising construction costs, labour constraints, development-approval timelines, zoning, land availability, and infrastructure capacity can limit the pace at which new housing is delivered.

SUPPLY CONDITION	POTENTIAL BENEFIT	CORRESPONDING RISK
Limited purpose-built rental supply	Supports tenant demand and occupancy for existing assets.	May increase acquisition pricing and competition for quality properties.
High construction costs	Improves replacement-cost support for existing buildings.	Raises renovation, maintenance, and capital-project costs.
Slow approval timelines	Restricts near-term competing supply.	Can delay additions, conversions, or redevelopment initiatives.
Homeownership affordability pressure	Keeps some households in rental housing longer.	Can increase tenant sensitivity to rent levels and operating-cost pass-throughs.
Older rental inventory	Creates value-add and professional-management opportunities.	May carry deferred maintenance, environmental, insurance, and building-system risk.

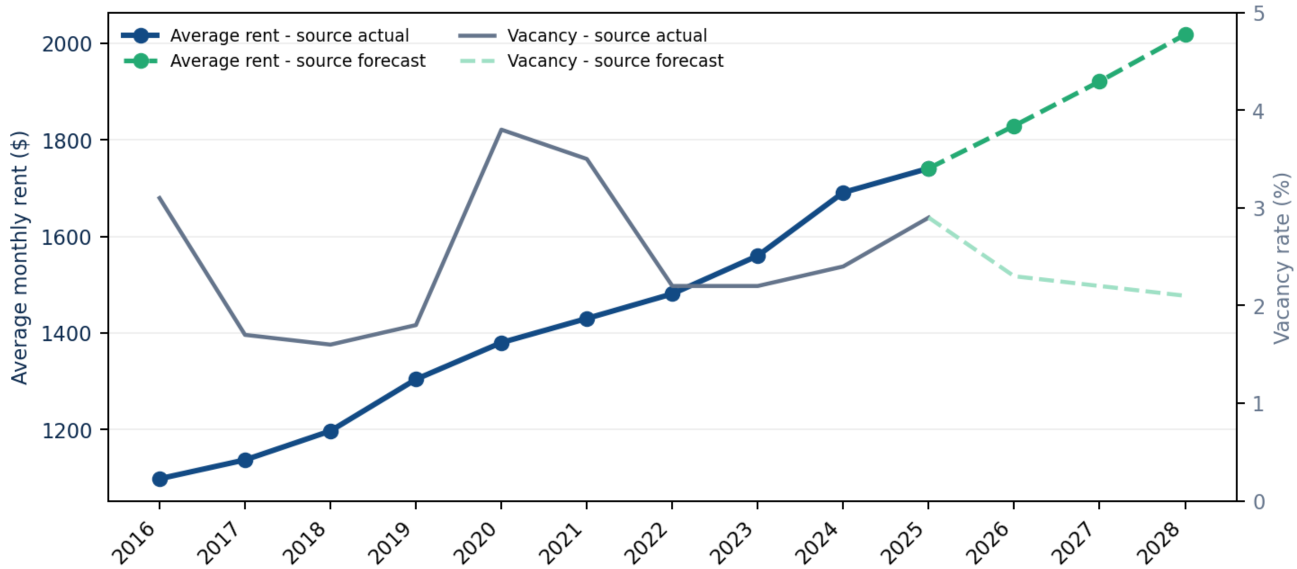
Strategic response

The Corporation seeks to benefit from rental scarcity without assuming that scarcity eliminates risk. Building condition, rent regulation, tenant rights, utility exposure, capital requirements, and local affordability remain central to due diligence.

The preferred acquisition is therefore not simply an older building in a constrained market. It is an asset whose physical condition, current income, financing, tenant profile, and improvement plan can be reconciled within a conservative operating budget.

Occupancy & Rent Growth

The internal market model shows sustained rent growth and generally tight vacancy, with forecasts based on simplified trend assumptions.



Ottawa rental market - source history and internal forecast

Source: Multi-Family Real Estate Investment Holdings internal planning model. 2016-2025 values are presented as source actuals; 2026-2028 are source forecasts using trend formulas.

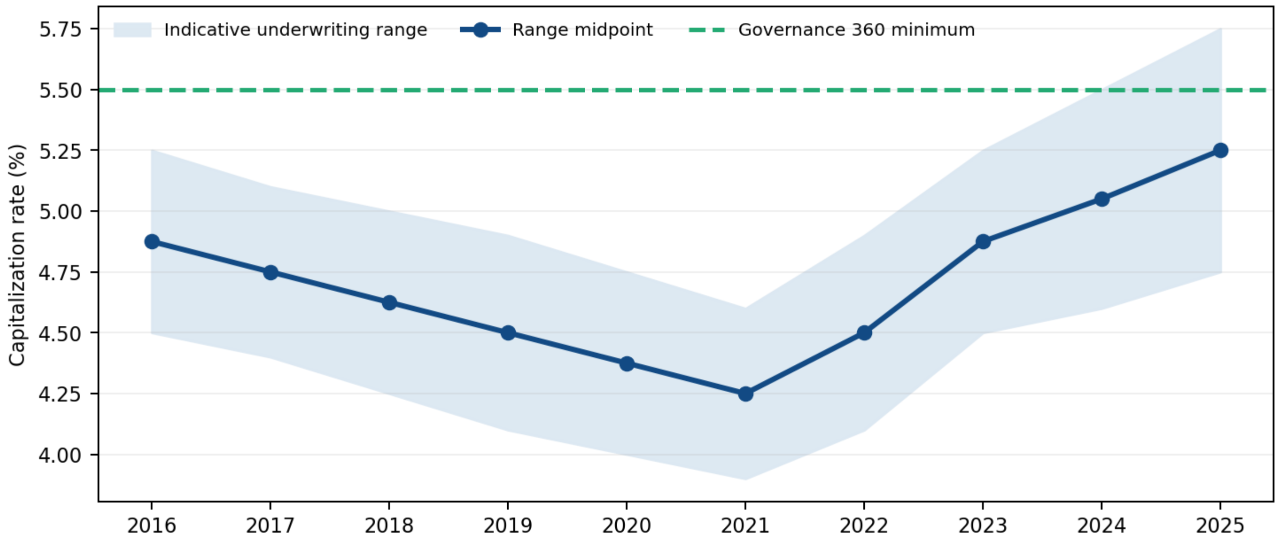
PERIOD	VACANCY	AVERAGE RENT	INTERPRETATION
2016	3.1%	$1,098	Starting point of the source history.
2021	3.5%	$1,430	Higher vacancy following the 2020 disruption, with continued rent growth.
2025	2.9%	$1,741	Source planning endpoint for the historical series.
2026 forecast	2.3%	$1,829	Linear vacancy trend and rent CAGR applied by the source model.
2028 forecast	2.1%	$2,018	Illustrative continuation of the source assumptions, not a guaranteed outcome.

Underwriting position

Property decisions should not automatically adopt the source forecast. Governance 360 requires current rent rolls, comparable rents, lease review, local vacancy evidence, tenant turnover assumptions, and sensitivity testing before projected income is accepted.

Income-Based Valuation Discipline

Market pricing is relevant, but the Corporation acquires only when sustainable NOI supports the purchase price and financing structure.



Indicative Ottawa multi-family cap-rate range

Source: internal planning memorandum. The range is illustrative underwriting context, not a verified closed-transaction index.

The source memorandum presents an illustrative Ottawa cap-rate range that compressed through 2021 and widened after borrowing costs increased. Governance 360 sets a minimum acquisition cap rate of 5.5%, recognizing that individual assets may vary by location, condition, tenure, unit mix, and value-add potential.

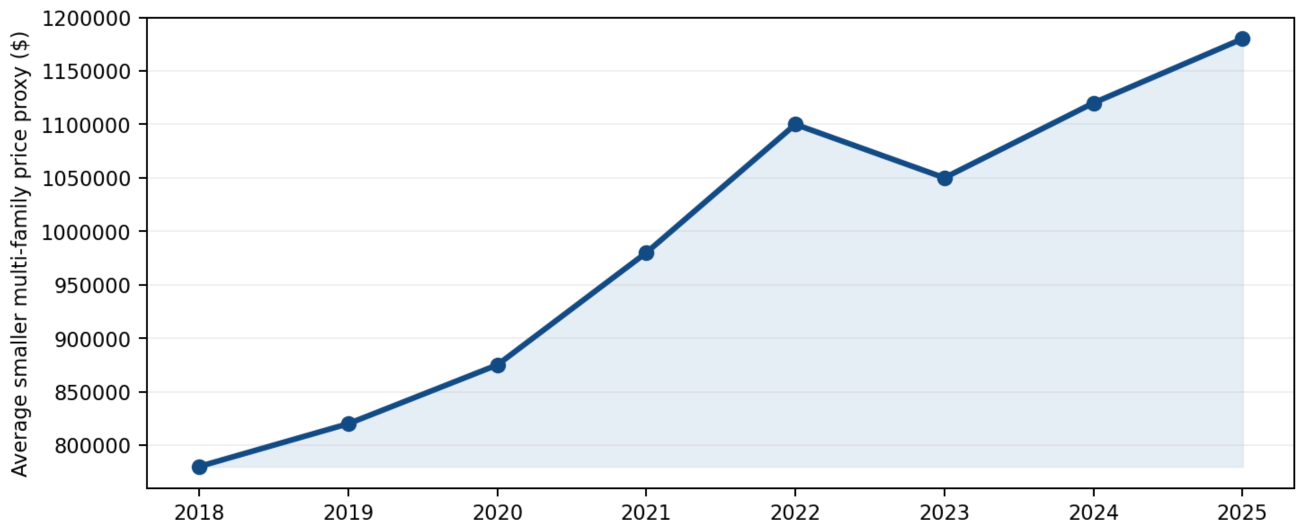
No reliance on cap-rate compression

The investment case must remain viable without assuming that future buyers will accept a lower capitalization rate. Value creation should primarily come from sustainable NOI growth, prudent debt reduction, and operational execution.

06A | PRICE CONTEXT

Price Trends & Acquisition Discipline

Market appreciation may support long-term equity, but purchase price must remain anchored to verified income and replacement-cost realities.



Smaller multi-family price proxy - source planning data

Source: internal planning memorandum. Figures are presented as observed-market proxies and require property-specific verification.

The source planning data show an increase in the average smaller multi-family price proxy from approximately $780,000 in 2018 to $1.18 million in 2025, with a temporary correction in 2023. The series is useful as directional context, but it is not a substitute for licensed comparable sales, an appraisal, or property-level income analysis.

PRICING QUESTION	GOVERNANCE 360 RESPONSE
Is the asking price supported by current NOI?	Reconstruct income and expenses, normalize one-time items, and calculate the going-in cap rate.
Is the price per unit reasonable?	Compare unit mix, condition, location, rents, and required capital expenditures with relevant evidence.
Does appreciation make the deal work?	Reject underwriting that depends on unsupported appreciation or future cap-rate compression.
Can financing support the price?	Test debt coverage, interest-rate sensitivity, fees, reserves, and required investor equity.
Is there a defensible value-add plan?	Quantify cost, timing, lawful rent potential, disruption, and the expected change in sustainable NOI.

Price is a control variable

Governance 360 can respond to an attractive property with a lower offer, revised financing, additional reserves, or a no-go decision. The objective is not to win every acquisition; it is to avoid acquiring an asset on terms that weaken the portfolio.

The Target Property Profile

Small to mid-scale apartment assets that combine multiple income streams, manageable acquisition size, and operational flexibility.

PROPERTY TYPE	UNITS	SOURCE TARGET PRICE BAND	STRATEGIC RATIONALE
Small apartment building	4-6	$900,000-$1.6M	Accessible entry point, multiple rents, and direct operational control.
Mid-size apartment	7-12	$1.6M-$3.0M	Improved scale while remaining below many institutional acquisition thresholds.
Larger multi-family	12-20	$3.0M-$5.0M	Greater income diversification and operating scale, subject to higher capital requirements.

The source strategy prioritizes properties that are structurally sound, income-producing, and capable of improvement without requiring speculative redevelopment. Smaller apartment buildings may be particularly attractive when they have been under-managed, contain rents below supported market levels, or offer ancillary revenue opportunities.

01	02	03	04	05
SOURCE	**SCREEN**	**DILIGENCE**	**APPROVE**	**OPERATE**
Identify assets within the approved market and unit range.	Test cap rate, DSCR, cash flow, occupancy, and price per unit.	Validate income, leases, expenses, condition, title, zoning, and financing.	Obtain Investment Committee recommendation and required shareholder approval.	Implement the approved asset plan, reserves, reporting, and controls.

Acquisition gate

No property proceeds solely because it appears attractive. The USA requires a written Investment Committee recommendation, and property acquisitions are Reserved Matters requiring the prescribed Class A and Class B approvals.

A Property Must Survive Conservative Assumptions

Governance 360 converts acquisition standards into objective decision gates and documented exceptions.

5.5% **MINIMUM CAP RATE** Source governance standard	**1.20x** **MINIMUM DSCR** Target 1.30x+	**> $0** **CASH FLOW** Positive from acquisition
<5% **PREFERRED VACANCY** Market and property screen	**90%** **OCCUPANCY THRESHOLD** Distributions restricted below	**Funded** **REQUIRED RESERVES** Before distributions

UNDERWRITING AREA	REQUIRED ANALYSIS
Income	Rent roll, lease terms, arrears, concessions, parking, storage, laundry, and other income.
Vacancy and credit loss	Property history, local evidence, turnover, collection risk, and conservative allowances.
Operating expenses	Taxes, insurance, utilities, maintenance, management, administration, legal, and recurring compliance.
Capital expenditures	Roof, structure, mechanical systems, electrical, plumbing, life safety, accessibility, and unit turnover.
Financing	Loan-to-value, interest rate, amortization, fees, covenants, refinancing exposure, and debt-service sensitivity.
Returns and liquidity	Cash-on-cash return, equity requirement, reserve funding, downside cases, and potential exit constraints.

Decision principle

A strong market cannot cure a weak property. A strong property cannot cure an imprudent capital structure. Both the asset and the financing must pass the approved thresholds.

Increase NOI Through Controlled Execution

The preferred strategy improves existing operations without depending on major redevelopment or immediate tenant displacement.

VALUE-ADD LEVER	EXAMPLES	CONTROL REQUIREMENT
Unit modernization	Targeted upgrades at lawful turnover to improve quality and supported rent.	Approved budget, scope, contractor controls, and return-on-cost analysis.
Expense management	Utility monitoring, preventive maintenance, procurement discipline, and vendor review.	Service standards, competitive sourcing where practical, and budget variance reporting.
Revenue optimization	Parking, storage, laundry, pet or service arrangements where lawful and appropriate.	Tenant, legal, insurance, and market review before implementation.
Collections and leasing	Consistent screening, documentation, arrears management, and vacancy reduction.	Fair-housing compliance, privacy controls, and standardized procedures.
Property management	Clear accountability, inspection cycles, work-order tracking, and tenant communication.	Performance measures, reporting cadence, and Board oversight.

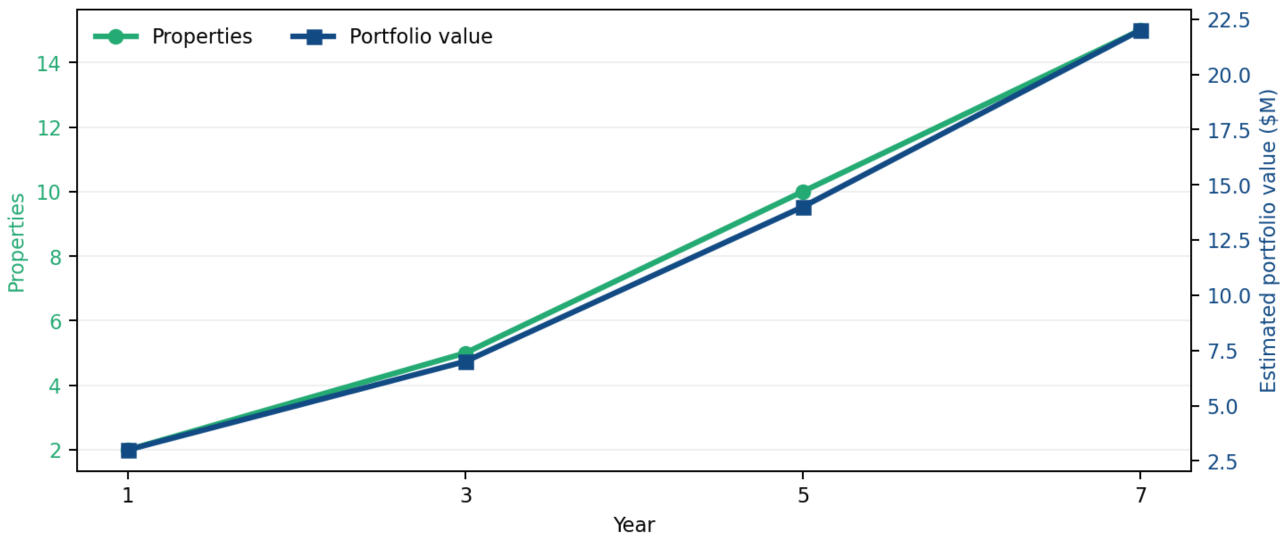
NOI is the operating objective

Sustainable increases in Net Operating Income can improve both current cash flow and income-based property value. Improvements must be supported by real operating evidence, not merely projected market rent.

The value-add strategy is incremental. It favours repeatable improvements that can be measured, funded, and governed. Major capital projects remain subject to budget approval, reserve planning, due diligence, and the approval thresholds established in the corporate documents.

Reinvestment, Refinancing & Equity Recycling

A staged growth model intended to expand the portfolio without abandoning liquidity, debt coverage, or founding-capital protections.



Illustrative portfolio growth path from the source business plan

Source planning illustration: Year 1 - 2 properties / $3M; Year 3 - 5 / $7M; Year 5 - 10 / $14M; Year 7 - 15 / $22M. Not a forecast or commitment.

01	02	03	04	05
ACQUIRE	**STABILIZE**	**IMPROVE**	**REFINANCE**	**REINVEST**
Purchase a cash-flow-positive asset within approved standards.	Protect occupancy, fund reserves, and normalize operations.	Increase sustainable NOI through governed value-add work.	Consider equity release only when coverage and market conditions support it.	Deploy approved capital into the next qualifying acquisition.

The Investor Waterfall & Distribution Policy reinforces this staged approach. During the initial stabilization phase, operating expenses, debt service, mandatory reserves, the acquisition reserve, founding-loan repayment, and preferred returns are prioritized before residual cash is divided between reinvestment and distribution.

Growth is conditional, not automatic

Refinancing and acquisition activity must not reduce DSCR below approved limits, leave reserves underfunded, breach loan covenants, or weaken the protection of founding capital.

Strategy Includes the Discipline to Say No

Governance 360 is intended to prevent attractive narratives from overriding evidence, thresholds, and fiduciary responsibility.

RISK	POTENTIAL EFFECT	GOVERNANCE RESPONSE
Interest-rate and refinancing risk	Higher debt service, reduced proceeds, or inability to refinance on acceptable terms.	Stress testing, conservative leverage, covenant monitoring, and no reliance on refinancing to cure weak cash flow.
Vacancy and rent softness	Lower effective revenue and weaker debt coverage.	Local evidence, conservative vacancy allowances, diversified unit mix, and operating reserves.
Deferred maintenance	Unexpected capital demands and tenant disruption.	Engineering review, capital plan, inspection, reserve funding, and purchase-price adjustment.
Expense inflation	Pressure from insurance, utilities, taxes, labour, and repairs.	Historical verification, sensitivity analysis, procurement control, and budget monitoring.
Regulatory and tenant-law risk	Restrictions on rent, renovation, eviction, use, or redevelopment.	Qualified legal review, standardized compliance, and conservative improvement assumptions.
Market concentration	Exposure to one community, employer, property type, or tenant profile.	Portfolio diversification over time and market-level performance monitoring.
Governance failure	Unapproved transactions, conflicts, weak records, or capital leakage.	Reserved matters, committees, fiduciary duties, reporting, conflict disclosure, and audit controls.

Distribution safeguards

No distributions are permitted when DSCR is below 1.20, occupancy is below 90%, reserve thresholds are unmet, or loan covenants are breached. These restrictions place enterprise stability ahead of short-term investor cash flow.

12 | STRATEGIC CONCLUSION

A Scalable Strategy With Governed Boundaries

The market opportunity is meaningful only when it can be converted into durable, financeable, and well-controlled operating assets.

Governance 360 market strategy

Target a defensible rental market. Acquire within objective standards. Improve sustainable NOI. Protect liquidity and debt coverage. Reinvest only after the portfolio can support the next stage of growth.

Volume 2 establishes the market and strategic logic for the Corporation. It identifies the target asset class, the Ottawa and Eastern Ontario focus, the demand and supply factors supporting rental housing, the minimum underwriting thresholds, the value-add approach, and the staged portfolio-growth model.

The strategy remains intentionally conservative. It does not assume uninterrupted rent growth, cap-rate compression, easy refinancing, or immediate liquidity. Every acquisition must be supported by verified property information, local market evidence, physical and legal due diligence, prudent financing, funded reserves, and the approvals required by the governance framework.

STRATEGIC COMMITMENT	PRACTICAL MEANING
Governance first	Investment decisions follow documented authority, review, approval, and reporting.
Capital preservation	The portfolio avoids speculative activities and protects founding and investor capital through priority structures.
Positive cash flow	Properties are expected to contribute income from acquisition rather than depend on future correction.
Disciplined growth	Expansion occurs through stabilized operations, sustainable NOI, prudent refinancing, and approved reinvestment.
Multi-generational stewardship	The strategy is designed to preserve a family enterprise beyond a single property or investment cycle.

Next volume

Volume 3 will address the investor structure, capital deployment model, preferred-return framework, waterfall mechanics, and distribution protections in greater detail.

Prepared for preliminary founding-investor discussion. Property-specific decisions remain subject to definitive documentation and professional advice.

GOVERNANCE 360™

Better Governance. Better Decisions. Better Investments.

FOUNDING INVESTOR PROSPECTUS

GOVERNANCE FRAMEWORK

Volume 3

Clear Authority • Protected Capital • Accountable Decisions

GODWIN-RENAUD REAL ESTATE INVESTMENT HOLDINGS

Ottawa & Eastern Ontario

CONFIDENTIAL DRAFT | AUGUST 2026

DOCUMENT STATUS AND SCOPE

Governance Framework

The authority, accountability, capital-protection and investor-protection structure supporting Governance 360.

Purpose of this volume

Volume 3 explains how the Corporation is intended to be governed before, during and after each property acquisition. It converts the current Unanimous Shareholders Agreement, Investor Waterfall & Distribution Policy and Go/No-Go Dashboard into an investor-facing governance framework.

This document is confidential and prepared for discussion purposes only. It is not legal advice, a securities prospectus, an offering memorandum, or a substitute for definitive corporate records. The Unanimous Shareholders Agreement and Waterfall Policy are identified in the source documents as institutional drafts and require final review by qualified corporate, securities, tax and real-estate counsel.

Primary source framework: Unanimous Shareholders Agreement (Institutional Governance Draft); Investor Waterfall & Distribution Policy (Institutional Draft Version 1.0); and Investment Go/No-Go Dashboard.

Governance Before Growth

The investment model is designed to make governance a condition of capital deployment, not an administrative exercise performed after acquisition.

Core governance proposition

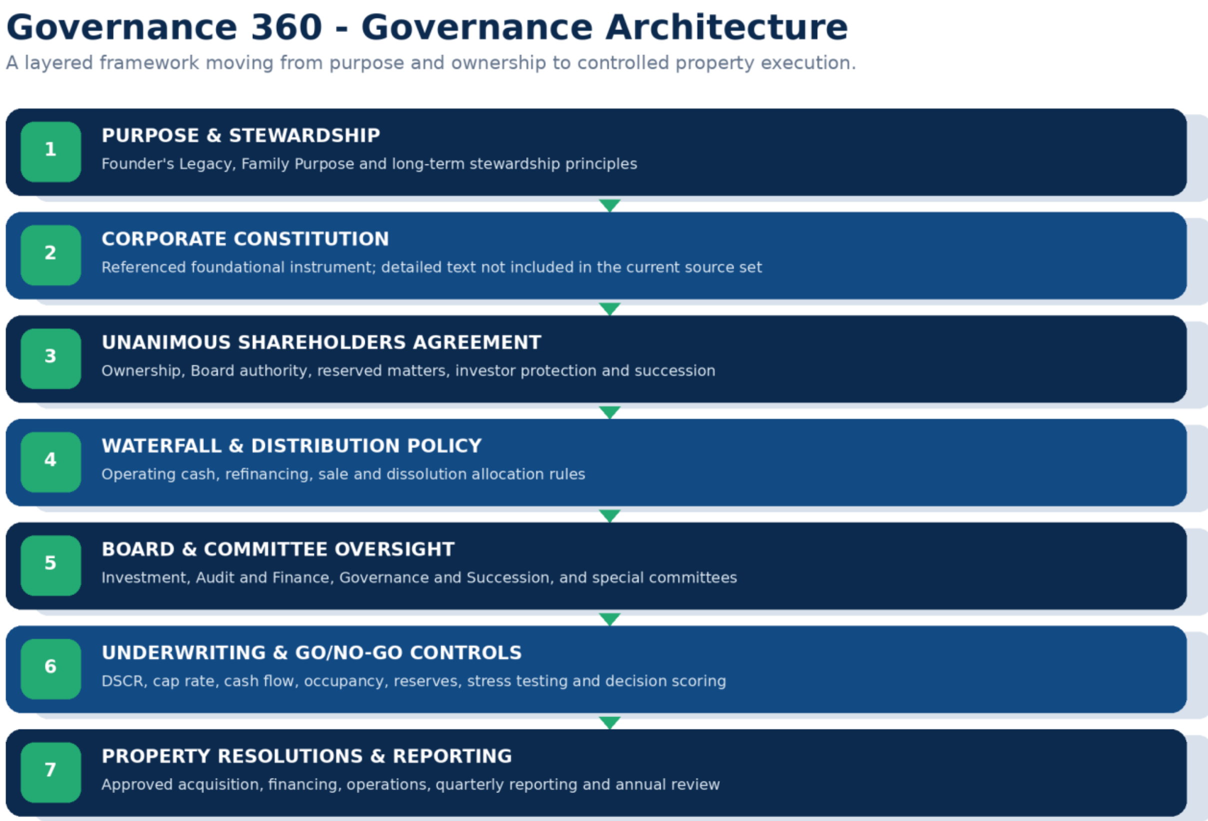
Every material decision should have a defined decision-maker, an evidence requirement, an approval threshold, a documented record and an accountable follow-through process.

4x MINIMUM BOARD MEETINGS Regular meetings each year	**1.20x** MINIMUM DSCR Target 1.30x or better	**5.5%** MINIMUM CAP RATE General acquisition standard
90% DISTRIBUTION OCCUPANCY FLOOR No distributions below threshold	**$300K** PROTECTED FOUNDING CAPITAL $150K loan + $150K equity	**90 days** ANNUAL VALUATION TIMING Following fiscal year-end

GOVERNANCE OBJECTIVE	HOW THE FRAMEWORK RESPONDS
Preserve capital	Protected founding capital, conservative financing, acquisition thresholds and distribution restrictions.
Control major decisions	Reserved matters, Class A approval rights, Board resolutions and committee recommendations.
Create accountability	Fiduciary duties, conflicts rules, minutes, quarterly reporting and annual governance reviews.
Protect investors	Information rights, capital-return priority, tag-along rights, transfer restrictions and dispute mechanisms.
Support continuity	Estate, disability, succession, valuation and multi-generational stewardship provisions.

A Layered Control Environment

Purpose and ownership principles flow downward into authority, capital rules, acquisition controls and property reporting.



The architecture reflects the current source documents and their referenced supporting instruments.

Source-set limitation

The Corporate Constitution, Board Governance Charter and formal committee Terms of Reference are referenced within the broader framework but were not included as complete source documents for this volume. Their detailed provisions should therefore be incorporated only after formal review and approval.

Stewardship as the Governing Standard

The current USA frames the Corporation as both an investment vehicle and a family stewardship organization.

Founding decision test

Does the decision honour Ronald Kenneth Godwin's legacy, protect the opportunities created for his family, and strengthen the future of the Godwin-Renaud family for generations to come?

GOVERNING PRINCIPLE	PRACTICAL MEANING
Capital Preservation	Directors exercise particular caution regarding debt, refinancing, acquisitions, capital expenditures and new strategies.
Positive Cash Flow	Properties should be income-producing and financially sustainable from acquisition.
Conservative Financing	Debt is constrained through DSCR, liquidity, covenant and reserve controls.
Long-Term Ownership	The strategy emphasizes recurring income and stewardship rather than property flipping.
Transparency	Shareholders receive recurring performance, financial, capital and strategic information.
Multi-Generational Stewardship	Ownership, succession and education provisions are intended to preserve continuity.

The USA expressly prohibits land speculation, property flipping, cryptocurrency investments, unsecured lending and other high-risk speculative investments. These restrictions operate as strategic boundaries: opportunities outside the approved purpose are not merely unattractive; they fall outside the intended mandate.

Different Roles, Defined Rights

The current draft separates founding control, management authority and investor economic participation through three share classes.

SHARE CLASS	INITIAL HOLDERS IN CURRENT DRAFT	PRINCIPAL RIGHTS	KEY RESTRICTIONS / ROLE
Class A - Founding	Zachary Godwin; Alexander Godwin	10 votes per share; veto rights; anti-dilution; priority return of capital; director appointment rights	Protect founding capital and maintain strategic control.
Class B - Management	Richard Renaud	Voting rights; profit participation; management authority; right to appoint Management Director	Day-to-day leadership subject to Board oversight and reserved approvals.
Class C - Investor	Bailey Renaud; Brooke Renaud; Kimberley Godwin-Renaud; Amber Goudie-Chapin	Economic participation and information rights; Waterfall policy also states 8% preferred return, capital-return priority and tag-along rights	No management authority; Board status requires final alignment between draft documents.

Protected founding capital

The USA and Waterfall Policy identify $300,000 of protected founding capital, consisting of a $150,000 Founding Shareholder Loan Account and $150,000 of Class A founding equity, allocated equally between the two Class A founders.

No shareholder is generally obligated to contribute additional capital. Optional capital calls may be authorized for asset preservation, default avoidance, approved acquisitions or major capital improvements, with existing shareholders offered participation before external investors are approached.

Authority With Accountability

The Board manages the business and affairs of the Corporation except where authority is reserved to shareholders or specific classes.

BOARD ELEMENT	CURRENT DRAFT REQUIREMENT
Size	Not fewer than three and not more than seven Directors.
Class A appointments	Class A shareholders exclusively appoint and remove two Directors by unanimous Class A approval.
Management Director	Class B may appoint one Management Director responsible for day-to-day administration subject to Board oversight.
Independent Directors	May be appointed for real estate, finance, banking, accounting, law or governance expertise with 75% Board approval and unanimous Class A approval.
Chairperson	Appointed from the Class A Directors; initially identified as Alexander Godwin; no casting vote on Reserved Matters.
Meetings	At least four regular meetings annually, plus an annual strategic session and special meetings as required.

Directors must act honestly, in good faith and in the best interests of the Corporation, exercising the care, diligence and skill expected of a reasonably prudent person. A Director with a direct or indirect financial interest in a proposed transaction must disclose the interest and abstain from voting.

Corporate opportunities

No Director, Officer or Shareholder may appropriate for personal benefit an investment opportunity first identified through the Corporation without prior written Board consent.

Specialized Review Before Board Action

Committees create focused review capacity while the Board retains ultimate authority unless a written resolution expressly delegates it.

COMMITTEE	MANDATE	PRINCIPAL REVIEW AREAS
Investment Committee	Review and recommend acquisitions, dispositions, refinancing and major capital projects.	Property performance, due diligence, financing, risk, capital expenditures and compliance with investment standards.
Audit and Finance Committee	Oversee financial integrity, liquidity and covenant compliance.	Financial statements, cash flow, budgets, reserves, financing proposals, external audits and lender requirements.
Governance and Succession Committee	Maintain governance quality and long-term continuity.	Director evaluations, succession, family stewardship, shareholder education and ownership planning.
Special Committees	Address a specific transaction, dispute, financing arrangement or strategic initiative.	Defined by written Terms of Reference and Board resolution.

Mandatory acquisition recommendation

The current USA states that no acquisition shall proceed without a written recommendation from the Investment Committee. The recommendation is an evidence gate; it does not replace the reserved approvals required for the transaction.

- All committees should operate under approved written Terms of Reference.
- Committee minutes, recommendations and supporting analyses should be retained in the corporate record.
- Any delegation of authority should be explicit, limited and documented by Board resolution.

Approval Thresholds Match Decision Risk

Routine operating matters can move efficiently, while strategic, capital and ownership decisions require heightened consent.

ORDINARY Simple majority	SPECIAL 75% of voting Directors + no Class A objection	RESERVED Current draft table: unanimous Class A + one Class B	SUPERMAJORITY 75% of voting shareholders
Budgets, routine expenditures, vendors, maintenance and administrative policy.	Capital expenditures over $100,000, material financing, restructuring and strategy changes.	Acquisitions, sales, refinancing, new investors, shares, governing-document changes and dissolution.	Independent directors, material financing amendments, subsidiaries, major dispositions and reorganizations.

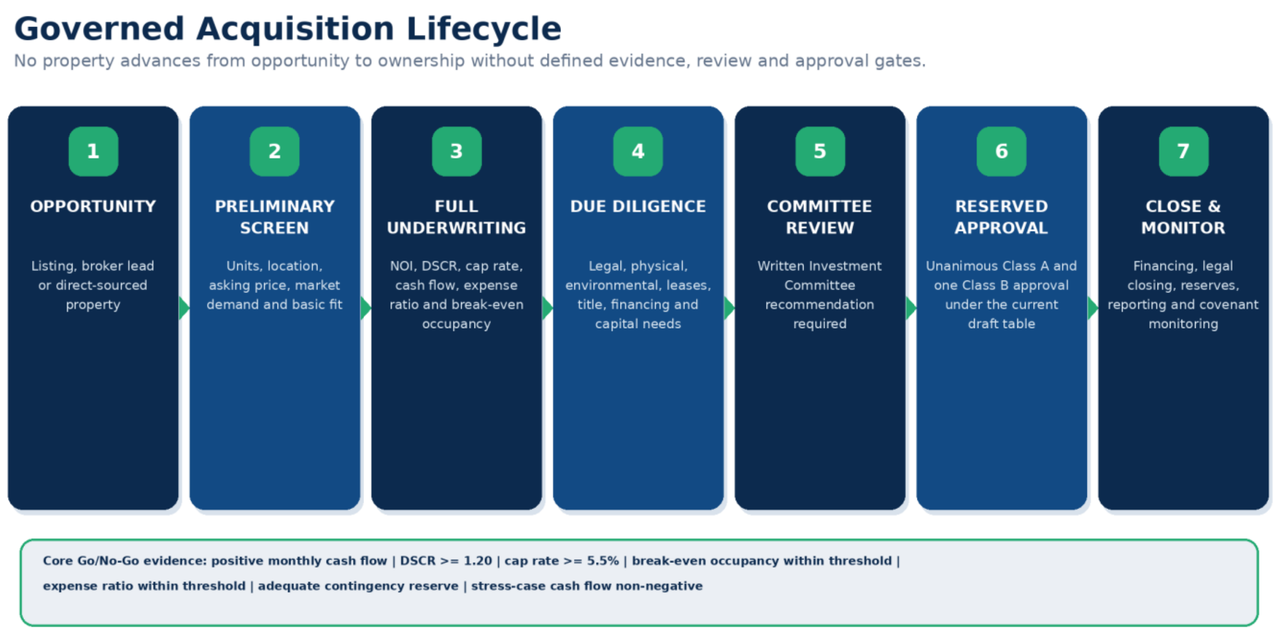
RESERVED MATTER IN CURRENT DRAFT	REQUIRED APPROVAL SHOWN IN ARTICLE 18 TABLE
Property acquisition, sale or refinancing	Unanimous Class A and one Class B
New mortgage financing	Unanimous Class A and one Class B
Admission of investors or issuance of shares	Unanimous Class A and one Class B
Amendment of Constitution, USA or Waterfall Policy	Unanimous Class A and one Class B
Dissolution, merger or amalgamation	Unanimous Class A and one Class B
Related-party transaction or reduction of founding-capital protection	Unanimous Class A and one Class B

Control consequence

The USA provides that a Reserved Matter undertaken without the required approval is null and void. Definitive legal drafting should confirm the exact approval wording and mechanics.

Evidence, Review, Recommendation, Approval

The Go/No-Go Dashboard supports a repeatable decision record; the USA supplies the committee and shareholder approval gates.



The Dashboard calculates Effective Gross Income, operating expenses, NOI, annual debt service, cash flow before tax, cap rate, DSCR, cash-on-cash return, break-even occupancy, price per unit and expense ratio. It also applies best-case, base-case and stress-case sensitivity scenarios and generates a scored recommendation of Strong Buy, Review or Reject.

Governance principle

A favourable Dashboard score is necessary evidence, not automatic authority to purchase. Property-specific due diligence, financing acceptability, a written Investment Committee recommendation and the applicable Reserved Matter approval remain required.

Cash Follows a Defined Priority

The Waterfall Policy places operations, debt and reserves ahead of distributions and speculative growth.

PHASE 1	PHASE 2	PHASE 3
Portfolio stabilization - Years 1 to 5	**After founding loan repayment and reserve funding**	**Portfolio exceeds $10M or 50 units**
Operating expenses; debt service; mandatory reserves; acquisition reserve; 50% of excess cash to founding loan repayment; 8% preferred return; residual 70% reinvestment / 30% distribution.	Residual cash flow: 50% reinvestment / 50% distribution. Distribution split: 80% investors / 20% management.	Residual cash flow becomes distributable subject to Board approval. Distribution split: 70% investors / 30% management.

DISTRIBUTION GATE	RESTRICTION
DSCR	No distribution if DSCR is below 1.20.
Occupancy	No distribution if occupancy is below 90%.
Reserves	No distribution while mandatory reserve thresholds are unmet.
Lender covenants	No distribution while a loan covenant is breached.

Refinancing and sale proceeds are also governed by priority sequences. Costs, debt obligations and protected founding capital are addressed before residual investor and management participation. Dissolution priorities remain expressly subject to applicable law.

Transparent Performance, Documented Decisions

Shareholder information rights are supported by a recurring reporting cadence and access to corporate and property records.

REPORTING LAYER	REQUIRED CONTENT IN CURRENT USA
Quarterly	Occupancy, rental income, cash flow, debt balances, reserve balances and property-performance metrics.
Annual	Financial statements, property valuation summary, capital account summary, Waterfall Distribution Report and strategic plan update.
Inspection rights	Reasonable access to financial records, corporate records, property information and governance documents.
Annual meeting	Within six months after fiscal year-end to review financial performance, portfolio growth, strategy, succession and acquisitions.
Annual valuation	Completed within 90 days after fiscal year-end by a CPA, accredited business valuator or qualified real-estate appraiser.

Minimum decision record

Each material transaction should retain the source data, Dashboard version, due-diligence reports, conflicts declarations, committee recommendation, Board or shareholder resolution, financing approval and post-closing monitoring plan.

Minutes are required for Board meetings and are to be circulated within 30 days. Electronic attendance is permitted where participants can communicate simultaneously, supporting a practical governance cadence across locations.

Economic Participation Without Uncontrolled Authority

The framework protects investors through information, priority and transfer rights while reserving management and strategic control.

PROTECTION	CURRENT DRAFT TREATMENT
Preferred return	Waterfall Policy provides an 8% preferred return to Class A and Class C equity in Phase 1.
Capital return priority	Class C investor capital is returned before residual profit under the property-sale and dissolution waterfalls, after higher-priority obligations.
Information rights	USA provides quarterly and annual reporting and reasonable inspection rights to shareholders.
Tag-along rights	Class B and Class C may participate proportionately when Class A sellers propose to transfer more than 50% of voting control.
Transfer restrictions	Shares cannot be transferred except under the USA; Class A, the Corporation and remaining shareholders receive staged purchase rights.
No mandatory capital calls	Shareholders are not generally obligated to contribute additional capital.

Control protection

Class A shareholders retain anti-dilution protection and appointment rights. Class C investors are intended to have economic and information participation without management authority; the final Board-attendance status should be reconciled in the definitive documents.

Continuity Is Designed Before It Is Needed

The USA establishes mechanisms for death, disability, voluntary exit, misconduct, deadlock and dissolution.

EVENT	GOVERNANCE RESPONSE
Death	Shares vest in the estate, subject to a corporate purchase option and then a shareholder purchase option; life insurance may fund the transaction.
Disability	After 12 continuous months of inability to substantially perform duties, the Corporation may purchase the affected shareholder's shares at Fair Market Value.
Voluntary transfer	Right of First Refusal sequence: Class A, then Corporation, then remaining shareholders; third-party terms cannot be more favourable.
Forced-sale event	Bankruptcy, insolvency, fraud, dishonesty conviction, misappropriation or material fiduciary breach may trigger purchase rights and up to a 25% misconduct discount.
Deadlock	Good-faith negotiation, then mandatory mediation, then binding arbitration if unresolved.
Dissolution	Requires unanimous Class A approval and at least 75% of all voting shares, after considering alternatives such as sale, restructuring or buy-outs.

Fair Market Value is defined through real-estate equity, cash, receivables and liabilities. In a valuation dispute, each party appoints a valuator, the two valuators appoint a third, and the average valuation is binding under the current draft.

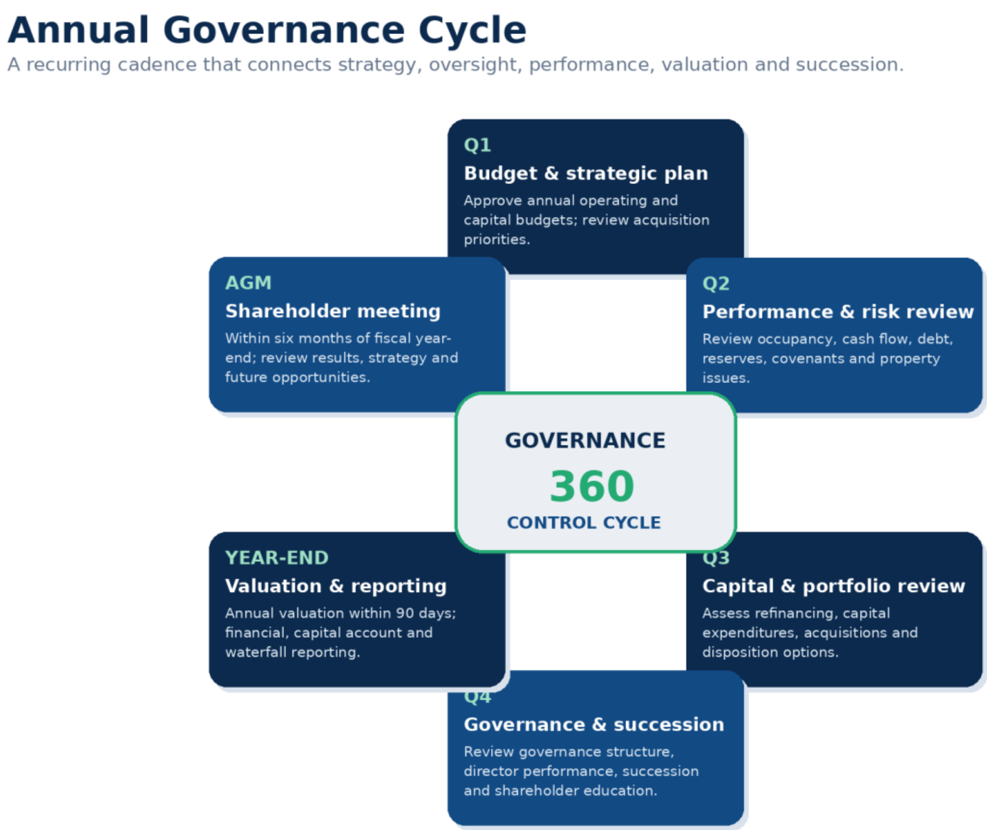
Emergency authority

During a deadlock, the Board may act to preserve assets, prevent financial loss, avoid default, protect tenants and comply with law, but emergency authority does not extend to Reserved Matters.

13 | ANNUAL GOVERNANCE CYCLE

Governance as a Recurring Operating Discipline

The framework is strongest when it is scheduled, measured and renewed throughout the year.



- Quarterly Board packages should use a consistent portfolio dashboard and exception-based risk reporting.
- The annual strategic session should connect property performance, capital availability, acquisition capacity and succession objectives.
- The annual valuation, shareholder meeting and governance review should be sequenced so investors receive current information before major strategic decisions.

Items Requiring Reconciliation

The source documents form a substantial governance framework, but several provisions should be aligned before external investment or final execution.

DRAFT ISSUE	WHY IT MATTERS / REQUIRED ACTION
Class C Board status	USA Article 9 lists Class C Silent Directors who may attend and discuss; the Waterfall Policy states Class C investors have no Board seat. Final documents should select one model and define voting, attendance and confidentiality rights.
Ownership percentages	Waterfall Policy recommends 42.5% / 42.5% / 15% for Class A and Class B, totaling 100%, while the USA also identifies Class C holders. Capitalization and economic rights require one reconciled schedule.
Reserved approval wording	Article 18 introduces unanimous written shareholder approval, while its table uses unanimous Class A and one Class B. The definitive threshold and execution mechanics should be explicit.
Preferred-return documentation	The 8% preferred return is stated in the Waterfall Policy but should be reflected consistently in share terms, subscription documents and tax/accounting treatment.
Document precedence	The source set references a Corporate Constitution and other policies but does not establish a complete order of precedence among all instruments.
Creditor and dissolution priorities	All liquidation and repayment priorities must remain subject to corporate, insolvency, tax, lender and securities law.

Recommended finalization sequence

Corporate counsel review -> tax and accounting review -> reconciled capitalization table -> final share terms -> Board and committee Terms of Reference -> subscription documents -> securities-law compliance review -> signed resolutions and corporate records.

15 | CONCLUSION

Governance Is the Investment Infrastructure

The distinguishing feature of Governance 360 is not simply the properties it may acquire, but the disciplined system used to decide, approve, finance, operate and report on those properties.

> ### The Governance 360 standard
>
> Better Governance. Better Decisions. Better Investments.

The current framework establishes a credible foundation: protected founding capital; defined share classes; a Board and committee structure; fiduciary and conflicts rules; heightened approval thresholds; quantitative Go/No-Go underwriting; distribution restrictions; investor reporting; transfer controls; succession mechanisms; and formal dispute resolution.

The next step is to convert the draft instruments into one legally reconciled governance package and to apply the same evidence, approval and reporting discipline to every property-specific investment memorandum. When that is done, Governance 360 can present investors with more than an opportunity - it can present a repeatable decision system.

VOLUME 3 OUTCOME	BRIDGE TO THE NEXT PACKAGE VOLUME
Authority is defined	Translate governance rights into investor terms and subscription mechanics.
Capital is protected	Show how financing, reserves, preferred returns and distributions work numerically.
Acquisitions are controlled	Apply the Go/No-Go model to a sample property and sensitivity cases.
Investors are informed	Define reporting templates, schedules and performance indicators.

GOVERNANCE FIRST • CAPITAL PRESERVATION • POSITIVE CASH FLOW • MULTI-GENERATIONAL WEALTH

GOVERNANCE 360™

Better Governance. Better Decisions. Better Investments.

FOUNDING INVESTOR PROSPECTUS

INVESTOR INFORMATION

Volume 4

Rights • Returns • Reporting • Risk Awareness

GODWIN-RENAUD REAL ESTATE INVESTMENT HOLDINGS

Ottawa & Eastern Ontario

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DOCUMENT STATUS AND SCOPE

Investor Information

An investor-facing explanation of participation rights, economic priorities, reporting, liquidity constraints and finalization requirements.

Purpose of this volume

Volume 4 translates the current Unanimous Shareholders Agreement, Investor Waterfall & Distribution Policy and business-plan assumptions into a clear investor information reference. It does not create investment rights independently of signed definitive documents.

This document is confidential and prepared for discussion purposes only. Despite the package title, it is not a statutory prospectus, an offering memorandum, legal advice, tax advice, or a solicitation to purchase securities. No investment should be accepted until corporate counsel has finalized the capitalization, share terms, subscription agreement, risk disclosure, investor eligibility and applicable securities-law exemption.

01 | INVESTOR OVERVIEW

What an Investor Is Participating In

The proposed investor relationship is ownership in a governed private real-estate corporation, not direct ownership of a specific unit or a guaranteed income product.

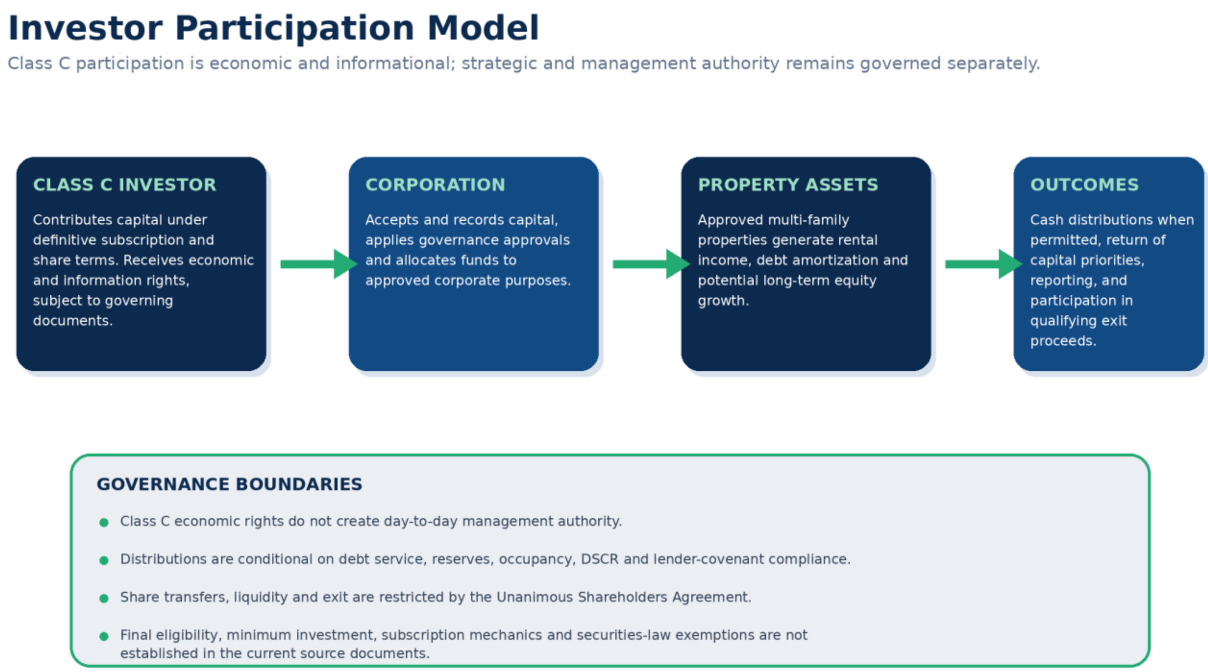
8% **PREFERRED RETURN** Class A and Class C equity in Phase 1	**1.20x** **DISTRIBUTION DSCR FLOOR** No distributions below threshold	**90%** **OCCUPANCY FLOOR** No distributions below threshold
$50K-$100K **ACQUISITION RESERVE TARGET** Before lower waterfall tiers	**Quarterly** **OPERATING REPORTING** Performance, debt and reserves	**Annual** **VALUATION AND MEETING** Defined recurring oversight

INVESTOR QUESTION	CURRENT FRAMEWORK ANSWER
What is the investment vehicle?	A private corporation intended to acquire, own, finance, improve and manage income-producing multi-family residential real estate.
How does an investor participate?	The current USA identifies Class C Investor Shares for economic and information participation. Definitive subscription and share terms remain to be finalized.
Who manages the business?	The Board and Management Director operate under the USA, reserved-matter approvals, committee oversight and documented governance controls.
What protects cash flow?	Operating expenses, debt service, reserves and acquisition reserves rank ahead of preferred returns and residual distributions.
Are returns guaranteed?	No. The documents provide priorities and targets, not guaranteed timing, amount, liquidity or return of capital.

02 | PARTICIPATION MODEL

Economic Participation Within a Controlled Structure

Investor capital is intended to move through defined governance and underwriting gates before it is deployed into property assets.



The current source set defines the broad relationship; definitive subscription mechanics remain outstanding.

Important distinction

An investor may hold shares in the Corporation, but property acquisition, financing, operations, distributions and exits remain subject to corporate approvals, lender rights, reserves, legal obligations and the governing documents.

Founding Capital and Investor Capital

The current draft structure distinguishes founding control and protected founding capital from Class C investor economic participation.

COMPONENT	CURRENT SOURCE TREATMENT	INVESTOR RELEVANCE
Protected founding capital	$300,000 total: $150,000 Founding Shareholder Loan Account and $150,000 Class A founding equity.	Ranks ahead of certain investor payments in refinancing, sale and dissolution waterfalls.
Class A Founding Shares	Initial holders: Zachary Godwin and Alexander Godwin; enhanced voting, veto, anti-dilution, capital-priority and appointment rights.	Maintains founding control and capital protection.
Class B Management Shares	Initial holder: Richard Renaud; voting, profit participation and management authority.	Management economics and authority are separate from Class C rights.
Class C Investor Shares	Economic participation and information rights; Waterfall Policy adds 8% preferred return, capital-return priority and tag-along rights.	Intended external or passive investor class, subject to final share and subscription terms.

Capitalization must be reconciled

The Waterfall Policy recommends 42.5% / 42.5% / 15% ownership for Class A and Class B, totaling 100%, while the USA also identifies Class C shareholders. A definitive capitalization table must establish issued shares, voting percentages, economic percentages, price per share and dilution mechanics before additional subscriptions.

Investor Protections Without Management Control

The current framework emphasizes economic and information rights while reserving strategic control and day-to-day authority.

RIGHT / FEATURE	CURRENT DRAFT TREATMENT
Economic participation	Class C shares provide economic participation in accordance with the share terms and Waterfall Policy.
8% preferred return	Phase 1 provides an 8% preferred return to Class A and Class C equity, after prior waterfall tiers and subject to available cash.
Capital-return priority	Class C capital is returned before residual profit under property-sale and dissolution waterfalls, but after specified higher-priority obligations.
Reporting and inspection	Quarterly and annual reporting plus reasonable access to financial, corporate, property and governance records.
Tag-along protection	Class B and Class C may participate proportionately when Class A sellers propose to transfer more than 50% of voting control.
Management authority	Waterfall Policy states no management authority. The USA separately identifies Class C Silent Directors; this inconsistency requires final alignment.
Board seat	Waterfall Policy states no Board seat. Any attendance, observer or discussion rights must be expressly reconciled in definitive documents.

No unilateral redemption right

The USA states that no shareholder may compel the Corporation to redeem shares except where expressly provided. Investor liquidity is therefore restricted and should be evaluated on a long-term basis.

Capital Is Deployed Through Corporate Priorities

The source framework supports property acquisition, reserves, capital improvements and portfolio growth, but does not establish a final investor-specific use-of-proceeds schedule.

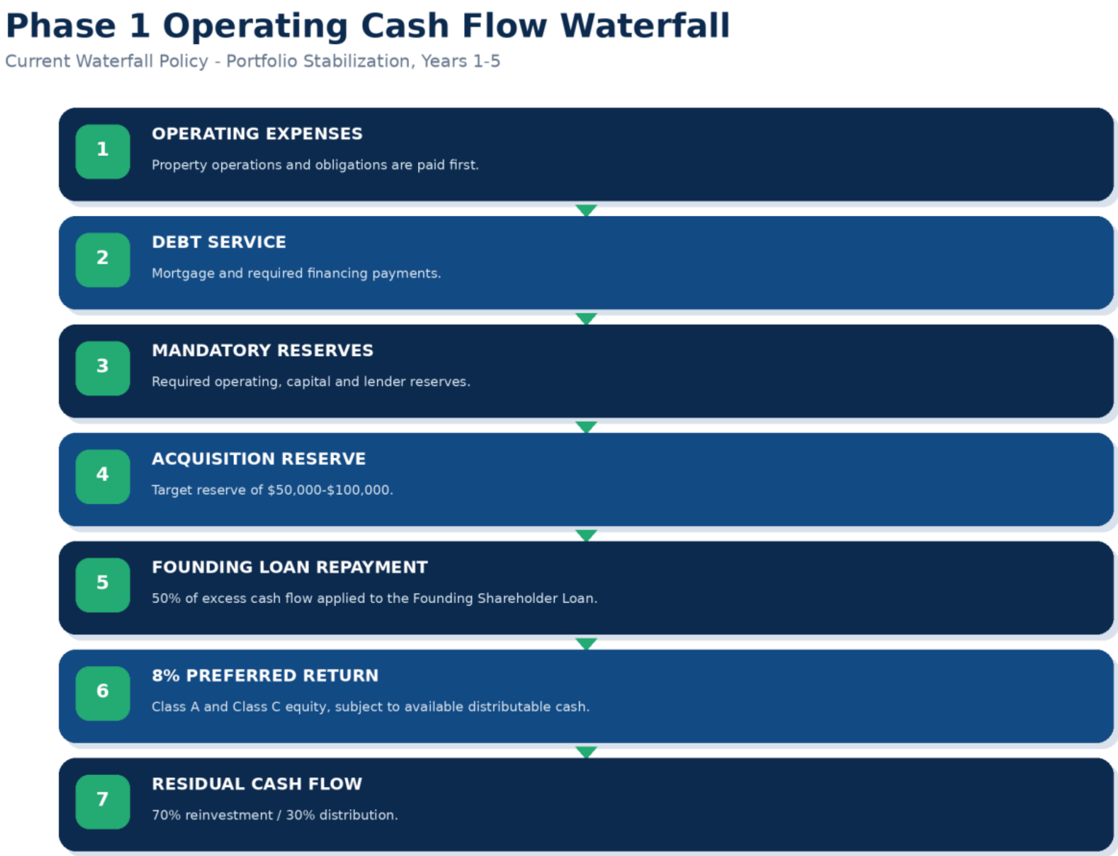
POTENTIAL USE	GOVERNANCE CONDITION
Equity for approved acquisitions	Property must meet underwriting standards and obtain Investment Committee recommendation and required Reserved Matter approval.
Closing and financing costs	Subject to transaction budgets, lender requirements and Board-approved financing.
Operating and capital reserves	Reserve funding takes priority over distributions and is required for financial resilience.
Approved capital improvements	Used to preserve assets or improve operations, rents and Net Operating Income when supported by a documented plan.
Acquisition reserve fund	Phase 1 target of $50,000-$100,000 before preferred return and residual cash flow.
Future portfolio growth	Reinvestment allocations may support additional acquisitions after the Corporation satisfies higher-priority obligations.

Not established in the current sources

The current documents do not set the external capital raise amount, minimum subscription, issue price, closing date, investor eligibility, transaction-specific budget, escrow arrangements or property-specific use of proceeds. These must be established in definitive offering and subscription materials.

Stabilization Before Distribution

During Years 1-5, operating cash is allocated through seven priorities intended to protect operations, debt obligations, reserves and long-term growth.



The preferred return is a priority in the allocation sequence, not a guarantee that cash will be available in any period. If earlier tiers absorb available cash, the timing and treatment of unpaid preferred returns must be governed by the final share terms and Waterfall Policy.

07 | GROWTH AND MATURE PORTFOLIO PHASES

Distribution Policy Evolves With the Portfolio

The Waterfall Policy changes the reinvestment and distribution mix as founding obligations are repaid and the portfolio reaches scale.

PHASE 1	PHASE 2	PHASE 3
Years 1-5 / stabilization	**After founding loan repayment and reserve funding**	**Portfolio exceeds $10M or 50 units**
After operating expenses, debt service, reserves, acquisition reserve, founding-loan repayment and 8% preferred return: 70% reinvestment / 30% distribution.	Residual cash flow: 50% reinvestment / 50% distribution. Distribution share: 80% investors / 20% management.	Residual cash flow becomes distributable subject to Board approval. Distribution share: 70% investors / 30% management.

INVESTOR INTERPRETATION	MEANING
Early cash flow may be retained	The strategy deliberately favours reserves, debt obligations, founding-loan repayment and acquisition capacity during stabilization.
Economic split changes by phase	Investor and management participation is not constant across the life of the portfolio.
Board approval remains relevant	Even in the mature phase, distributable residual cash flow remains subject to Board approval and the distribution limitations.
Property results drive timing	The policy does not establish fixed payment dates or guaranteed distributions independent of actual cash performance.

Different Events, Different Priorities

The Waterfall Policy establishes separate allocation sequences for refinancing, property sale and dissolution.

EVENT	CURRENT PRIORITY SEQUENCE
Refinancing	1) Refinancing costs; 2) debt reserve replenishment; 3) Founding Shareholder Loan repayment at 100% until repaid; 4) return of founding equity at 50% until repaid; 5) acquisition reserve at 25%; 6) investor distribution at 25%.
Property sale	1) Closing costs; 2) mortgage payout; 3) taxes; 4) Founding Shareholder Loan; 5) founding equity; 6) Class C investor capital; 7) unpaid preferred returns; 8) residual profit split 70% investors / 30% management.
Dissolution	Subject to law: 1) secured creditors; 2) Founding Shareholder Loan; 3) other creditors; 4) Class A founding equity; 5) Class C investor capital; 6) preferred returns; 7) residual equity distribution.

Priority does not eliminate loss risk

Capital-return priority determines order of payment from available proceeds. It does not ensure that proceeds will be sufficient to return all invested capital, preferred returns or residual profits.

All refinancing, sale and liquidation priorities remain subject to mortgage terms, creditor rights, taxes, transaction expenses, corporate law and insolvency law. Definitive legal drafting must control any conflict between internal priorities and mandatory law.

Cash Is Distributed Only After Financial Tests

The current governing documents restrict distributions where the portfolio does not meet minimum operating and financing conditions.

<1.20x **DSCR RESTRICTION** No distributions below minimum	**<90%** **OCCUPANCY RESTRICTION** No distributions below floor	**Unfunded** **RESERVE RESTRICTION** Required reserves must be met
Breach **COVENANT RESTRICTION** No distribution during loan breach	**Priority** **EXPENSES AND DEBT** Paid before investor tiers	**Board** **APPROVAL AND JUDGMENT** Required under governing framework

PROTECTION	INVESTOR PURPOSE
Operating-expense priority	Prevents distributions from impairing routine property obligations.
Debt-service priority	Supports lender compliance and protects the asset from default.
Mandatory reserves	Provides liquidity for operating volatility, repairs and lender requirements.
Acquisition reserve	Supports planned growth without depending solely on new investor contributions.
Financial thresholds	Limits distributions during deteriorating property or portfolio performance.

10 | RETURN FRAMEWORK

Targets, Priorities and Actual Results

The source documents contain both a preferred-return priority and broader business-plan return targets; neither should be interpreted as a guarantee.

METRIC	CURRENT SOURCE STATEMENT	REQUIRED INVESTOR INTERPRETATION
Preferred return	8% to Class A and Class C equity in Phase 1.	A waterfall priority subject to prior tiers, available cash and definitive terms.
Annual cash yield	Business plan target: 8%-12%.	An aspirational portfolio target; actual cash distributions may be lower, delayed or nil.
Internal Rate of Return	Business plan target: 14%-18%.	Depends on acquisition price, leverage, income, expenses, timing, refinancing and exit value.
Equity multiple	Business plan target: 2.5x.	A long-term target based on total distributions and value realization, not an annual yield.

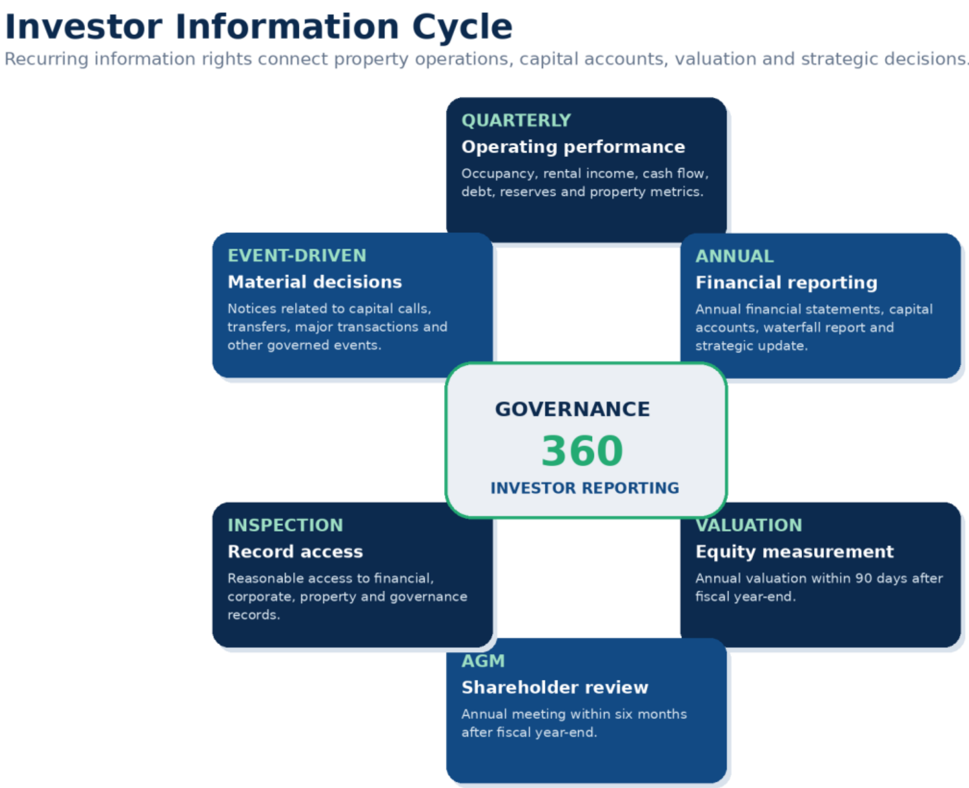
No property-specific forecast in this volume

The current source set does not establish a specific offering price, property acquisition, hold period, distribution schedule or investor-level projection. Each acquisition should be supported by a property-specific investment memorandum, sensitivity analysis and approved Go/No-Go Dashboard.

- Mortgage principal reduction may increase equity but does not create distributable cash by itself.
- Property appreciation and cap-rate movement are uncertain and should not be the sole basis for an investment decision.
- Investor-level after-tax returns will vary by legal structure, residency, account type and individual circumstances.

Defined Information Rights

The USA provides recurring reporting, inspection rights, annual valuation and an annual shareholder meeting.



REPORTING PACKAGE	CURRENT REQUIRED CONTENT
Quarterly report	Occupancy rates, rental income, cash flow statements, debt balances, reserve balances and property-performance metrics.
Annual report	Annual financial statements, property valuation summary, capital account summary, Waterfall Distribution Report and strategic plan update.
Annual valuation	Equity valuation within 90 days after fiscal year-end by a CPA, accredited business valuator or qualified real-estate appraiser.
Annual shareholder meeting	Within six months following fiscal year-end to review performance, growth, strategy, succession and future acquisitions.

Private Shares Are Not Freely Tradable

The USA is designed to preserve family control and prevent unwanted third-party ownership, which materially restricts investor liquidity.

MECHANISM	CURRENT FRAMEWORK
Transfer restriction	No shareholder may sell, assign, transfer, pledge, encumber or otherwise dispose of shares except in accordance with the USA.
Right of First Refusal	Class A shareholders receive the first right, the Corporation the second, and remaining shareholders the third before a third-party sale.
Third-party terms	A later third-party sale cannot be on terms more favourable than those offered through the internal ROFR process.
No forced redemption	A shareholder cannot unilaterally compel the Corporation to redeem shares except as expressly provided.
Tag-along rights	Class B and Class C may participate proportionately in a qualifying sale of more than 50% of voting control by Class A.
Drag-along rights	Where at least 75% of voting shares and all Class A shareholders approve, all shareholders may be required to participate on class-equivalent terms.

Long-term holding expectation

An investor should not participate with capital that may be required on short notice. There is no public market, guaranteed purchaser, fixed redemption date or assured exit price in the current source documents.

Additional Capital Is Generally Optional

The USA states that shareholders are not obligated to contribute additional capital, while permitting governed optional capital calls when necessary.

TOPIC	CURRENT DRAFT TREATMENT
Capital-call purpose	Preserve an asset, avoid default, complete an approved acquisition or fund major capital improvements.
Notice	Must identify the amount, purpose, funding deadline and proposed use of proceeds.
Forms of contribution	Shareholder loan, preferred equity, Class C equity or convertible debt.
Participation priority	Existing shareholders are offered the opportunity before external investors are approached.
Class A anti-dilution	Class A shareholders cannot be diluted without unanimous written consent.
Class C dilution	The current source set does not fully define pre-emptive rights, pricing protection or dilution treatment for Class C investors.

Tax treatment is not established here

The USA authorizes tax planning and tax elections with professional advice, but the source documents do not define investor-specific tax allocations, dividend treatment, interest treatment, capital gains, loss utilization, withholding or registered-account eligibility. Investors require independent tax advice.

A Formal Risk Schedule Is Still Required

The source documents do not contain a complete securities-law risk disclosure. The following categories arise from the operating model and should be addressed in definitive offering materials.

RISK CATEGORY	INVESTOR CONSIDERATION
Loss of capital	Property values, income or sale proceeds may be insufficient to repay investor capital.
Illiquidity	Private shares have transfer restrictions, no public market and no guaranteed redemption.
Leverage and interest rates	Debt magnifies returns and losses; refinancing cost and availability may change.
Tenant and operating performance	Vacancy, arrears, expenses, repairs and regulatory obligations may reduce cash flow.
Capital expenditures	Older buildings may require unplanned structural, mechanical, environmental or life-safety work.
Concentration	Early-stage performance may depend on a small number of properties, markets, tenants and managers.
Governance and key-person risk	The strategy relies on directors, management, committees and professional advisors performing their duties.
Distribution uncertainty	Preferred returns and target yields may accrue, be delayed, be reduced or never be fully paid.
Legal and regulatory risk	Landlord-tenant, zoning, tax, securities, privacy, environmental and corporate obligations may change or be applied adversely.

Suitability is not yet defined

The current source documents do not establish investor eligibility or suitability criteria. Definitive materials should address applicable securities-law exemptions, financial capacity, investment horizon, liquidity needs, risk tolerance, conflicts and independent-advice acknowledgements.

What Must Exist Before Capital Is Accepted

The governance framework is substantial, but the investor onboarding package is not complete until the following documents and decisions are finalized.

REQUIRED ITEM	STATUS BASED ON CURRENT SOURCE SET
Final capitalization table	Not reconciled; must align Class A, B and C ownership, voting and economic percentages.
Final Class C share terms	Not complete; must define subscription price, rights, preferred-return accrual, dilution, distributions and exit treatment.
Subscription agreement	Not included in current sources.
Investor eligibility and securities exemption	Not included; requires securities counsel.
Formal risk disclosure	Not included as a complete schedule.
Property-specific investment memorandum	Not included for a defined offering; required before property-linked capital deployment.
Use of proceeds and closing conditions	Not established for an external raise.
Tax and accounting memorandum	Not included; required to align loans, equity, preferred returns and distributions.
Conflict and related-party disclosures	Governance rules exist, but transaction-specific disclosures must be prepared.

Suggested investor review package

Governance documents -> capitalization and share terms -> subscription agreement -> risk schedule -> property memorandum and Dashboard -> financing terms -> due-diligence reports -> financial model and sensitivities -> tax summary -> conflicts disclosure -> signed approvals.

Investor Questions, Answered From the Current Drafts

Final answers remain subject to legally executed documents and property-specific approvals.

QUESTION	CURRENT ANSWER
Is the 8% preferred return guaranteed?	No. It is a priority after earlier waterfall tiers and depends on available distributable cash and final terms.
Can an investor manage properties or direct acquisitions?	Class C is intended to have no management authority. Acquisitions and operations follow Board, committee and reserved-matter controls.
Can an investor withdraw at any time?	No. Shares are restricted, there is no unilateral redemption right and no public market.
Will investors receive regular information?	Yes. The USA provides quarterly and annual reporting, inspection rights, annual valuation and an annual shareholder meeting.
Can investors be required to contribute more money?	The general rule is no mandatory additional contribution. Optional capital calls may be offered for specified purposes.
What happens when a property is sold?	Proceeds follow the property-sale waterfall, including costs, debt, taxes, founding capital, Class C capital, preferred returns and residual profit.
What is still unresolved?	Capitalization, final Class C terms, subscription documents, risk disclosure, investor eligibility and transaction-specific offering details.

Investor-information standard

Better Governance. Better Decisions. Better Investments.

Volume 4 demonstrates that the proposed investment model contains meaningful investor protections: economic priorities, reporting rights, capital-return ordering, transfer protections, distribution restrictions and a formal governance structure. It also makes clear that these protections do not remove investment risk, guarantee returns or create liquidity.

Before the Corporation accepts external investment, the draft governance instruments should be legally reconciled and converted into one complete investor subscription package. That finalization process is not a formality; it is the point at which the Governance 360 standard becomes enforceable investor protection.

GOVERNANCE 360™

Better Governance. Better Decisions. Better Investments.

GOVERNANCE FIRST • CAPITAL PRESERVATION • POSITIVE CASH FLOW • MULTI-GENERATIONAL WEALTH