

RESOLUTION 2026-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHICAGO RESIDENTIAL INVESTMENT FUND REAPPROVING AND EXTENDING OF INTERIM CONFLICT OF INTEREST POLICY

WHEREAS, the City of Chicago (the "*City*"), a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois (the "*State*"), authorized the Department of Housing of the City of Chicago (the "*Department*") to establish an independent, Illinois-registered not-for-profit residential real estate development corporation, pursuant to ordinance Number SO2025-0015560 adopted by the City Council of the City of Chicago (the "*City Council*") on May 7, 2025 (the "*City Ordinance*"), codified at Section 2-44-170 of the Municipal Code of Chicago (the "*Municipal Code*"); and

WHEREAS, the Chicago Residential Investment Fund (the "*Corporation*") has been formed as a not-for-profit corporation, organized to operate exclusively for civic, charitable and educational purposes within the meaning of the General Not-For-Profit Corporation Act of 1986, State of Illinois, as amended (the "*NFP Act*") and is intended to operate for charitable purposes by lessening the burdens of government within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"); and

WHEREAS, the City Ordinance provides that the Board of Directors of the Corporation (the "*Board*") shall adopt various policies for all members of the Board, Corporation officers and Corporation employees, including a conflict of interest policy (the "*Conflicts of Interest Policy*"); and

WHEREAS, pursuant to the City Ordinance, City Council has mandated that the Corporation shall request from the Board of Ethics, as a contractor per Subsection 2-156-145(e) of the Code, information regarding the application of Chapter 2-156 of the Code to the Corporation, and that the Board shall adopt a Conflict of Interest Policy informed by the information provided by the Board of Ethics; and

WHEREAS, by Resolution 2025-10, adopted at its meeting on September 30, 2025, the Board approved an interim Conflict of Interest Policy (the "*Interim Policy*") to guide the actions of the Corporation's Directors, officers, employees and committee members until a full consultation with the Board of Ethics can be completed to inform a permanent Conflict of Interest Policy, as required by the City Council; and

WHEREAS, by its terms the Interim Policy is effective from its date of adoption until April 1, 2026, at which time it is scheduled to expire; and

WHEREAS, the full consultation with the Board of Ethics regarding the application of Chapter 2-156 of the Code to the Corporation remains ongoing and has not yet been

completed, and additional time is necessary to complete that consultation and to inform the development and adoption of a permanent Conflict of Interest Policy; and

WHEREAS, in order to ensure that the Corporation, its Directors, officers, employees and committee members continue to be governed by a conflict of interest policy without interruption pending completion of the consultation with the Board of Ethics, the Board desires to reapprove and extend the Interim Policy for an additional ten (10) month period.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHICAGO RESIDENTIAL INVESTMENT FUND:

Section 1. The Recitals set forth above are hereby incorporated herein and made a part of this Resolution.

Section 2. The Board hereby reapproves the Interim Conflict of Interest Policy previously approved by Resolution 2025-10, in substantially the form attached hereto as Exhibit A, and extends the effectiveness of the Interim Policy for an additional six months. Notwithstanding the April 1, 2026 expiration date set forth in the Interim Policy, the Interim Policy shall remain in full force and effect until January 1, 2027, unless earlier superseded by the Board's adoption of a permanent Conflict of Interest Policy.

Section 3. The purpose of this reapproval and extension is to allow sufficient time for the full consultation with the Board of Ethics to be completed so that the information provided by the Board of Ethics may inform the development and adoption of a permanent Conflict of Interest Policy, as required by the City Ordinance and the City Council. The Board shall continue to request and pursue such information from the Board of Ethics during the extension period.

Section 4. The Board finds, determines, recites, and declares that its purpose, intent, and desire in reapproving and extending the Interim Conflict of Interest Policy comply with the requirements of the City Ordinance, the NFP Act and the Code, as applicable.

Section 5. This Resolution takes effect immediately upon its passage and approval by the Board.

CHICAGO RESIDENTIAL INVESTMENT FUND

The undersigned officer of the Chicago Residential Investment Fund (the "*Corporation*"), hereby certifies that he/she is the duly elected, qualified and acting Secretary of the Board of Directors (the "*Board*") of the Corporation, and hereby certifies that a true, correct and complete copy of Resolution No. 2026-12, adopted by the Board at its September 8, 2026 meeting, is attached hereto (the "*Resolution*"). The Resolution has not been amended or revoked and is now in full force and effect. This certified copy of the Resolution shall be filed in the Corporation's records.

Dated: September 8, 2026

By: 
Daniel Kay Hertz, Secretary

EXHIBIT A

**CHICAGO RESIDENTIAL INVESTMENT FUND
INTERIM CONFLICT OF INTEREST POLICY**

INTERIM CONFLICTS OF INTEREST POLICY

The Board of Directors of the Corporation (the “Board”) has adopted this Policy as part of the Directors’ fiduciary duty to the Corporation to ensure adherence to the policies and duties referenced in the Municipal Code of Chicago (the “Municipal Code”) in Section 2-44-170(G).

In addition to conflicts of interests guidelines, this Policy also includes certain ethics restrictions or requirements based on ethics provisions from the Municipal Code. These relate to the Corporation and its Directors, officers, employees and committee members, as well as dealings with organizations or individuals, whether for-profit or not-for-profit, doing business or seeking to do business with the Corporation.

The Board of Ethics, as established pursuant to Article V of the Municipal Code, shall have adjudicatory and enforcement authority over the Corporation with respect to Chapter 2-156 of the Municipal Code as it applies to City of Chicago contractors as provided in Section 2-44-170(G) thereof. The Corporation, its Directors, officers, employees and committee members who violate this Policy shall be subject to such action as may be contemplated by this Policy or, with respect to violations of Chapter 2-156 of the Municipal Code, as deemed appropriate by the Board of Ethics as provided in Article VII of the Municipal Code (Penalties for Violation). Regardless of the action taken, however, all transactions in which an improper conflict of interest is deemed to occur, shall be voided by the Corporation. Furthermore, such person(s) involved will be required to disgorge any profits or other benefits realized in regard to the transaction(s), to the Corporation.

Following adoption of this Policy, the Board shall request further information from the Board of Ethics regarding application of Chapter 2-156 of the Municipal Code to the Corporation, and shall update this Policy as needed. In addition, the Board shall work with the Board of Ethics to develop appropriate ethics training materials.

This Policy shall be effective from its date of adoption until April 1, 2026.

FIDUCIARY DUTY

The Directors, officers and employees of the Corporation will at all times in the performance of their duties to the Corporation owe a fiduciary duty to the Corporation (with Ex Officio Directors owing a primary fiduciary duty to the City as officers or employees of the City subject to Chapter 2-156 of the Municipal Code of the City of

Chicago). In connection with that fiduciary duty, the Directors, officers and employees of the Corporation will adhere to this Policy.

CONFLICTS OF INTEREST

If any Director, officer or employee of the Corporation, or any Relative¹ of such Director, officer or employee has a Financial Interest² in or has received any income or compensation in the past 12 months or reasonably expects to receive in the following 12 months from any entity (an "Affiliated Entity") that is being considered by the Corporation to receive funds from the Corporation (whether directly or indirectly), such Director, officer or employee must recuse themselves from discussion or decision regarding such Affiliated Entity (including, for any such Director, any vote or debate of the Board regarding such Affiliated Entity).

All Directors, officers and employees of the Corporation are strictly prohibited from making decisions or recommendations on behalf of the Corporation for personal financial gain.

All Appointed and delegated Directors shall be subject to Article III (Financial Disclosure) of Chapter 2-156 of the Code, and for the purposes of application of the Financial Disclosure provisions, each Appointed or delegated Director shall be interpreted as an "appointed official" under Subsection 2-156-150(a)(iii) of the Code.

Any Advisory Committee Member who has a Financial Interest in or who has received any income or compensation in the past 12 months or reasonably expects to receive in the following 12 months from any entity shall recuse themselves from any vote or debate of such Committee regarding such entity. All Advisory Committee Members

¹ "Relative" means a person who is related to a Director, officer or employee as spouse or as any of the following, whether by blood or by adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister, half-brother or half-sister.

² "Financial interest" means an interest held by a Director, officer or employee of the Corporation that is valued or capable of valuation in monetary terms with a current value of more than \$1,000.00 in any consecutive twelve-month period, provided that such interest shall not include: (1) the authorized compensation paid to an official or employee for any office or employment; or (2) a time or demand deposit in a financial institution; or (3) an endowment or insurance policy or annuity contract purchased from an insurance company; or (4) any ownership through purchase at fair market value or inheritance of the shares of a mutual fund corporation, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; or (5) any ownership through purchase at fair market value or inheritance of not more than one-half of one percent of the outstanding common stock of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended.

owe the Corporation a fiduciary duty and therefore, are strictly prohibited from making decisions or recommendations on behalf of the Corporation for personal financial gain.

No Director, officer of the Corporation, Advisory Committee Member, or Affiliated Entity shall be retained by the Corporation to perform work for the Corporation. No Director, officer or employee of the Corporation, Advisory Committee Member, or Affiliated Entity shall perform work for any entity being considered to receive funds from the Corporation.

STATEMENTS OF FINANCIAL INTEREST

For purposes of this Policy, the Corporation will work with the Board of Ethics to enable the Board of Ethics to create a list of "reporting individuals" which will include (i) each Appointed and delegated Director, (ii) any officer or employee of the Corporation determined by the Board of Ethics, in consultation with the Department of Human Resources of the City of Chicago (the "DHR"), to be a "reporting individual" based on a list of relevant factors developed by the Board of Ethics, such as the officer's or the employee's contract management authority and the officer's or the employee's likelihood of being involved in conflicts of interest issues, (iii) a person whose appointment to the Board of the Corporation is subject to confirmation by the City Council at the time when such person's name is submitted to City Council for consideration, and (iv) any other person at the time such person becomes a reporting individual, including officers and employees of the Corporation who become reporting individuals because they are newly hired or are receiving a pay increase, or a job or title change.

The Corporation shall cooperate with the Board of Ethics in notifying any "reporting individuals" associated with the Corporation of their obligation to file Statements of Financial Interests and in effecting the filing of such statements.

Each reporting individual shall file, within 30 days of becoming a reporting individual and not later than May 1st of each year thereafter, submit a verified written Statement of Financial Interests, unless such reporting individual has already filed a statement in that calendar year. If a reporting individual adds a new reportable financial interest since the individual's last filing, that individual must file a supplement to the individual's current statement of financial interests on file with the Board of Ethics within 30 days of such occurrence, in a manner prescribed by the Board of Ethics.

Content of Statements

Statements of Financial Interests shall contain the following information:

- The name, address and type of any professional, business or other organization (other than the Corporation) in which the reporting individual was an officer, director, associate, partner, proprietor or employee, or served in any advisory capacity, and from which any income in excess of \$1,000.00 was derived during the preceding calendar year;
- The nature of any professional, business or other services rendered by the reporting individual or by such reporting individual's spouse or domestic partner, or by any entity in which the reporting individual or such reporting individual's spouse or domestic partner, has a financial interest, including the category of such financial interest as specified below, the name and nature of the person or entity (other than the Corporation) to whom or to which such services were rendered, if, during the preceding calendar year, compensation in excess of \$5,000 was received for professional or other services by the reporting individual, or by such individual's spouse or domestic partner, or by an entity in which the reporting individual or such reporting individual's spouse or domestic partner has a financial interest; and the person or entity was at any time in the preceding calendar year doing business with the Corporation;
- The identity of any capital asset, including the address or legal description of real estate, and the category of the capital gain realized as specified below, from which the reporting individual realized a capital gain of \$5,000 or more in the preceding calendar year other than from the sale of the reporting individual's principal place of residence;
- The name of any unit of government which employed the reporting individual during the preceding calendar year;
- The name of any board of directors or trustees (other than the Board) on which the reporting individual serves and the position of the reporting individual on such board;
- The name of any covered relative of the reporting individual who is registered as a lobbyist with the Board of Ethics, the Illinois Secretary of State, the Cook County Clerk, or any other unit of local government in the State, or who is an employee or full or part-owner of a city contractor;

- Any improper gift that the reporting individual received and disposed of in accordance with Article II, Part 3 of the Municipal Code because such gift was given in violation of this Policy;
- The name of any person from whom the reporting individual received during the preceding calendar year one or more gifts having an aggregate value in excess of \$250, but not including gifts from relatives or domestic partners;
- The name and instrument of ownership in any entity conducting business with the Corporation, in which the reporting individual had a financial interest during the preceding calendar year. Ownership interests in publicly held corporations need not be disclosed;
- The identity of any financial interest in real estate located in the City, other than the principal place of residence of the reporting individual, and the address or, if none, the legal description of the real estate, including all forms of direct or indirect ownership such as partnerships or trusts of which the corpus consists primarily of real estate;
- The name of any person doing business with the Corporation in relation to which person the reporting individual had a financial interest during the preceding calendar year, and the title or description of any position held by the reporting individual in such person; and
- The name and instrument of debt of all debts in excess of \$5,000 owed by the reporting individual, as well as the name and instrument of debt of all debts in excess of \$5,000 owed to the reporting individual, but only if the creditor or debtor, respectively, or any guarantor of the debt, has done work for or business with the Corporation in the preceding calendar year. Debt instruments issued by financial institutions whose normal business includes the making of loans of the kind received by the reporting individual, and which are made at the prevailing rate of interest and in accordance with other terms and conditions standard for such loans at the time the debt was contracted need not be disclosed. Debt instruments issued by publicly held corporations and purchased by the reporting individual on the open market at the price available to the public need not be disclosed.

If a reporting individual adds a new reportable financial interest since the individual's last filing, that individual must file a supplement to the individual's current statement of

interests on file with the Board of Ethics within 30 days of such occurrence, in a manner prescribed by the Board of Ethics.

Form for Statement of Financial Interests

The Statement of Financial Interests required to be filed with the Board of Ethics shall contain the information required in this Policy, shall be completed in a manner and on a form prescribed by the Board of Ethics, and shall be verified, dated, and signed by the reporting individual personally.

Filing of Statements

Not later than March 1st of each year, the Board of Ethics shall in writing notify all persons required to file Statements of Financial Interests. The Board of Ethics shall deliver a receipt to each person who files a statement, indicating that the person has filed such Statement and the date of such filing. Notice shall be in the manner prescribed by the Board of Ethics.

Unless otherwise provided by law, all Statements of Financial Interests shall be available for examination and duplication by the public in such manner and place as prescribed by the Board of Ethics. Each person examining or requesting duplication of a Statement of Financial Interests must first make a request in a manner prescribed by the Board of Ethics, or make such request in the office of the Board of Ethics. Requests for the examination or duplication of a Statement of Financial Interests shall be processed as soon as is practicable.

Failure to File Statement by Deadline

If any person who is required to annually file a Statement of Financial Interest fails to file such a statement by April 1st, the Board of Ethics shall, within five business days after April 1st, notify such person of the May 1st deadline. Failure to file by May 1st shall constitute a violation of this Policy Statement and the Municipal Code, unless an extension is requested, as described below.

If any person who first becomes subject to the requirement to file a Statement of Financial Interests fails to file such statement within 30 days of such person becoming a reporting individual, the Board of Ethics shall, within five business days after such time period, notify such person of such failure. Such person shall file the Statement of Financial Interests within 10 days after such notice. Failure to file within 10 days after such notice

shall constitute a violation of this Policy and the Municipal Code, unless an extension is requested, as described below.

Any person who is required to file a Statement of Financial Interests may effect one 30-day extension of time for filing the statement by filing with the Board of Ethics not less than ten days before the date on which the statement is due, a declaration of such person's intention to defer the filing of the statement. The filing of such declaration shall suspend application of the late filing fee for the duration of the extension. Failure to file by the extended deadline shall constitute a violation of this Policy and the Municipal Code.

PROCEDURES

Any Director, Officer, Corporation employee, or Advisory Committee member (an "Interested Person") must disclose orally or in writing all material facts related to an actual or potential Conflict of Interest to Directors and/or members of committees considering a proposed contract or transaction to which the Conflict of Interest relates. If a contract or transaction is not being considered by the Board or a committee, the required disclosure must be made to the Chair or the Chair's designee. Until a Conflict of Interest has been voted upon by the Board or a committee in accordance with this Policy, an Interested Person shall refrain from any action that might affect the Corporation's participation in any contract or transaction affected by a Conflict of Interest.

After disclosure of the actual or potential Conflict of Interest and all material facts, and after the Interested Person responds to any questions that the Board or committee may have regarding the Conflict of Interest, the Interested Person shall leave the Board or committee meeting while the Conflict of Interest is discussed and voted upon in accordance with the procedures set forth in the paragraph below. An Interested Person may not vote on the contract or transaction to which the Conflict of Interest relates, but may be counted in determining the presence of a quorum for purposes of the vote.

The Board or committee shall determine by a majority vote of the disinterested Directors whether a Conflict of Interest exists and, if so, whether the Corporation should nonetheless enter into the contract or transaction because it is in the Corporation's best interest. If appropriate, the Chair may appoint a disinterested person or committee to investigate alternatives to a proposed contract or transaction.

The minutes of the Board or committee meeting shall reflect (a) that the Conflict of Interest was disclosed, (b) the Board or committee's decision regarding the Conflict of

Interest, including a statement that the Interested Person was not present during the final discussion and vote, and (c) that the Interested Person abstained from voting.

VIOLATIONS OF THE CONFLICT OF INTEREST POLICY

If the Board or committee believes that an Interested Person has failed to disclose an actual or potential Conflict of Interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Interested Person and making any further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or potential Conflict of Interest, it shall take appropriate disciplinary and corrective action, which might include removal of a Director from a committee or termination of an employee's employment.

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

FOR FISCAL YEAR _____

Name: _____

Title: _____

Please describe below any relationships, positions, or circumstances in which you or a Relative (as defined in the Conflict of Interest Policy) are involved that you believe might constitute or lead to a conflict of interest:

I hereby certify that I have received a copy of the current Conflict of Interest Policy, have read and understand the Policy, and agree to abide by it. I further certify that the information set forth above is true and complete to the best of my knowledge.

Signature: _____

Date: _____