

RESOLUTION 2026-09

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 with 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 Corporation shall have such powers and authority as provided by law and consistent with the provisions of the City Ordinance; and

WHEREAS, the City and the Corporation executed a Grant Agreement dated April 15, 2026 providing the Corporation with operating capital in an amount not to exceed \$4,500,000 (the “*Grant Agreement*”); and

WHEREAS, the Board of Directors of the Corporation (the “*Board*”) adopted Resolution No. 2026-07 on May 12, 2026 authorizing the Corporation’s Chief Executive Officer (the “*CEO*”) certain powers and obligations, including preparing a budget for review and approval by the Board; and

WHEREAS, Article 3 of the Corporation’s Bylaws authorizes the Board to approve the Corporation’s annual operating budget; and

WHEREAS, the CEO has created a proposed budget for the remainder of the calendar year ending on December 31, 2026 (the “*2026 Operating Budget*”), in the form attached hereto as Exhibit A;

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

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

Section 2. The Board approves the 2026 Operating Budget as set forth in Exhibit A.

Section 3. The CEO is authorized to reallocate funds between any line items in the approved 2026 Operating Budget to facilitate efficient operations, provided that (a) no single reallocation exceeds the lesser of 25% of the originating line item or \$25,000 in total. The CEO shall disclose any such reallocation in the subsequent quarterly financial report to the Board.

Section 4. The CEO will provide financial reports to the Board on a quarterly basis identifying budget-to-actual trends and other relevant metrics. The CEO shall notify the Board if any material variance arises that significantly impacts the organization's annual financial outlook.

Section 5. The Board designates the amount identified in Exhibit A as the Corporation's Board-Designated Operating Reserve (the "*Operating Reserve*"), to be held as a separately identified component of net assets. The purpose of the Operating Reserve is to sustain financial operations through interruptions in scheduled revenue, absorb unanticipated operating cost increases, and maintain financial stability. The Operating Reserve sits outside the approved 2026 Operating Budget and is not subject to the CEO's reallocation authority granted under Section 4 above. Any access to or transfer from the Operating Reserve requires Board approval.

Section 6. The Board approves the Board-Designated Operating Reserve Policy (the "*Policy*") identified in Exhibit B with any use of Operating Reserve funds subject to the Policy.

Section 7. The CEO is authorized to invest funds identified in the 2026 Operating Budget as either "Operating Reserves" or "Reserved for Future Years" in short-term liquidity instruments limited to FDIC-insured high-yield savings accounts, money market accounts ("*MMA*s"), certificates of deposit ("*CD*s") or Treasury securities or exchange-traded funds backed exclusively by Treasury securities ("*Treasury ETF*s"), provided that no such instrument shall have a maturity exceeding six months or expose principal to market fluctuation.

Section 8. The CEO is authorized and directed to submit the 2026 Operating Budget approved by this Resolution to the Department as a revised Exhibit A pursuant to Section 3.1 of the Grant Agreement, to serve as the comparison baseline for future Budget Performance Reports required under Exhibit B of the Grant Agreement.

Section 9. The Board finds, determines, recites, and declares that the approval of the 2026 Operating Budget and the actions authorized herein comply with the requirements of Section 2-44-170 of the Municipal Code of Chicago, the Bylaws of the Corporation, the NFP Act, and the Code, as applicable.

Section 10. 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. 2026-09, adopted by the Board at its June 9, 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: June 9, 2026

By _____
Daniel Hertz, Secretary

EXHIBIT A

CRIF 2026 ANNUAL OPERATING BUDGET

2026 ANNUAL OPERATING BUDGET — SCHEDULE OF APPROPRIATIONS

Budget Period: January 1 – December 31, 2026

Expense Item	Vendor or Description	Amount
REVENUE		
City of Chicago Grant	Per Grant Agreement	\$ 2,000,000
Investment Income	Estimated 4% yield on grant balance	\$ 40,000
Total Revenue		\$ 2,040,000
PAYROLL & BENEFITS*		
CEO	Per CEO contract (Resolution 2026-05)	\$ 171,853
Director of Investments	Partial-year (start Jul 6)	\$ 98,528
Director of Special Projects	Partial-year (start Aug 17)	\$ 75,665
Development Analyst	Partial-year (start Nov 1)	\$ 29,250
Intern	Stipend (start Sep 1)	\$ 1,667
Staff Performance Bonuses	2026 accrual; cash payment 2027	\$ 45,000
Total Payroll & Benefits		\$ 421,963
OPERATIONAL EXPENSES		
Project Specific Due Diligence	External Consultants	\$ 120,000
Accounting	External CPA firm	\$ 32,200
General Counsel	Hourly	\$ 200,200
Payroll Base Cost	Gusto	\$ 840
Payroll Employee Cost	Gusto	\$ 252
HR Base Cost	Gusto	\$ 300
HR Employee Cost	Gusto	\$ 160
Branding & Visual Identity	External Design Firm	\$ 75,000
Business Strategy Consulting	External Strategy Consultant	\$ 75,000
Transportation	Mileage and local transit	\$ 400
Conference Travel	Professional development	\$ 6,500
Marketing	Outreach materials	\$ 1,750
Insurance	D&O, EPLI, GL, cyber, prof. liability	\$ 49,000
Office Lease	Platform	\$ 11,433
Office Build-Out	Furniture and Misc. Elements	\$ 10,000
Executive Search	Maneva (one-time)	\$ 45,918
Registered Agent	Wolters Kluwer (one-time)	\$ 684
Initial Legal Setup	Chatman & Cutler (one-time)	\$ 18,020
Other Operating Expenses	Misc. Operational	\$ 3,500
Contingency Reserve (~2% of OpEx)	Within-budget contingency	\$ 11,677
Total Operational Expenses		\$ 662,834
IT & HARDWARE		
Computer	Onboarding Cost	\$ 3,000
Monitors	Onboarding Cost	\$ 1,050
Peripherals	Onboarding Cost	\$ 1,500
Cell Phone	Onboarding Cost	\$ 3,000
Cell Phone Contract	Monthly carrier	\$ 1,425
Web Hosting	One-time setup	\$ 234

2026 ANNUAL OPERATING BUDGET — SCHEDULE OF APPROPRIATIONS

Budget Period: January 1 – December 31, 2026

Expense Item	Vendor or Description	Amount
Google Account / Domain	One-time setup	\$ 157
IT Managed Service Provider	Monthly service	\$ 17,482
Other IT Expenses	Per Employee	\$ 2,850
Total IT & Hardware		\$ 30,698

SOFTWARE

Accounting Software	Quickbooks	\$ 920
Office 365	Microsoft	\$ 418
Project Management Software	SmartSheets or a similar product	\$ 361
Real Estate Data Subscription	CoStar or a similar product	\$ 13,200
Local Development Data Subscription	Chicago Cityscape or a similar product	\$ 2,375
Adobe Pro	Per Employee	\$ 570
Board Management Software	OnBoard or a similar product	\$ 9,500
Other Software Expenses	Per Employee	\$ 950
Total Software		\$ 28,294

TOTAL OPERATING EXPENDITURES		\$ 1,143,789
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BOARD-DESIGNATED RESERVES & CARRY-FORWARDS

Board-Designated Operating Reserve	4 months of 2026 operating expenses	\$ 381,263
Reserved for Future Operations	Carry-forward to 2027 operating budget	\$ 514,948
Net Unallocated		\$ -

TOTAL APPROPRIATION		\$ 2,040,000
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* Exact titles and roles are representative and may change based on organizational needs.

EXHIBIT B

BOARD-DESIGNATED OPERATING RESERVE POLICY

Chicago Residential Investment Fund Board-Designated Operating Reserve Policy

Pursuant to Resolution 2026-09 (the “Resolution”), adopted by the Chicago Residential Investment Fund (the “Corporation”) on June 9, 2026, the Board of Directors (the “Board”) of the Corporation recognized the need to allocate funds towards operating reserves (the “Operating Reserve”) in order to ensure the long-term financial stability of the Corporation and position it to respond to varying economic conditions and changes affecting the Corporation’s financial position and the ability of the Corporation to continuously carry out its mission. To address this, the 2026 Annual Budget includes a dedicated line-item for a ‘Board-Approved Operating Reserve.’

Accordingly, the purpose of this Board-Designated Operating Reserve Policy (the “Policy”) is to establish the rationale and the limitations as to how the Operating Reserve may be used and managed.

Target Amount

The minimum target for Operating Reserve is no less than 3 months of annual budgeted operating expenses. In recognition of the Corporation's revenue concentration risk with all immediate funds being received pursuant to its’ grant agreement with the City of Chicago (the “Grant Agreement”), the 2026 budget placed 4 months of expenses into Operating Reserve. The reserve target will be recalculated annually as part of the budget process to reflect changes in the operating expense base.

Authorized Use

The Operating Reserve may be accessed following the approval of the Board under the following circumstances:

- a) Delay or reduction in the scheduled disbursement identified in the Grant Agreement;
- b) Unanticipated operating expense exceeding the CEO's reallocation authority;
- c) Bridging timing differences between pledge commitments and cash receipt; and,
- d) Addressing genuine financial emergency.

The reserve may not be used for capital purchases, development project equity, or routine operating expense reallocations available under CEO authority.

Relationship with CEO Authority

The Operating Reserve sits outside any Board-approved annual operating budget and is therefore not subject to any reallocation authority the CEO may be granted pursuant

to an approved annual budget resolution. Any access to or transfer from the Operating Reserve requires Board-level authorization.

Replenishment

Funds borrowed from the Operating Reserve are expected to be replenished as soon as feasible, preferably within the same fiscal year. A repayment schedule should be presented to the Board at the time of access. Permanent drawdowns reducing the Operating Reserve below the target amount require Board approval with documented rationale and a replenishment plan.

Interest Income Treatment

Interest income earned from the Operating Reserve balance flows to general operating revenue rather than compounding within the Operating Reserve. The Operating Reserve target is set in absolute dollar terms, calibrated to the annual operating expense base and is recalculated annually. This approach maintains the Operating Reserve at its intended size and provides modest budget relief through the interest income line.

Management & Monitoring

The CEO must establish and maintain a separate bank account for the Operating Reserve. Operating Reserve funds may be invested in cash or short-term instruments without exposure to market risk pursuant to Resolution 2026-09.

The status of the Operating Reserve is reported to the Board on a quarterly basis as part of the budget updates. The Operating Reserve is reflected in the Corporation's audited financial statements per FASB ASU 2016-14 liquidity and availability disclosure requirements, with appropriate footnote describing the Board designation and intended purpose. The Operating Reserve balance is reflected in the unrestricted net assets section of the Statement of Financial Position as a separate line item labeled 'Board-Designated Operating Reserve.'

Policy Review

This Policy will be reviewed by the Board every three years, or sooner if conditions warrant - including significant changes in revenue mix, expense base growth above 25% year-over-year, or material changes in the Corporation's risk profile.

Reference Standards

This Policy is informed by the Nonprofit Operating Reserve Initiative Toolkit (April 2023 Edition) and conforms to FASB ASU 2016-14 net asset classification and liquidity disclosure requirements.