



INVESTMENT POLICY

**Sienna Property Owners Association
Sienna Residential Association
Sienna Community Services Foundation
Sienna Business Association
Sienna Community Association
Sienna Townhome Association**

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

I. PURPOSE

The purpose of this document is to establish the policy that shall govern the Sienna Associations investment program.

II. APPLICABILITY AND AUTHORITY

This Policy pertains to the following entities and encumbers that property restricted by the SPOA Declaration, the SRA Declaration, SBA Covenant, SCA Covenant, and the Townhome Declaration:

1. Sienna Plantation Property Owners Association, Inc., sometimes doing business as Sienna Property Owners Association (“SPOA”), as referenced in the First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sienna (Sienna Property Owners Association, Inc.) recorded under Clerk’s File No. 2021210038 in the Official Public Records of Fort Bend County, Texas (“SPOA Declaration”), as same has been or may be amended from time to time, and any other property which has been or may be subsequently annexed thereto and made subject to the authority of SPOA.

2. Sienna Plantation Residential Association, Inc., sometimes doing business as Sienna Residential Association (“SRA”) as referenced in the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Sienna Plantation (Sienna Plantation Residential Association, Inc.) recorded under Clerk’s File No. 2012104699 in the Official Public Records of Fort Bend County, Texas (“SRA Declaration”), as same has been or may be amended from time to time, and any other property which has been or may be subsequently annexed thereto and made subject to the authority of SRA.

3. Sienna Plantation Community Services Foundation, Inc., sometimes doing business as Sienna Community Services Foundation (“SCSF”).
4. Sienna Plantation Business Association, Inc., sometimes doing business as Sienna Business Association (“SBA”) as referenced in the Sienna Plantation Commercial Amended and Restated Master Covenant (Sienna Plantation Business Association, Inc.), filed under Clerk’s File No. 2016024161 in the Official Public Records of Fort Bend County, Texas (“SBA Covenant”), as same has been or may be amended from time to time and any other property which has been or may be subsequently annexed thereto and made subject to the authority of SBA.
5. Sienna Plantation Community Association, Inc., sometimes doing business as Sienna Community Association (“SCA”) as referenced in the Sienna Plantation Amended and Restated Master Covenant (Sienna Plantation Community Association, Inc.), filed under Clerk’s File No. 2019035843 in the Official Public Records of Fort Bend County, Texas (“SCA Covenant”), as same has been or may be amended from time to time and any other property which has been or may be subsequently annexed thereto and made subject to the authority of SCA.
6. Sienna Townhome Association (“STHA”), as referenced in the Supplemental Declaration of Covenants, Conditions, and Restrictions for Sienna Townhomes, recorded under Clerk’s File No. 2019060447 in the Official Public Records of Fort Bend County, Texas (“Townhome Declaration”), as same has been or may be amended from time to time, and any other property which has been or may be subsequently annexed thereto and made subject to the authority of STHA.

Any reference in this Policy to “**Board**”, “**Boards**”, “**Association**” or “**Associations**” applies to all of the above-mentioned entities. Any reference in this Policy to “**Owner**” has the corresponding meaning ascribed to that term in the SPOA Declaration, the SRA Declaration, SBA Covenant, SCA Covenant, or the Townhome Declaration, as applicable

Each Board is authorized by its respective dedicatory instruments to adopt policies pertaining to the governance of the Association that it serves. Although SCSF has no members, the SCSF Board has opted to allow SRA Members in Good Standing (as defined in the SRA Declaration) to access the books and records of SCSF pursuant to the provisions set forth in this Policy.

Invalidation of any one or more of the covenants, restrictions, conditions, or provisions contained in this Policy shall in no way affect any of the other covenants, restrictions, conditions, or provisions which shall remain in full force and effect.

III. DEFINITION OF FUND TYPES

Funds falling under the scope of this investment policy shall be classified into two types:

- A. **Long-Term Reserve Account** – funds allocated to the Reserve Account and to be used for the periodic replacement and non-routine maintenance of Sienna Associations’ physical assets.
- B. **Short-term Operating Funds Account** – funds needed for general operating expenses of the Sienna Associations but not required for immediate cash outlay. The amount of such funds available for investment under this policy shall be determined by the Sienna Associations Finance Director and is expected to fluctuate.

IV. STANDARD OF PRUDENCE

The standard of prudence to be applied to the investment of Sienna Associations’ assets shall be the “Prudent Investor” rule that states:

“Investments shall be made with judgment and care, under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The Board, or their designee(s), while acting in accordance with this policy and any other written policy pertaining to the administration and management of Sienna Associations’ investments and exercising proper due diligence and prudence, shall be relieved of personal responsibility and liability for an individual security’s credit risk, interest rate risk, or market price changes provided that deviations from expectation are reported in a timely fashion, and appropriate action is taken to control and prevent further adverse developments.

V. INVESTMENT OF LONG-TERM RESERVE ACCOUNT FUNDS

A. **Investment Objectives**

The investment objectives for the funds in the Long-term Reserve Account shall be the preservation of principal and the enhancement of the total return upon capital so as to reduce the need for increases in the annual assessment to Sienna Associations’ members and to avoid the necessity of special assessments. At a minimum, the investment return should mitigate the impact of inflation.

B. Investment Policy

Investments of the fund shall be managed for total return, giving careful attention to such factors as business (or credit) risk, market risk, interest-rate risk, price-level risk, fixed income allocation, diversification, type, and investment quality of individual securities, the past performance and volatility of the financial markets, and the effects of inflation.

To achieve the investment objectives, the Board may, when and as required, engage the services of reputable NASD licensed professionals, including, but not limited to, consultants, registered investment advisors, custodians, and securities broker/dealers.

C. Eligible Investments

1. Money market funds.
2. FDIC insured certificates of deposit.
3. Debt securities issued by the U.S. Treasury, agencies of the U.S. government and corporate bonds rated A or higher by Moody's or Standard & Poor's rating services.
4. Fixed income mutual funds.
5. Fixed income exchange traded funds (ETFs)

D. General

1. No securities, other than those specified in Section C, may be purchased without the prior consent of the Board.
2. The following securities are expressly prohibited under all circumstances.
 - a. Private placements
 - b. Asset-backed securities
 - c. Fixed-income or interest-rate futures
 - d. Direct investments in derivatives of any kind
 - e. Contracts of financial futures, commodities, or currency exchanges
 - f. Stripped principal or interest obligations or securities
 - g. All and any crypto currencies and funds
 - h. All and any equity funds and stocks (common, preferred, etc.).
3. On at least a semi-annual basis, there shall be a review of the portfolio and each investment class evaluated for any adverse changes. Criteria for evaluating each asset class shall be:
 - a. Money-market funds: prevailing interest rates for similar types of instruments.
 - b. Certificates of deposit: prevailing interest rates for certificates of comparable maturity and amount and FDIC coverage.

- c. Debt securities: the current rating of each debt security as published by Moody's or Standard & Poor's; any security that has been downgraded to a rating of less than A shall be disposed of in a timely manner.
 - d. Mutual funds: the current Morningstar risk rating; the performance of the fund relative to its benchmark and peer group; stable management tenure; ethical operational issues.
 - e. Exchange traded funds: volatility and total return.
4. The allocation of the investment portfolio shall be diversified to limit the exposure to any one market segment, issuer or security. No more than 10% of the total portfolio shall be invested in the securities of any single issuer with the following exceptions, for which there are no limits:
- a. U.S. Treasury
 - b. U.S. Agencies
 - c. FDIC-insured certificates of deposit

VI. SHORT-TERM OPERATING FUNDS ACCOUNT

A. **Investment Objectives**

The objectives of the Short-term operating funds account are (i) to earn an appropriate rate of return, (ii) to ensure the safety of principal of the funds, and (iii) to maintain sufficient liquidity to meet the cash management requirements of the SPRAI.

B. **Investment Policy**

Investments will be managed to assure safety of principal, giving careful attention to liquidity, asset quality, asset concentration, and risk.

C. **Eligible Investments**

1. U.S. Treasury issues
2. U.S. Government Agency issues
3. Fully collateralized bank repurchase agreements
4. Commercial paper rated P-1 or A-1 by Moody's and Standard & Poor's, respectively, and whose issuer has a long-term debt rating of "A" or better from both Moody's and Standard & Poor's
5. FDIC insured certificates of deposit
6. Money-market funds of acceptable banks or brokerage firms

D. **General**

No securities, other than those specified in Section C, may be purchased without the prior consent of the Board.

1. The following securities are expressly prohibited under all circumstances.
 - a. Private placements
 - b. Asset-backed securities
 - c. Fixed-income or interest-rate futures
 - d. Direct investments in derivatives of any kind
 - e. Contracts of financial futures, commodities, or currency exchanges
 - f. Stripped principal or interest obligations or securities

2. On at least a semi-annual basis, there shall be a review of the portfolio and each investment class evaluated for any adverse changes. Criteria for evaluating each asset class shall be:
 - a. Money-market funds: prevailing interest rates for similar types of instruments.
 - b. Certificates of deposit: prevailing interest rates for certificates of comparable maturity and amount and FDIC coverage.
 - c. Debt securities: the current rating of each debt security as published by Moody's or Standard & Poor's; any security that has been downgraded to a rating of less than A shall be disposed of in a timely manner.
 - d. Mutual funds: the current Morningstar risk rating; the performance of the fund relative to its benchmark and peer group; stable management tenure; ethical operational issues.
 - e. Exchange traded funds: volatility and total return.

3. The allocation of the investment portfolio shall be diversified to limit the exposure to any one market segment, issuer or security. No more than 10% of the total portfolio shall be invested in the securities of any single issuer with the following exceptions, for which there are no limits:
 - a. U.S. Treasury
 - b. U.S. Agencies
 - c. FDIC-insured certificates of deposit

VII. OTHER FUNDS (FOUNDATION FUNDS, COMMUNITY ENHANCEMENT FUNDS, ETC.)

A. Investment Objectives

The objectives of the Short-term operating funds account are (i) to earn an appropriate rate of return, (ii) to ensure the safety of principal of the funds, and (iii) to maintain sufficient liquidity to meet the cash management requirements of the Sienna Associations.

B. Investment Policy

Investments will be managed to assure safety of principal, giving careful attention to liquidity, asset quality, asset concentration, and risk.

C. Eligible Investments

1. U.S. Treasury issues
2. U.S. Government Agency issues
3. Fully collateralized bank repurchase agreements
4. Commercial paper rated P-1 or A-1 by Moody's and Standard & Poor's, respectively, and whose issuer has a long-term debt rating of "A" or better from both Moody's and Standard & Poor's
5. FDIC insured certificates of deposit
6. Money-market funds of acceptable banks, brokerage firms, or financial institutions

D. General

No securities, other than those specified in Section C, may be purchased without the prior consent of the Board.

1. The following securities are expressly prohibited under all circumstances.
 - a. Private placements
 - b. Asset-backed securities
 - c. Fixed-income or interest-rate futures
 - d. Direct investments in derivatives of any kind
 - e. Contracts of financial futures, commodities, or currency exchanges
 - f. Stripped principal or interest obligations or securities.

2. On at least a semi-annual basis, there shall be a review of the portfolio and each investment class evaluated for any adverse changes. Criteria for evaluating each asset class shall be:
 - a. Money-market funds: prevailing interest rates for similar types of instruments.
 - b. Certificates of deposit: prevailing interest rates for certificates of comparable maturity and amount and FDIC coverage.
 - c. Debt securities: the current rating of each debt security as published by Moody's or Standard & Poor's; any security that has been downgraded to a rating of less than A shall be disposed of in a timely manner.
 - d. Mutual funds: the current Morningstar risk rating; the performance of the fund relative to its benchmark and peer group; stable management tenure; ethical operational issues.
 - e. Exchange traded funds: volatility and total return.

3. The allocation of the investment portfolio shall be diversified to limit the exposure to any one market segment, issuer or security. No more than 10% of the total portfolio shall be invested in the securities of any single issuer with the following exceptions, for which there are no limits:
 - a. U.S. Treasury
 - b. U.S. Agencies
 - c. FDIC-insured certificates of deposit

VIII. ADMINISTRATIVE PROVISIONS

A. Finance Advisory Committee

At all times that there is a duly appointed and functioning Finance Advisory Committee, that Committee shall, pursuant to Article 4 of the Committee Charter “advise The Board on short-term and long-term investment of SPRAI funds, consistent with SPRAI’s legal documents and policies.” Accordingly, it is anticipated that the Finance Advisory Committee will make general recommendations regarding investments, investment advisors, and amendments to this policy, as well as periodically review the status of invested funds for any adverse changes, overall asset allocation, and compliance with this policy, making recommendations as they deem appropriate. However, the Finance Advisory Committee, since it acts only as an advisor and does not execute trades, is hereby expressly held harmless from any action that might be brought regarding the investment of funds by SPRAI. Furthermore, the Committee shall be indemnified by SPRAI for any costs they might incur defending any such action.

B. Advisors

To be considered for hire as an investment advisor to SPRAI, the following criteria must be met:

1. Firm must be registered as a dealer under the Securities and Exchange Act of 1934.
2. Firm must be a member of the National Association of Securities Dealers.
3. Firm and assigned Investment Representative must have been engaged in the securities business for at least the past five consecutive years.
4. All investment firms providing investment advice, initiating transactions or executing transactions on behalf of SPRAI shall sign a letter to The Board attesting that (i) they have received a copy of this policy, (ii) they have read and understand the policy, and (iii) they shall conduct their business on behalf of SPRAI in accordance with the policy.

Policy Name	Approved/Finalized	Revised
Investment Policy		July 27 & 28; August 2 & 4, 2022
SRA Investment Policy	August 23, 2006	

[SIGNATURE PAGES FOLLOW]

CERTIFICATION
SIENNA PROPERTY OWNERS ASSOCIATION

I hereby certify, as Secretary of Sienna Plantation Property Owners Association, Inc., the foregoing Investment Policy was approved on the 2nd day of August, 2022, at a meeting of the Board of Directors at which a quorum was present.

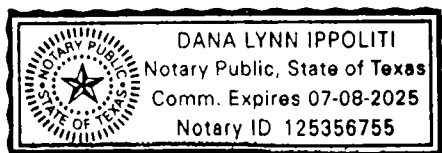
By: *Derek Goff*
Print Name: Derek Goff
Title: Secretary

STATE OF TEXAS §
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COUNTY OF FORT BEND §

BEFORE ME, the undersigned authority, on this day personally appeared Derek Goff, the secretary of the Sienna Plantation Property Owners Association, Inc. known by me to be the person whose name is subscribed to this instrument and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, and in the capacity therein expressed.

Given under my hand and seal of office, this the 2nd day of August, 2022.

Dana Lippoliti
Notary Public – State of Texas



**CERTIFICATION
SIENNA RESIDENTIAL ASSOCIATION**

I hereby certify that, as Secretary of the Sienna Plantation Residential Association, Inc., the foregoing Investment Policy was approved on the 2nd day of August, 2022, at a meeting of the Board of Directors at which a quorum was present.

Derek Goff

Derek Goff, Secretary

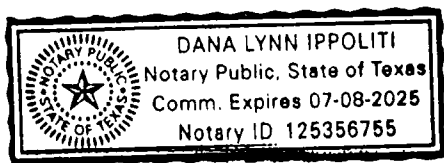
STATE OF TEXAS §
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COUNTY OF FORT BEND §

BEFORE ME, on this day personally appeared Derek Goff, Secretary of the Sienna Plantation Residential Association, Inc., known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 2nd day of August, 2022.

Dana Lynn Ippoliti

Notary Public – State of Texas



CERTIFICATION
SIENNA COMMUNITY SERVICES FOUNDATION

I hereby certify that, as Secretary of the Sienna Plantation Community Services Foundation, Inc., the foregoing Investment Policy was approved on the 27th day of July, 2022, at a meeting of the Board of Directors at which a quorum was present.

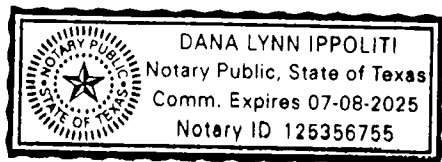
By: Teri Clayton
Print Name: Teri Clayton
Title: Secretary

STATE OF TEXAS §
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COUNTY OF FORT BEND §

BEFORE ME, on this day personally appeared Teri Clayton the Secretary of the Sienna Plantation Community Services Foundation, Inc., known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 27th day of July, 2022.

Dana Ippoliti
Notary Public – State of Texas



CERTIFICATION
SIENNA BUSINESS ASSOCIATION/TOLL-GTIS PROPERTY OWNER, LLC

I hereby certify that, as President of the Sienna Plantation Business Association, Inc., the foregoing Investment Policy was approved on the 4th day of August, 2022, at a meeting of the Board of Directors at which a quorum was present.

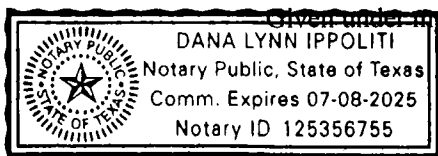
DATED, this the 4th day of August, 2022.

By: [Signature]
Print Name: Jimmie F. Jenkins
Title: President

STATE OF TEXAS §
COUNTY OF FORT BEND §

BEFORE ME, on this day personally appeared Jimmie F. Jenkins the President of Sienna Plantation Business Association, Inc., known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 4th day of August, 2022.



[Signature]
Notary Public - State of Texas

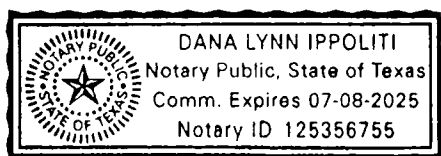
APPROVED, this the 4th day of August, 2022.

TOLL-GTIS PROPERTY OWNER, LLC, a Texas limited liability company

By: [Signature]
Printed Name: Jimmie F. Jenkins
Title: Authorized Representative

THE STATE OF TEXAS §
COUNTY OF Fort Bend §

This instrument was acknowledged before me this 4th day of August, 2022, by Jimmie F. Jenkins, Authorized Rep of Toll-GTIS Property Owner, LLC, a Texas limited liability company, on behalf of said company.



[Signature]
Notary Public - State of Texas

CERTIFICATION
SIENNA TOWNHOME ASSOCIATION

I hereby certify that, as Secretary of the Sienna Townhome Association, the foregoing Investment Policy was approved on the 28 day of July, 2022, at a meeting of the Board of Directors at which a quorum was present.

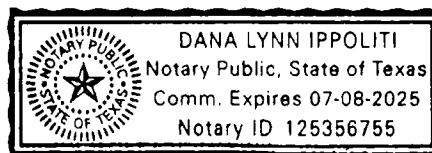
By: [Signature]
Print Name: John Barreda
Title: Secretary

STATE OF TEXAS §
§
COUNTY OF FORT BEND §

BEFORE ME, on this day personally appeared John Barreda the Secretary of the Sienna Townhome Association, known by me to be the person whose name is subscribed to this instrument, and acknowledged to me that s/he executed the same for the purposes herein expressed, in the capacity herein stated, and as the act and deed of said corporation.

Given under my hand and seal this the 28th day of July, 2022.

[Signature]
Notary Public – State of Texas



After Recording, Return To:
Dana Ippoliti
Sienna Plantation Residential Association, Inc.
9600 Scanlan Trace
Missouri City, TX 77459