

Van Aire Skyport Corporation

Investment Policy

January 26, 2014

This statement of investment policy was adopted by the Members of the Van Aire Skyport Corporation on January 26, 2014, to provide for the creation of, and guidelines for the management of various funds held by the organization. These policies supersede any and all prior actions regarding investment policies.

A. Policy Statement

The primary objective of this policy is to establish a written investment statement in order to set fiduciary guidelines and define the decision making process. The governing board members are bound by “prudent investor” standards that judge investment decisions that include investing with care, skill, prudence and diligence under the circumstances prevailing at the time. The mission of the board is:

- *Preservation of Capital*
- *Risk aversion*
- *Investment discipline adherence*

B. Responsibilities

The ultimate responsibility for the investment oversight resides with the Board Members. The Board shall direct the Secretary/Treasurer to invest the funds in accordance with the investment policy set forth in this document and the recommendations from the Investment Committee. A quarterly report will be prepared by the Treasurer and presented to the Investment Committee. The Investment Committee shall monitor the investment portfolio for compliance with this policy and recommend investment strategy to the board members on a quarterly basis and to the corporate members annually.

C. Investment Objectives

The investment strategy is to emphasize:

- *Short-term growth of capital – The purpose of the short-term growth strategy is to provide sufficient cash to meet short term liquidity objectives and can give a rate of return with relatively low risk with a time horizon of 1-3 years.*
- *Long-term growth of capital – The purpose of the long-term growth strategy is to provide mid to long-term investments between 3-15 years in the future. Over the investment time horizon, it is the goal to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index emphasizing long-term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.*
- *Preservation of purchasing power – To achieve returns in excess of the rate of inflation plus spending over the investment time horizon in order to preserve purchasing power. Risk control is an important element in the investment of assets.*

D. Investment Guidelines

Permissible investments for the portfolio are as follows:

- 1. Cash Equivalents*
 - a. Money Market funds*
 - b. Treasury bills*
 - c. Certificates of deposit*
 - d. Commercial Paper*
- 2. Fixed Income Securities*
 - a. U.S. Government and Agency securities*
 - b. Corporate notes and bonds*
 - c. Mortgage backed bonds*
 - d. Preferred stock*
- 3. Equity Securities*
 - a. Common stocks*
 - b. Convertible notes and bonds*
 - c. Convertible preferred stocks*
- 4. Mutual Funds that invest in securities as allowed in this statement.*

90% or more of the funds should be investments insured by the FDIC or equivalent. This may include investments in both bank Certificate of Deposits or Market Linked Certificate of Deposits with long-term maturities of 2-7 years as long as the investment horizon of the project fund needs are coordinated with the maturity date of the investment

10% or the remaining funds that are not insured by the FDIC or equivalent must be managed by a professional investment advisor that will adhere to the directives of this Investment Policy. The investment quality must have a 4 or 5 star Morningstar rating and have no less than a 10 year investment history.

E. Runway & Overlay Reserve Investment Funds

The Runway & Overlay Reserve was created in 2011 as a long-term planning strategy for the overlay of the runway and taxiways. The strategy included three paths of action that included an aggressive maintenance plan to extend the life of the runways and taxiway, an aggressive annual saving plan to increase the reserve base and an investment strategy of the funds.

Capital preservation and risk aversion are the two primary objectives for the investment of the Runway Overlay Fund, the portfolio will have a long-term investment strategy for the first 10-12 years and then gradually move to a short-term strategy for the final stages of the investment horizon.

The term of the investment strategy is dependent upon the success of the runway maintenance plan in extending the life of the runway and taxiway, should work in concert together and be reviewed annually.