

**Sky Harbour**  
**Monthly Construction Report**  
**December 2023**

Prepared by:  
Sky Harbour Capital LLC



136 Tower Road  
Suite 205  
West Harrison, New York 10604

Date Issued:  
**January 20, 2024**

## Executive Summary

As previously reported in our SEC and EMMA filings, Sky Harbour determined in December 2023 that its Denver and Phoenix developments, currently under construction, require structural enhancements to comply with Sky Harbour's prototype standards and surpass local construction codes.

Sky Harbour is working with structural engineering firm, Thornton Tomasetti (TT) to deliver both the reinforcements necessary to the already-erect Denver and Phoenix structures, and the enhancements to the Sky Harbour prototype hangar design in accordance with Sky Harbour structural standards, thus exceeding the nation's highest wind, snow, and seismic loading requirements.

At this time, Sky Harbour is not updating the schedule and cost estimates that were provided in the 8K filed on January 4, 2024.

The following is a summary of progress at each development.

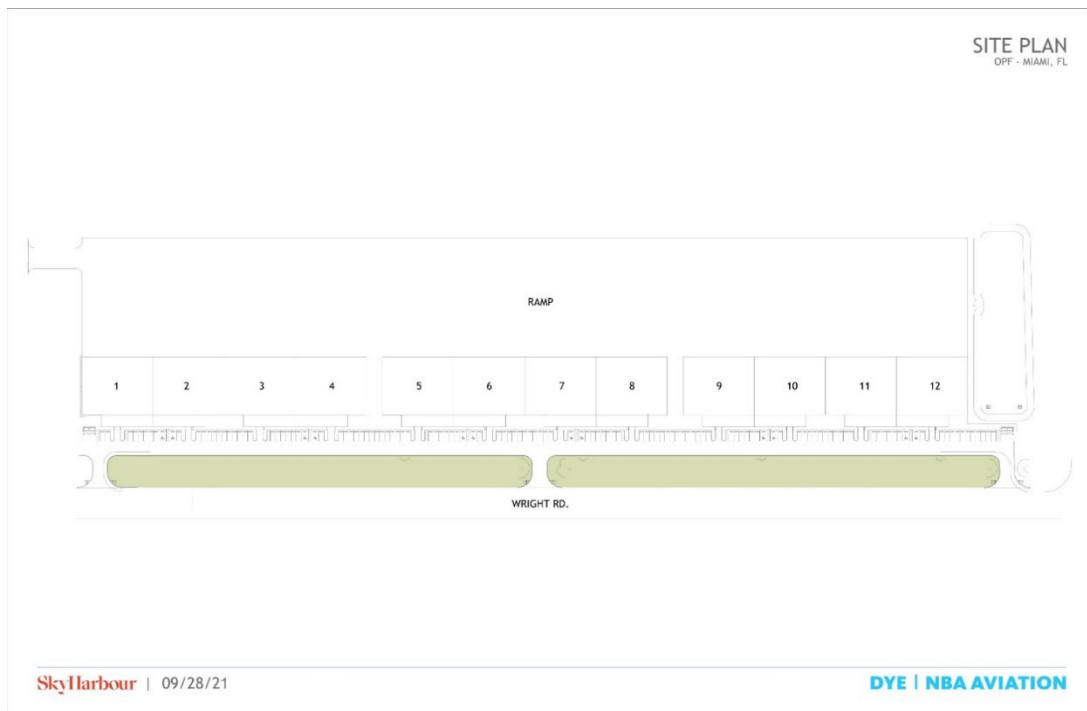
**Field:** OPF Phase 1 – Opa-Locka, Florida

**Reporting Period:** December 2023

1. Property Status:

The project has been completed and turned over to Sky Harbour operations.

2. Progress Photos:



Site Plan



Sky Harbour



03-27-23

The picture above is looking southeast. Wright Road is toward the middle of the photo.  
Phase 2 is in the lower right corner of the photo.



Sky Harbour



03-27-23

The picture above is looking Northeast. Phase 2 is in the bottom left corner of the photo.

**Field:** OPF Phase 2 – Opa-Locka, Florida  
**Reporting Period:** December 2023

1. Design & Permitting Status:

Permit review comments received from Miami-Dade and Miami-Dade Aviation Department (MDAD) were addressed by the design team and resubmitted to Miami-Dade and MDAD for approval on December 22nd.

2. Schedule Variances:

Burns Engineering completed the structural design of the SH16C for the latest permit submission. If structural enhancements to the hangars are made by Thornton Tomasetti, a revision to the structural drawings will be made and submitted to Miami Dade and MDAD. The structural design of the ground service equipment (GSE) building is expected to be completed in February.

3. Change Orders that Impact Project Completion date:

None

4. Loss Events:

None

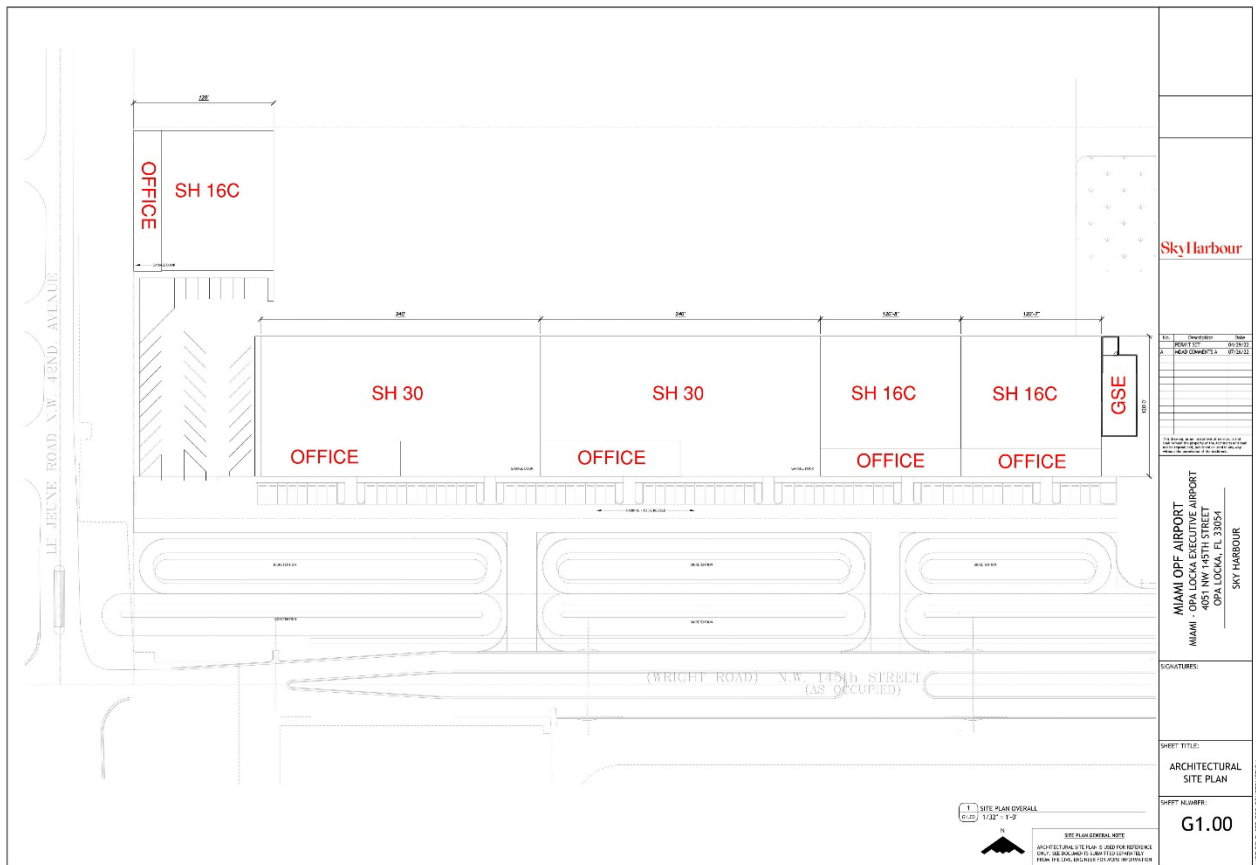
5. Design, Construction and Manufacturing Critical Issues:

- Complete the structural design drawings for the GSE building by February.

6. List of construction activities / milestones to be completed in January:

- Receive second round of permit review comments from Miami-Dade and MDAD.

7. Progress Photos:



OPF Phase 2 Site Plan

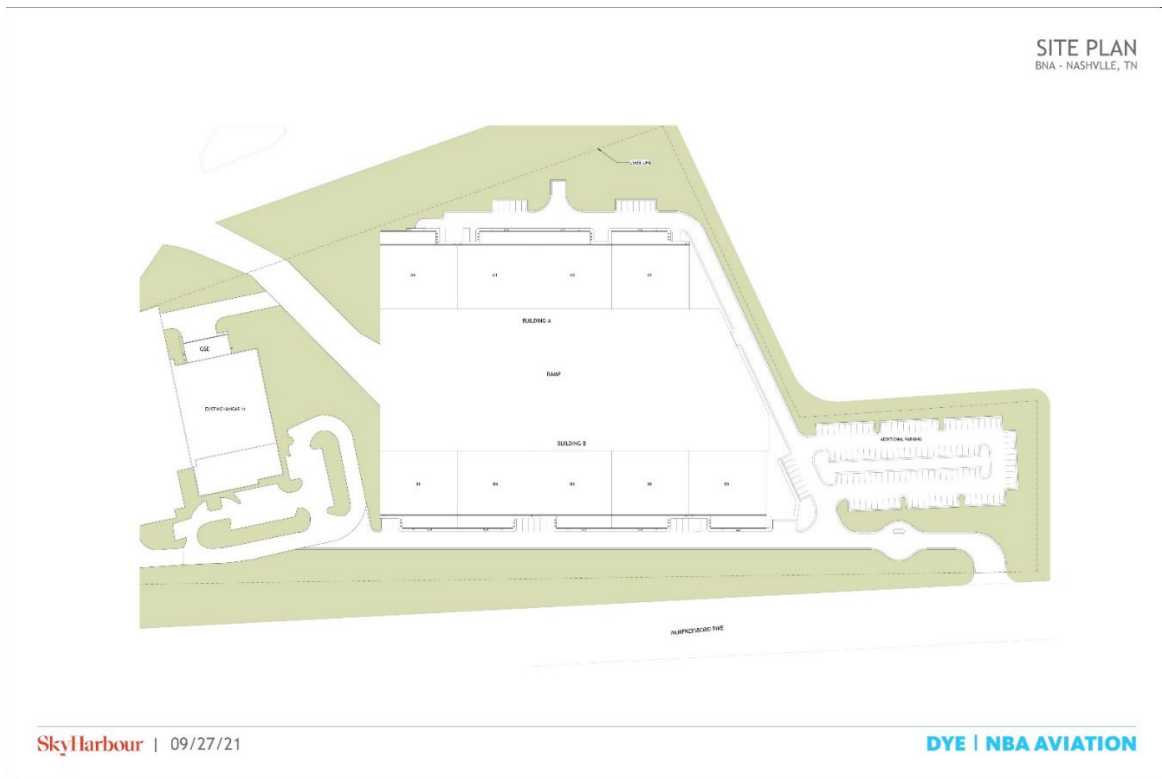
**Field:** BNA – Nashville, Tennessee  
**Reporting Period:** December 2023

1. Property Status:

The project has been completed and turned over to Sky Harbour operations.

2. Progress Photos:





Site Plan



The picture above is looking west. Murfreesboro Pike runs into the tunnel under the runway to the south of the hangar campus.

1. Design and Permitting Status:

The deferred submittal for the hangar B4 pre-engineered metal building (PEMB) is still pending. The submittal is delayed due to the possible redesign and required reinforcement of the PEMBs. The second deferred submittal is for the hangar B4 fire sprinkler system. The sprinkler design is complete but may need to be redesigned depending on the possible redesign and required reinforcement of the PEMBs.

The team has received approval from Arapahoe County on the revised drawings related to ice melt system modifications and electrical grounding updates within the hangars.

The low voltage drawings and associated revisions for other discipline drawings have been submitted to Arapahoe County on December 20, 2023.

2. Construction Status:

The General Contractor (A&F) has substantially completed all final site grading, the entire concrete apron, all asphalt paving, and 75% of the site concrete scope. The primary steel erection for hangars A1, A2, A3, A4, A5, GSE, B1, B2, and B3 was completed by the time construction was paused on December 12, 2023. The remaining trim pieces have been designed and fabricated and will be delivered to the project in January.

Based on the preliminary reports for APA provided by the peer review engineers, Sky Harbour has retained structural engineering firm, Thornton Tomasetti (TT) to review the preliminary results and begin designing the necessary modifications and enhancements for the company's SH10, SH16A, and SH30 prototypes.

TT will: 1) design a temporary bracing/shoring plan for existing hangars at APA that will allow construction activities to resume, and 2) design the permanent structural enhancements that will enhance stability, safety, and standardization across the SH10 and SH16A prototypes. It is anticipated that the temporary bracing design will be complete by the end of January and installed in February while permanent structural enhancements are being designed by TT. With temporary bracing installed, construction activities can resume within the hangars (subject to constraints).

3. Change Orders that Impact Project Completion Date:

- The additional structural fortification work is expected to extend the completion date at APA from June 2024 to August 2024.

4. Loss Events:

None

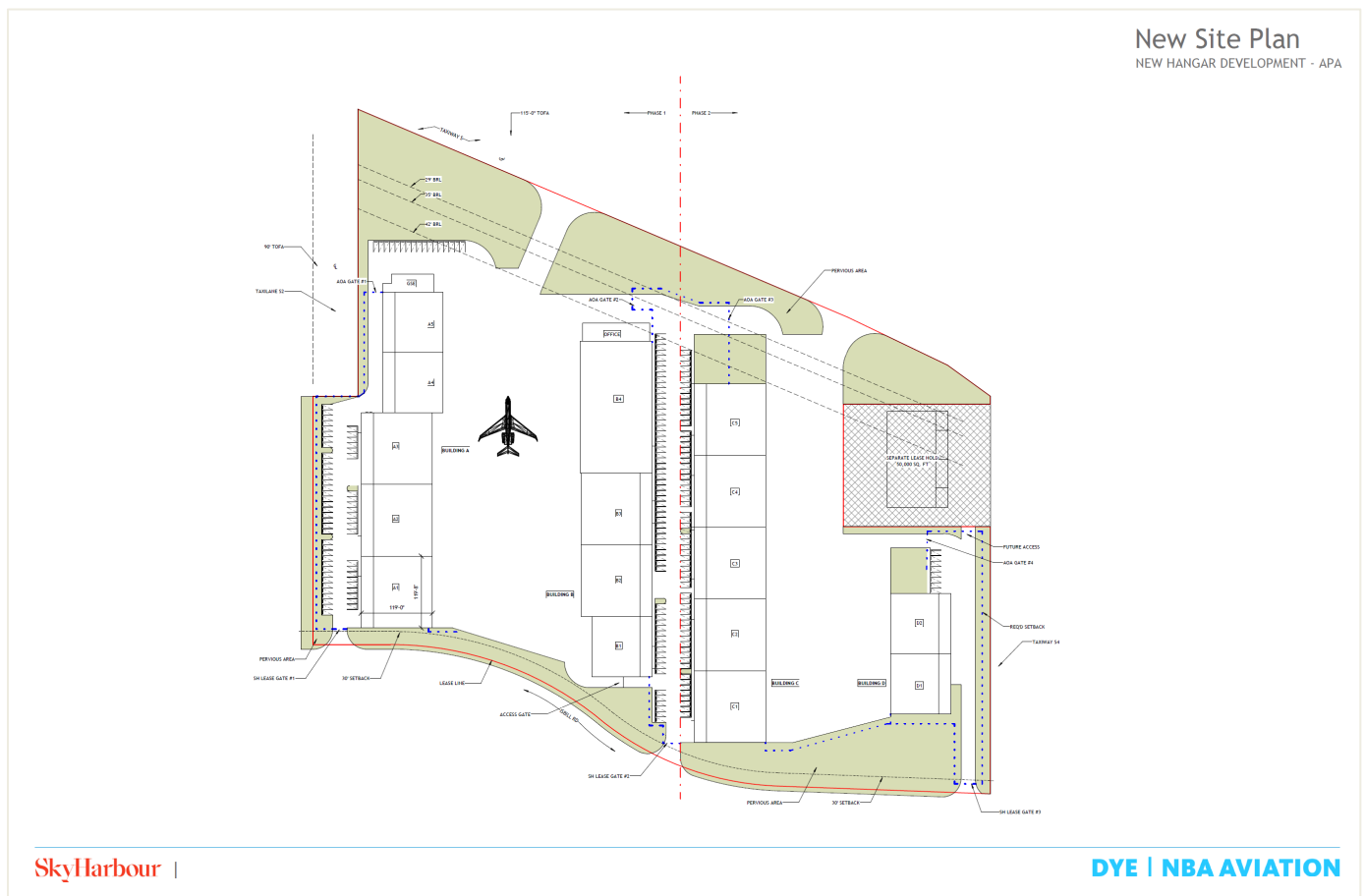
5. Design, Construction and Manufacturing Critical Issues:

- Complete the design of the SH30 (hangar B4).
- Complete the sheathing and trim designs to support completion of the SH16A and SH10 PEMB façade by the end of February.
- Complete the design, engineering, and fabrication of the SH16A and SH10 bi-fold hangar doors by the end of March.

6. List of Construction Activities / Milestones to be Completed in January:

- Complete temp bracing design for structural shoring / bracing activities on the PEMBs.

7. Progress Photos:



Site Plan





Northeastern view of the project showing structure for hangars B1–B3 erected. To the north of these three structures is where the B4 hangar grade beams and foundations have been poured.



Southeastern view of the project showing the structure of hangars A1-A5 along with landside asphalt paving. The structure of hangars B1-B3 and the grade beams of hangar B4 can be seen on the far side of the concrete ramp.





Western view of the campus with phase 2 (foreground) and steel structure of hangars B1-B3 and hangars A1 – A5 erected (background). The ramp has been poured and the landside paving is complete.

**Field:** DVT – Phoenix, Arizona

**Reporting Period:** December 2023

1. Design and Permitting Status:

The team compiled a set of construction drawings related to the low voltage system and app integration for submission to the building department in December. Comments received from the City of Phoenix's Planning, Design, and Development (PDD) group included a request for our team to meet with the electrical inspector and verify that this submittal can be handled as a field modification and incorporated into the as-built plans at the completion of the project. The team is expecting feedback from Haydon (our GC) for this item in January. The team is working to finalize the fencing scope of work and fire lane modifications which will allow the parking area to be cordoned off from public access.

2. Construction Status:

The general contractor (Haydon) has substantially completed the framing, plumbing rough-in, mechanical rough-in, electrical rough-in and fire sprinkler system in all hangars. The exterior siding is substantially

complete on hangars A-E. The bifold door for hangar A has been assembled and lifted into place, and the bottom half of the bifold doors for hangars B, C, and D have been assembled and are sitting on dunnage. The remaining steel for the hangar doors is onsite awaiting assembly and installation of the remaining machined parts. All the actuators / screw jacks and motors for each door have been delivered and four of the eight hangar door controllers have been delivered.

Despite a construction pause inside the hangars, work continued on the fuel farm and the GSE building. The fuel tank supports, containment slab, and all curbing at the tanks has been completed. The fuel tanks have been set on the pads and installation of the piping has begun. The GSE building has been substantially insulated and exterior siding has been installed. The interior finishes and drywall installation has begun.

Based on the preliminary reports for DVT provided by the peer review engineers, Sky Harbour has retained structural engineering firm, Thornton Tomasetti (TT) to review the preliminary results and begin designing the necessary modifications and enhancements for the SH16C prototype.

TT will: 1) design a temporary bracing/shoring plan for existing hangars at DVT that will allow construction activities to resume, and 2) design the permanent structural enhancements that will enhance stability, safety, and standardization across the SH16C prototype. It is anticipated that the temporary shoring design will be completed in February and installed by the end of March. When the temporary shoring towers are installed, construction activities can resume within the hangars (subject to constraints).

### 3. Change Orders that Impact Project Completion Date:

- The additional fortification work is expected to extend the completion date at DVT from March 2024 to June 2024.
- APS (Arizona Public Services) has finalized the utility design and resolved a conflict related to the transformers and fire hydrants on site. Installation of the underground conduit and the electrical and communication duct banks are substantially completed. During the installation of the conduits, APS discovered an issue with their design and have begun a revision to the primary services which feed the complex. The team expects a revision from APS in January.
- The team finalized the final dimensions for the IMP panel cover trims that Rapid Built will provide, with delivery to the site expected in January.
- Deer Valley Airport has asked Sky Harbour to extend and re-align the taxi lane to the east of our ramp connector which is required for a future taxiway extension that the airport has planned. Currently, the project has direct access to the runway through the existing connector to our apron. Haydon is currently pricing this work and preparing a proposal for submission to Sky Harbour.

4. Loss Events:

None

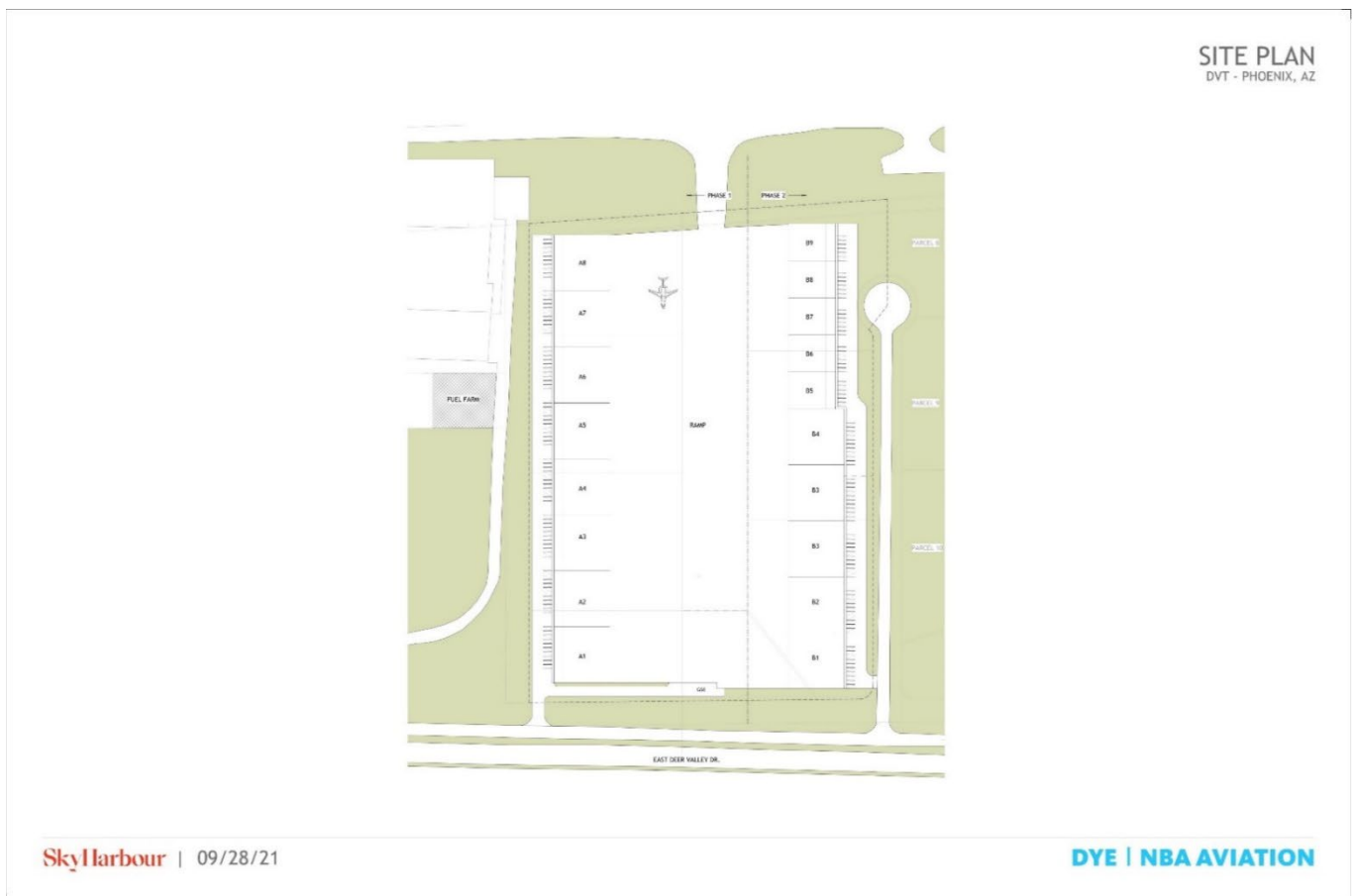
5. Design, Construction and Manufacturing Critical Issues:

- Complete the temporary bracing / shoring design and erect shoring towers within the hangars.
- Maintain the current design, engineering, and fabrication schedule for the bi-fold hangar doors. Machined component deliveries have begun and will continue through January and February, and after structural enhancements to the hangars have been completed.

6. List of Construction Activities / Milestones to be Completed in January:

- Complete the temporary bracing / shoring design for the SH16Cs.
- Complete delivery of trims related to the pre-engineered metal buildings (PEMBs).

7. Progress Photos:



Site Plan





Southwestern view of PEMB superstructure of hangars A-H with IMP walls, roofs installed, and hangar slabs poured. The bifold door on hangar A has been assembled and raised.



Southeastern (landside) view of hangars A-H.





Northwestern view of project. GSE building is in the foreground. Exterior sheathing of hangar H remains.

**Field:** ADS Phase 1, Addison, TX  
**Reporting Period:** December 2023

## 1. Design and Permitting Status

Permit review comments were received from the Town of Addison on December 5<sup>th</sup>. The design team is working to address these comments with resubmission planned for early January.

The design of the foundations and anchor bolt plans for the SH16C hangars is currently underway but have been paused as planned reinforcements to the steel structure by Thornton Tomasetti may impact the building's foundation and anchor bolt layout. The SH16C erection drawings package, including the structural enhancement drawings, is expected to be completed by the end of February 2024. Once the engineering of the SH16C is completed, engineering of the SH30 (V6 hangar) will commence.

## 2. Construction Status

Holt Construction continued its progress with earthwork activities in December. In addition to completing the V2 hangar subgrade preparation, hangars A11a and A11b have been completely excavated down to the required depths and backfilled with moisture conditioned clean fill. At hangars A11c, V4, and V6 Holt is removing existing lime rock that's in conflict with the foundations, slabs, and paving areas. Once removed, any remaining soil conditioning will be completed.

3. Change Orders that Impact Project Completion Date:

- The structural enhancements will extend the project completion date 2 months from December 2024 to February 2025 as existing steel members (already fabricated) need to be modified.

4. Loss Events:

- None

5. Design, Construction and Manufacturing Critical Issues:

- Incorporate TT's structural enhancements into the structural, fabrication, and erection drawings.
- Complete the structural design of the SH30 (V6).

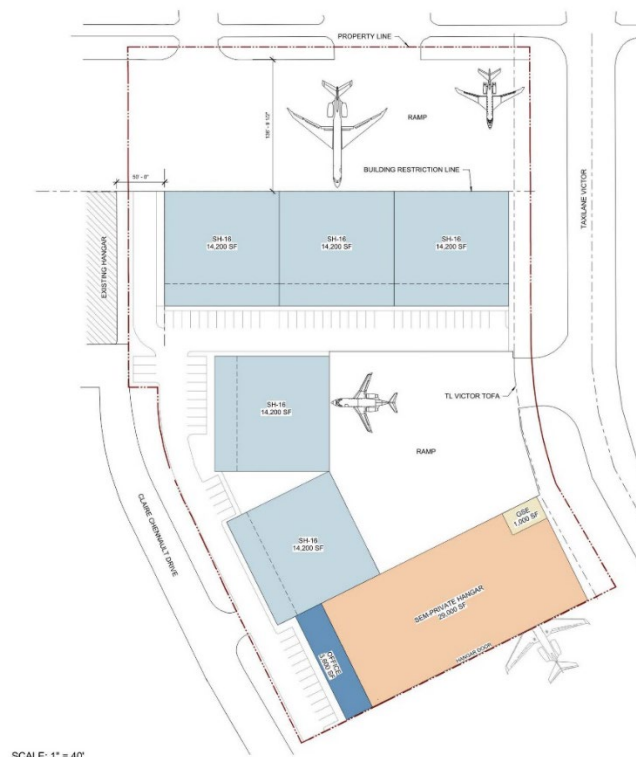
6. List of Construction Activities / Milestones to be Completed in January:

- Resubmission of master permit to Town of Addison with incorporated landside IMP panel for hangar V6.

7. GMP Update

63% of the GMP has been bought out by Holt Construction through the end of December 2023.

8. Progress Photos:





## ADS-1 Approved Site Plan



View looking south across the site of the project towards Claire Chenault Drive and the future Phase 2.



Western view of the project towards Million Air FBO hangar.

### Update to Timing and Spent-to-Date

| Facility | Status | Scheduled<br>Construction<br>Start | Scheduled<br>Completion<br>Date | Hard<br>Costs<br>(\$mm) | Soft<br>Costs<br>(\$mm) | Project<br>Contingency<br>(\$mm) | Total<br>Project<br>Cost<br>(\$mm) | Spent-<br>to-Date<br>(\$mm) | Contractor | Contract<br>Details |
|----------|--------|------------------------------------|---------------------------------|-------------------------|-------------------------|----------------------------------|------------------------------------|-----------------------------|------------|---------------------|
|----------|--------|------------------------------------|---------------------------------|-------------------------|-------------------------|----------------------------------|------------------------------------|-----------------------------|------------|---------------------|

|                                 |                 |        |        |                      |               |               |                      |                |                         |                          |
|---------------------------------|-----------------|--------|--------|----------------------|---------------|---------------|----------------------|----------------|-------------------------|--------------------------|
| <b>OPF Phase I</b>              | Occupancy       | Aug-21 | Feb-23 | 22.6 - 24.6          | 7.4           | 1.2           | 31.2 - 33.2          | 32.2           | Link Construction       | GMP with 100% P&P Surety |
| <b>OPF Phase II</b>             | In Development  | Q1-24  | Q2-25  | 21.5 - 26.1          | 4.4           | 2.2           | 28.1 - 32.7          | 1.7            |                         |                          |
| <b>BNA</b>                      | Occupancy       | Jul-21 | Oct-22 | 19.0 - 20.0          | 5.8           | 1.0           | 25.8 - 26.8          | 25.8           | Dunn Building Company   | GMP with 100% P&P Surety |
| <b>DVT Phase I</b>              | In Construction | Dec-22 | Jun-24 | 29.3 - 34.6          | 4.1           | 2.3           | 35.7 - 41.0          | 24.9           | Haydon Building Corp    | GMP with 100% P&P Surety |
| <b>DVT Phase II<sup>1</sup></b> | Predevelopment  | 4Q-24  | 1Q-26  | 22.8 - 27.4          | 3.3           | 2.1           | 28.2 - 32.8          | 0.0            |                         |                          |
| <b>APA Phase I</b>              | In Construction | Nov-22 | Aug-24 | 30.4 - 36.4          | 6.1           | 2.7           | 39.2 - 45.2          | 24.3           | A&F General Contractors | GMP with 100% P&P Surety |
| <b>APA Phase II</b>             | Predevelopment  | 4Q-24  | 1Q-26  | 21.7 - 26.3          | 4.7           | 2.2           | 28.6 - 33.2          | 0.0            |                         |                          |
| <b>ADS Phase I</b>              | In Construction | Sep-23 | Feb-25 | 24.8 - 26.8          | 3.5           | 2.0           | 30.3 - 32.3          | 4.6            | Holt Construction       | GMP with 100% P&P Surety |
| <b>Total</b>                    |                 |        |        | <b>192.1 - 222.2</b> | <b>\$39.3</b> | <b>\$15.7</b> | <b>247.1 - 277.2</b> | <b>\$113.4</b> |                         |                          |

### Change Orders Affecting Scheduled Completion

See discussion for each airfield above.

### Loss Events

See discussion for each airfield above.

### Critical Issues

See discussion for each airfield above.

### Next Month Milestones

See discussion for each airfield above.

<sup>1</sup> Same as footnote 1.