

Sky Harbour
Monthly Construction Report
February 2024

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SkyHarbour

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Executive Summary

Sky Harbour continued to make progress at its newest development during the month of February and pivoted on two of its existing campuses currently under construction. At ADS Addison Airport in Addison, Texas, Holt Construction completed the drilling of the concrete piers and started the rough-in installation for underground utilities to the hangars. At OPF Phase 1, Opa Locka Airport in Miami, Florida, Link Construction has completed the structure and enclosed the addition for the tenant buildout at hangar 12. At OPF Phase 2, Sky Harbour and its design team have finalized the floorplan for the new SH34 prototype and are currently reviewing site plan options which include the new SH34.

Several structural engineering firms were engaged over the last couple months to perform an independent peer review of the hangar buildings designed for our Phoenix (DVT1), and Denver (APA1) development projects. The independent peer reviewers determined that certain significant design defects existed within the prototype hangar building and hangar door designs that will require retrofitting to both meet and exceed our standards and the respective local building codes. Sky Harbour is presently considering and evaluating claims against third parties as they relate to the design defects.

After extensive review and analysis with its structural engineer and general contractors, Sky Harbour has determined the following course of action:

- At APA, A&F General Contractors will deconstruct the erected PEMB structural frames and erect a newly designed, code compliant PEMB structure using a different engineer of record (EOR) and an outside 3rd party PEMB manufacturer for its SH30. Most of the existing foundation elements will require in-place modifications to increase the loading capacity.
- At DVT, Sky Harbour will make the final determination in the next week around the exact combination of structural member deconstruction and in-place reinforcements required. In addition, there are existing foundation elements that will require in-place modifications to increase the loading capacity.
- At ADS, most of the structural reinforcements required will be modified at Rapid Built's factory prior to shipping to the project site. Once the members have been erected, the final reinforcements will be performed in place. There are no existing foundation elements that require reinforcements.
- For all 3 projects listed above, Sky Harbour will pursue a conventional hangar door design from multiple manufacturers.
- The anticipated costs and schedule delays for all the modifications, retrofits, and new hangar doors are anticipated to be:
 - \$26,000,000 - \$28,000,000
- APA: \$6,900,000 - \$7,300,000 / End of December 2024 completion

- DVT: \$12,800,000 - \$13,450,000 / End of March 2025 completion
- ADS: \$1,800,00 - \$2,350,000 / End of February 2025 completion
- Hangar Doors: \$3,500,000 - \$3,900,000

All future campuses will be planned, designed, and constructed in accordance with the Thornton Tomasetti (TT) enhanced SH16C and SH34 designs. Completed campuses at Houston (SGR), Nashville (BNA) and Miami (OPF) employed a different prototype design and do not need retrofitting.

The following is a summary of progress at each development.

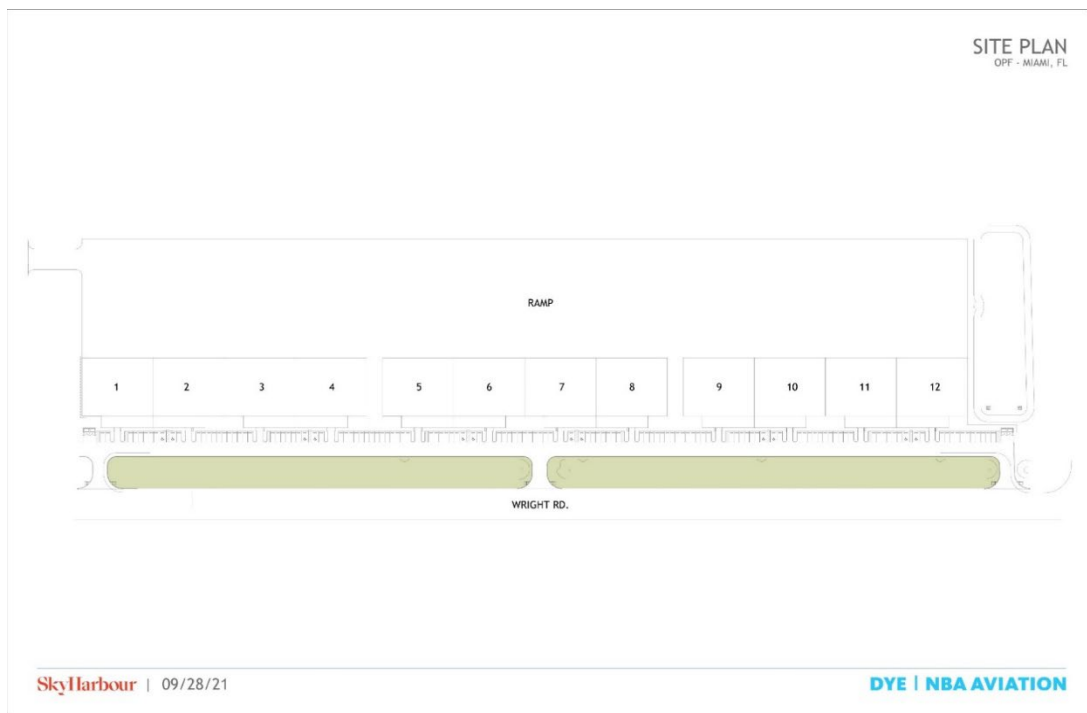
Field: OPF Phase 1 – Opa-Locka, Florida

Reporting Period: February 2024

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: February 2024

1. Design & Permitting Status:

The design team addressed previous permitting comments from Miami-Dade in February and received a draft response which is now being addressed with the intent of resubmitting the first week in March. Concurrently, the design team moved forward with final revisions to the SH34 prototype hangar and presented several site layout options to Sky Harbour.

2. Construction Status:

Changing from the previous site plan that included (3) SH16C's, (2) SH30's, and a GSE to the new site plan that includes (3) SH34's and a GSE will impact the start of construction by an estimated 9 months. This includes 3 months for revised design documents and 6 months for permitting.

3. Change Orders that Impact Project Completion date:

None

4. Loss Events:

None

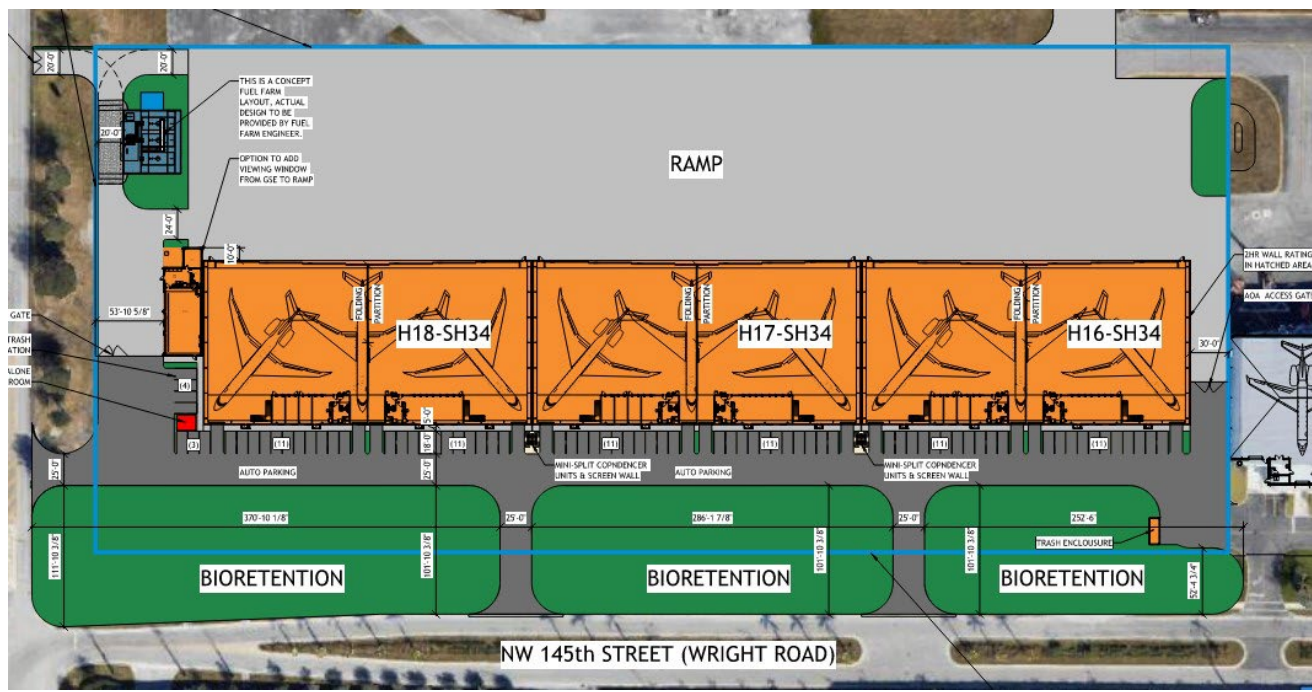
5. Design, Construction and Manufacturing Critical Issues:

- Revising site layout and hangar mix.
- Select site plan option.

6. List of construction activities / milestones to be Completed in March:

- None

7. Progress Photos:

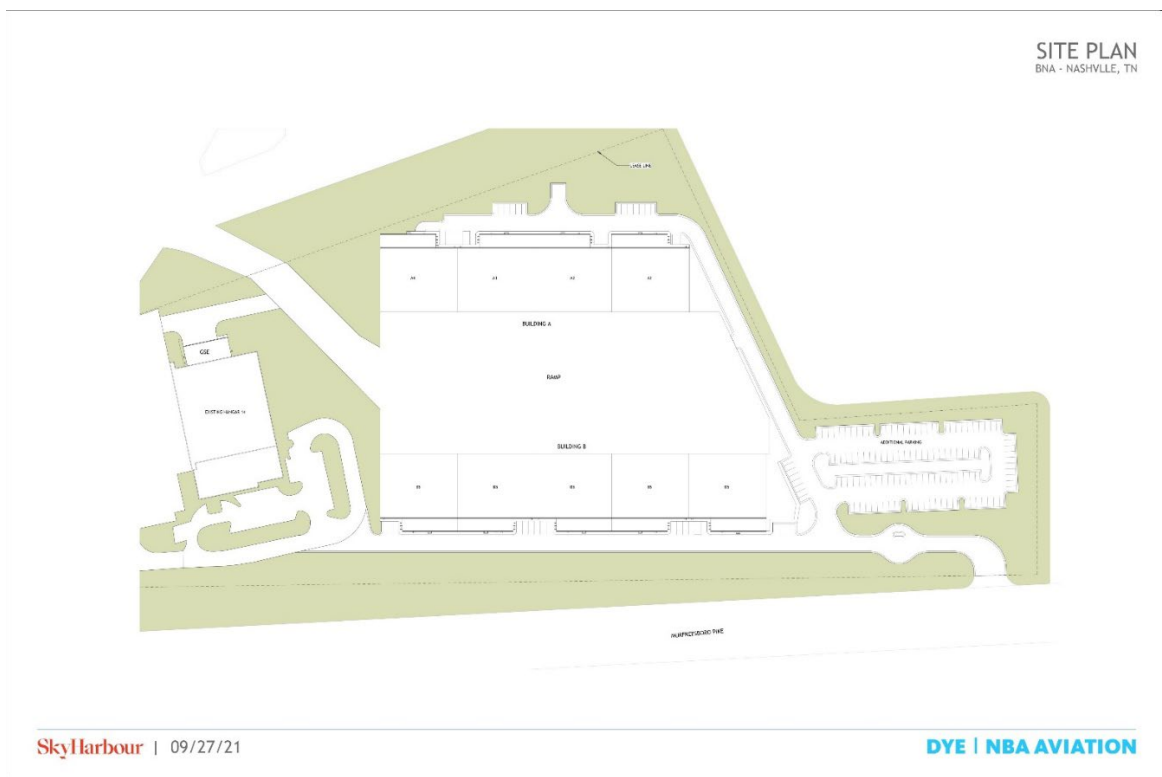


Field: BNA – Nashville, Tennessee
Reporting Period: February 2024

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.

Field: APA – Englewood, Colorado
Reporting Period: February 2024

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. As part of the re-design process, Sky Harbour has contracted Alliance Steel through the General Contractor (A&F) to provide the SH30 at hangar B4. The second deferred submittal is for the hangar B4 fire sprinkler system. The sprinkler system will need to be redesigned based on the redesign of the B4 PEMB.

The low voltage drawings and associated revisions for other discipline drawings were submitted to Arapahoe County in December 2023. Approval is still pending.

2. Construction Status:

During February, the general contractor (A&F) installed the temporary bracing of the SH10 and SH16A hangars and finalized the erection of the primary steel at hangars B1, B2, and B3 (which was remaining

when work was halted back on December 12, 2023). The team has substantially completed all final site grading, the entire concrete apron, all asphalt paving, and 75% of the site concrete scope.

TT has been working on the structural enhancement drawings and issued a 90% design set of drawings which the team has been reviewing, coordinating, and preparing proposals for the reinforcements to begin the enhancements. Multiple coordination meetings were held at the end of February 2024 and TT is working to issue the 100% signed and sealed set of drawings for construction and permitting. The team expects the 100% documented to be issued by the middle of March.

3. Change Orders that Impact Project Completion Date:

- After reviewing the 90% structural fortification plans and the scope of work, we have revised the expected completion date at APA from June 2024 to December 2024.

4. Loss Events:

None

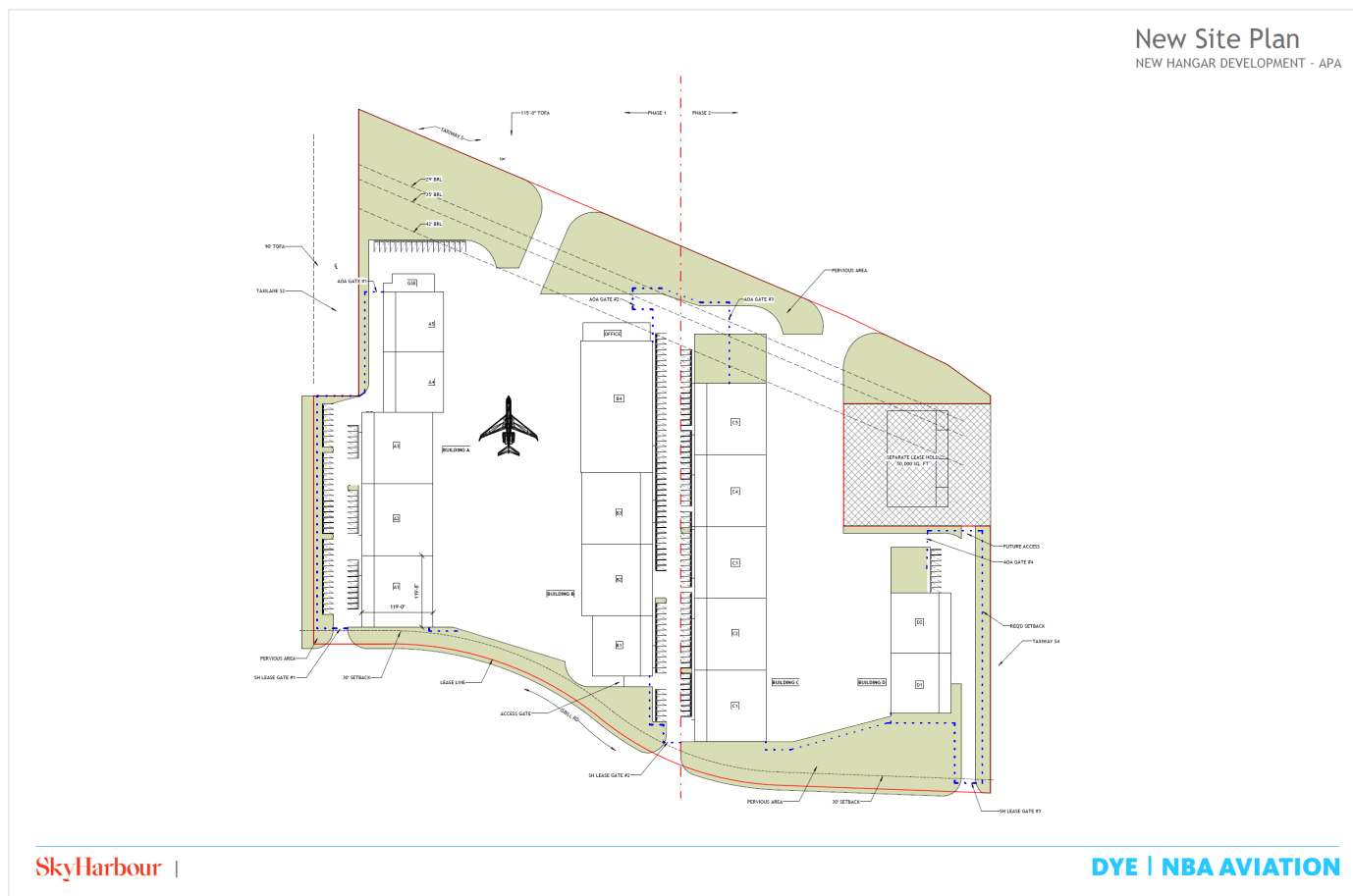
5. Design, Construction and Manufacturing Critical Issues:

- Complete the design of the SH30 (hangar B4): Released to A&F and Alliance Steel on February 23, 2024. The date for this deliverable is being coordinated with the team but the PEMB delivery to the site is expected around the end of May 2024.
- Complete the 100% Construction & Permit drawings related to the structural enhancement scope of work.
- Complete the sheathing and trim designs to support completion of the SH16A and SH10 PEMB façade once the final fortification documents have been issued. These documents are expected to be completed in April 2024.
- Complete the design, engineering, and fabrication of the SH16A and SH10 bi-fold hangar doors once the final fortification documents have been issued. The team is evaluating the option of third-party hangar doors manufacturers being used for the hangar doors. This schedule will be evaluated after the fortification documents are issued.

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

- Completion of structural enhancement documents for the PEMBs.
- Complete the award of and commence the structural enhancement scope of work for the SH16A and SH10's.

7. Progress Photos:



Site Plan



Southwestern view of the project showing structure for hangars A1–A5 erected on right and B1-B3 erected on left.



Northeastern 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: February 2024

1. Design and Permitting Status:

The City of Phoenix had requested Sky Harbour to construct a portion of DVT's future taxiway development with our phase 1 project. The team completed an order of magnitude (ROM) estimate for the proposed extension and modification to Taxiway D, which was submitted to the City of Phoenix and approved. The plan has been submitted to the FAA for approval. The City of Phoenix requested a baseline schedule for the design, permitting, and construction of this taxiway and the team is working to compile this from the engineer and the General Contractor.

2. Construction Status:

The general contractor (Haydon) has been overseeing the temporary shoring of the hangars in preparation for the structural enhancement work to be performed.

Despite the construction pause inside the hangars, work continues 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 substantially been completed. The GSE building siding and insulation has been substantially completed and only a couple trim pieces are remaining to be delivered. The interior drywall installation has been substantially completed and final paint and finishes will be installed in March.

Thornton Tomasetti (TT) has been working on the structural enhancement drawings and issued a 90% design set of drawings which the team has been reviewing, coordinating, and preparing proposals for the reinforcements to begin the enhancements. Multiple coordination meetings were held at the end of February 2024 and TT is working to issue the 100% signed and sealed set of drawings for construction and permitting. The team expects the 100% documented to be issued the middle of March.

With temporary shoring towers installed, construction activities can resume within the hangars (subject to constraints). Work within hangars A, B, and C will tentatively resume toward the end of March.

3. Change Orders that Impact Project Completion Date:

- After reviewing the 90% structural fortification plans and the scope of work, we have revised the expected completion date at DVT from March 2024 to March 2025.
- 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 revision from APS was received in January, survey from APS was completed, and the electrical subcontractor re-mobilized to complete the APS service work. The primary service conduits will be completed in March.

4. Loss Events:

None

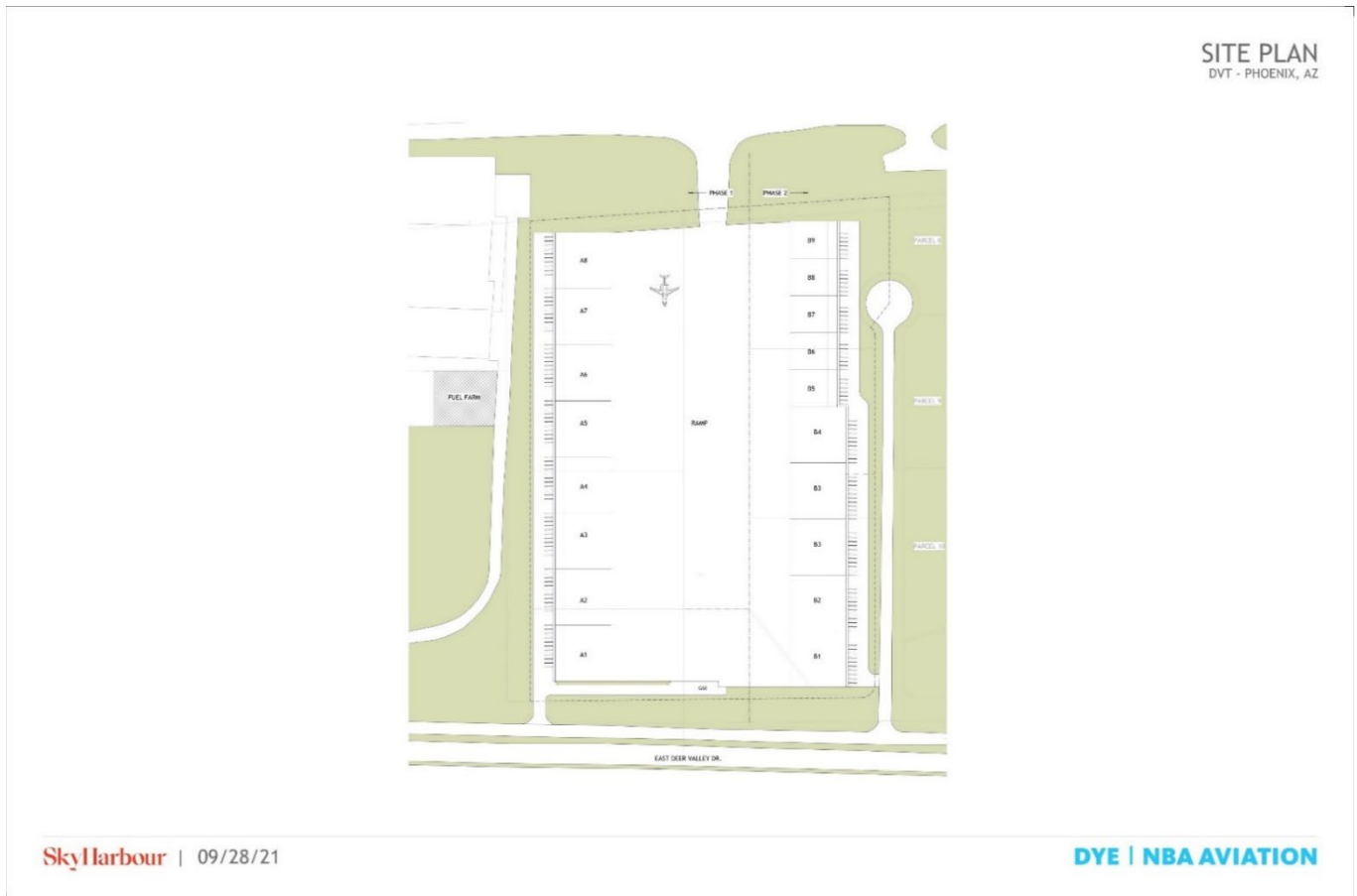
5. Design, Construction and Manufacturing Critical Issues:

- Complete the 100% Construction & Permit drawings related to the structural enhancement scope of work.
- Complete the design, engineering, and fabrication of the SH16C bi-fold hangar doors once the final fortification documents have been issued. The team is evaluating the option of utilizing a third-party hangar door manufacturer in lieu of the Rapid Built bifold door. This schedule will be evaluated after the fortification documents are issued.

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

- Completion of structural enhancement documents for the PEMBs.
- Complete the award of and commence the structural enhancement scope of work for the SH16C's.

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.



Northern view of hangars A-H on left side of photo.



Northwestern view of Fuel Farm Facility. Hangar building is to right of street / fence line.

Field: ADS Phase 1, Addison, TX
Reporting Period: February 2024

1. Design and Permitting Status

Thornton Tomasetti finalized and released the results of their calculated loads and updated reactions for the SH16C hangars on February 20th. The foundation engineer of record, Burn's Engineering, reviewed TT's reactions and approved Holt Construction to proceed with drilling the concrete piers. TT also reviewed Rapid Built's anchor bolt plans and provided marked plans for the SH16C hangars on February 27th. PEMB manufacturer Alliance Steel has been engaged to design and fabricate the SH30 hangar.

2. Construction Status

Holt Construction started and completed drilling the concrete piers for hangars V2, V4, and A11a-c. Following the installation of the concrete piers, the plumber started excavating and installing the underground rough-in to the hangars. The site utility contractor progressed with installing the underground storm drainage system along Claire Chennault Drive. Construction of the grade beams for the SH16 hangars will start in March with the delivery of the anchor bolts. The concrete piers for the SH30 hangar are currently on hold until final loading and reactions can be provided by Alliance and reviewed by Burns Engineering.

3. Change Orders that Impact Project Completion Date:

- The structural fortifications and enhancements will extend the project completion date by 2 months from December 2024 to February 2025.

4. Loss Events:

None

5. Design, Construction and Manufacturing Critical Issues:

- Alliance to calculate the final reactions, anchor bolt plans, and construction drawings for the V6 hangar, with Burns Engineering completing their review.
- Finalization and issuance of complete and updated PEMB construction drawings for the SH16C hangars.
- Permit revisions necessary to incorporate the revised PEMB construction drawings and the changing of the Engineer of Record from Rapid Built to Thornton Tomasetti and Alliance.

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

- Commencement of the V6 concrete piers.
- Issuance of complete and updated PEMB drawings for the SH16's.
- Grade beam installation at hangar V2.

7. Progress Photos:



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ADS-1 Approved Site Plan



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



Northeastern view of the project towards Million Air FBO hangar.



Southern view of the project site towards Taxiway A

Update to Timing and Spent-to-Date

| Facility | Status | Scheduled Construction Start | Scheduled Completion Date | Hard Costs (\$mm) | Soft Costs (\$mm) | Project Contingency (\$mm) | Total Project Cost (\$mm) | Spent-to-Date (\$mm) | Contractor | Contract Details |
|--------------|-----------------|------------------------------|---------------------------|-------------------|-------------------|----------------------------|---------------------------|----------------------|-------------------------|--------------------------|
| OPF Phase I | Occupancy | Aug-21 | Feb-23 | 22.6 - 24.6 | 7.4 | 1.2 | 31.2 - 33.2 | 32.3 | Link Construction | GMP with 100% P&P Surety |
| OPF Phase II | In Development | Q4-24 | Q1-26 | 21.5 - 26.1 | 4.4 | 2.2 | 28.1 - 32.7 | 1.7 | | |
| BNA | 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 |
| DVT Phase I | In Construction | Dec-22 | Mar-25 | 41.9 - 47.2 | 4.1 | 2.3 | 48.3 - 53.6 | 27.2 | Haydon Building Corp | GMP with 100% P&P Surety |
| APA Phase I | In Construction | Nov-22 | Nov-24 | 36.0 - 42.0 | 6.1 | 2.7 | 44.8 - 50.8 | 27.1 | A&F General Contractors | GMP with 100% P&P Surety |
| APA Phase II | Predevelopment | Q1-25 | Q2-26 | 21.7 - 26.3 | 4.7 | 2.2 | 28.6 - 33.2 | 0.0 | | |
| ADS Phase I | In Construction | Sep-23 | Feb-25 | 27.4 - 29.4 | 3.5 | 2.0 | 32.9 - 34.9 | 6.7 | Holt Construction | GMP with 100% P&P Surety |
| Total | | | | 212.9 - 243.0 | \$39.3 | \$15.7 | 267.9 - 298 | \$120.8 | | |

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.