

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **August 9, 2023**

SAFE & GREEN HOLDINGS CORP.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38037
(Commission File Number)

95-4463937
(I.R.S. Employer
Identification Number)

990 Biscayne Blvd
#501, Office 12
Miami, FL 33132
(Address of Principal Executive Offices, Zip Code)

(Former name or former address, if changed since last report.)

Registrant's telephone number, including area code: 646-240-4235

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01	SGBX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On August 9, 2023, Safe & Green Holdings Corp. (the "Company") and its subsidiary, Safe and Green Development Corporation ("SGDevCo"), entered into a Note Cancellation Agreement, effective as of July 1, 2023 (the "Note Cancellation Agreement"), pursuant to which the Company cancelled and forgave the remaining \$4,000,000 balance then due on that certain promissory note, dated December 19, 2021, made by SGDevCo in favor of the Company in the original principal amount of \$4,200,000.

In addition, on August 9, 2023, the Company issued to SGDevCo a non-interest bearing promissory note, in the principal amount of \$908,322.95 (the "Note"), payable on demand, to evidence advances by SGDevCo to the Company in such amount.

The foregoing descriptions of the Note Cancellation Agreement and the Note are qualified in their entirety by reference to the full text of such agreements, copies of which are attached hereto as Exhibits 10.1 and 10.2, respectively, and each of which is incorporated herein in its entirety by reference.

Item 2.02. Results of Operation and Financial Condition.

The information set forth in Item 1.01 is incorporated by reference into this Item 2.02. The following unaudited pro forma balance sheet of SGDevCo has been prepared to assist in the analysis of the financial effects of the Note Cancellation Agreement and the issuance of the Note. The unaudited pro forma financial information in this Current Report on Form 8-K is presented for illustrative purposes only. The unaudited pro forma financial information reflects adjustments, which are based upon estimates, accordingly, the final accounting adjustments may differ materially from the pro forma information reflected in this report.

SAFE AND GREEN DEVELOPMENT CORPORATION
UNAUDITED PRO FORMA BALANCE SHEET

As of March 31, 2023

	<u>As Reported</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Assets			
Current assets:			
Cash	\$ 1,337,935	\$ (1,108,323)[a][b]	\$ 229,612
Prepaid assets and other current assets	739,554	-	739,554
Current Assets	2,077,489	(1,108,323)	969,166
Assets held for sale			
Land	4,400,361	-	4,400,361
Project development costs and other non-current assets	1,190,655	-	1,190,655
Equity-based investments	65,339	-	65,339
Due from affiliates	3,624,945	-	3,624,945
Intangible assets	-	908,323[b]	908,323
	10,825	-	10,825
Total Assets	\$ 11,369,614	\$ (200,000)	\$ 11,169,614
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued expenses	\$ 207,918	\$ -	\$ 207,918
Due to affiliates	4,200,000	(4,200,000)[a]	-
Short term note payable, net	4,741,475	-	4,741,475
Total current liabilities	9,149,393	(4,200,000)	4,929,393
Stockholders' equity:			
Common stock	1	99,999[c]	100,000
Additional paid-in capital	6,054,729	3,900,001[a][c][d]	15,894,530
Accumulated deficit	(3,834,509)	-	(9,774,309)
Total stockholders' equity	2,220,221	4,000,000	6,220,221
Total Liabilities and Stockholders' Equity	\$ 11,369,614	\$ (200,000)	\$ 11,169,614

[a] Forgiveness of due to affiliates and payback of partial advance

[b] Additional advances to Holdings.

[c] Issuance of 9,999,000 common shares

[d] Stock compensation expense of RSU's

The information in this Item 2.02 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained in this Item 2.02 shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1	Note Cancellation Agreement, effective as of July 1, 2023, by and between Safe & Green Holdings Corp. and Safe and Green Development Corporation
10.2	Promissory Note, in the principal amount of \$908,322.95, in favor of Safe and Green Development Corporation
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within in the inline XBRL document)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SAFE & GREEN HOLDINGS CORP.

Dated: August 11, 2023

By: /s/ Paul Galvin

Name: Paul Galvin

Title: Chairman and Chief Executive Officer

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NOTE CANCELLATION AGREEMENT

This Note Cancellation Agreement (the “**Agreement**”) is entered into August 9, 2023, effective as of July 1, 2023 (the “**Effective Date**”), by and between Safe & Green Holdings Corp. (the “**Lender**”) and Safe and Green Development Corporation (the “**Borrower**”). Borrower and Lender may be referred to individually as a “**Party**” or collectively as the “**Parties**”.

RECITALS

WHEREAS, Borrower is indebted to Lender as evidenced by that certain Promissory Note dated December 19, 2021, made by Borrower in favor of Lender in the amount of **FOUR MILLION TWO HUNDRED THOUSAND DOLLARS (\$4,200,000.00)** (the “**Note**”).

WHEREAS, Borrower has made payments on the Note, which have been accepted and applied to the balance by Lender, with the current balance of the Note being **FOUR MILLION DOLLARS AND 00/100 (\$4,000,000.00)** (the “**Balance**”).

WHEREAS, Borrower and Lender have mutually agreed to cancel and forgive the remaining Balance of the Note, being, according to the terms and conditions set forth herein.

1. Cancellation of Promissory Note

The Parties agree and affirm that as of the Effective Date the Balance shall be forgiven by Lender in its entirety and Borrower shall have no further obligation to Borrower with respect to the Note.

2. Ratification

The Parties acknowledge, agree and represent that this Agreement is a legal, valid and binding obligation and is binding upon it according with its terms, that it has the corporate authority to enter into this Agreement, and that it has obtained all corporate approvals necessary to enter into this Agreement.

3. Release

To the extent that Borrower and/or Lender has any claims, offsets, defenses to or counterclaims against the other, the same are hereby irrevocably waived and released in their entirety.

4. Applicable Law

This Agreement, and all matters relating hereto or arising therefrom, shall be construed and enforced in accordance with the laws of the state of New York, without regard to conflicts of laws principles. Borrower and Lender hereby consent to the exclusive jurisdiction of the state and federal courts located in the state of New York and irrevocably here that all actions or proceedings arising out of or relating to this Agreement shall be litigated in such courts.

5. Independent Advice

Each Party hereby represents and warrants that it has had the opportunity to seek the advice of its own independent legal counsel and financial advisors with respect to the provisions of this Agreement. Each Party represents to the other that in executing this Agreement, it has read this Agreement, and such Party understands the terms of this Agreement and its significance. This Agreement shall be construed neutrally, without regard to the party responsible for its preparation.

This Agreement is entered into as of the date indicated above and effective as of the Effective Date.

LENDER

Safe & Green Holdings Corp.

/s/ Tricia Kaelin

Tricia Kaelin
CFO

BORROWER

Safe and Green Development Corporation

/s/ Nicolai Brune

Nicolai Brune
CFO

PROMISSORY NOTE

US\$908,322.95

8/9/2023

FOR VALUE RECEIVED, the undersigned (the “**Maker**”), promises to pay on demand to the order of Safe and Green Development Corporation (the “**Payee**”) the principal sum of **NINE HUNDRED EIGHT THOUSAND THREE HUNDRED TWENTY-TWO DOLLARS AND 95/100 (\$908,322.95)**, without interest, in lawful money of the United States of America unless Payee agrees to another form of payment.

1. Presentment, demand, protest or notice of any kind are hereby waived by the Maker. Maker may not set off against any amounts due to Payee hereunder any claims against Payee or other amounts owed by Payee.
2. In the event this Note is not paid when due, the Payee may proceed to protect and enforce its rights either by suit in equity and/or by action at law, or by other appropriate proceedings.
3. The Maker agrees to pay all reasonable costs of collection, including attorney’s fees which may be incurred in the collection of this Note or any portion thereof and, in case an action is instituted for such purposes, the amount of all attorneys’ fees shall be such amount as the court shall adjudge reasonable.
4. This Note is made and delivered in, and shall be governed, construed and enforced under the laws of the State of New York.
5. No delay or omission of the Payee to exercise any right hereunder, whether before or after the happening of any event of default, shall impair any such right or shall operate as a waiver thereof or of any event of default hereunder nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right. This Note shall be subject to prepayment, at the option of the Maker, in whole or in part, at any time and from time to time, without premium or penalty.
6. This Note or any benefits or obligations hereunder may not be assigned or transferred by the Maker.

MAKER:

Safe & Green Holdings Corp.

By: /s/ Tricia Kaelin
Tricia Kaelin
CFO