As Filed with the Securities and Exchange Commission on February 6, 2023

File No. 001-41581

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

AMENDMENT NO. 1 TO
FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

SAFE AND GREEN DEVELOPMENT CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	87-1375590
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
5011 Gate Parkway Building 100, Suite 100 Jacksonville, FL	32256
(Address of principal executive offices)	(Zip code)

(904) 496-0027
(Registrant's telephone number, including area code)

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

Title of Each Class to be so Registered	Name of Each Exchange on which Each Class is to be Registered
Common Stock	The Nasdaq Stock Market LLC

Securities to be registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐
Accelerated filer ☐
Non-accelerated filer ☒
Smaller reporting company ☒
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. ☐

SAFE AND GREEN DEVELOPMENT CORPORATION

INFORMATION REQUIRED IN REGISTRATION STATEMENT

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item 1. Business.

The information required by this item is contained under the sections of the information statement entitled "Special Note Regarding Forward-Looking Statements," "Information Statement Summary," "Risk Factors," "The Separation and Distribution," "Capitalization," "Unaudited Pro Forma Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Management," "Executive and Director Compensation," "Certain Relationships and Related Party Transactions," "Where You Can Find More Information," and "Index to Financial Statements" (and the statements referenced therein). Those sections are incorporated herein by reference.

Item 1A. Risk Factors.

The information required by this item is contained under the section of the information statement entitled "Risk Factors." That section is incorporated herein by reference.

Item 2. Financial Information.

The information required by this item is contained under the sections of the information statement entitled "Capitalization," "Unaudited Pro Forma Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Index to Financial Statements" (and the financial statements referenced therein). Those sections are incorporated herein by reference.

Item 3. Properties.

The information required by this item is contained under the section of the information statement entitled “Business.” That section is incorporated herein by reference.

Item 4. Security Ownership of Certain Beneficial Owners and Management.

The information required by this item is contained under the section of the information statement entitled “Security Ownership of Certain Beneficial Owners and Management.” That section is incorporated herein by reference.

Item 5. Directors and Executive Officers.

The information required by this item is contained under the section of the information statement entitled “Management.” That section is incorporated herein by reference.

Item 6. Executive Compensation.

The information required by this item is contained under the sections of the information statement entitled “Executive and Director Compensation.” Those sections are incorporated herein by reference.

Item 7. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is contained under the sections of the information statement entitled ”The Separation and Distribution—Agreements with SG Holdings,” “Management” and “Certain Relationships and Related Party Transactions.” Those sections are incorporated herein by reference.

Item 8. Legal Proceedings.

The information required by this item is contained under the section of the information statement entitled “Business—Legal Proceedings.” That section is incorporated herein by reference.

Item 9. Market Price of and Dividends on the Registrant’s Common Equity and Related Stockholder Matters.

The information required by this item is contained under the sections of the information statement entitled “Risk Factors,” “The Separation and Distribution,” “Dividend Policy,” “Capitalization,” “Executive and Director Compensation,” and “Description of Capital Stock.” Those sections are incorporated herein by reference.

Item 10. Recent Sales of Unregistered Securities.

The information required by this item is contained under the section of the information statement entitled “Description of Capital Stock—Sale of Unregistered Securities.” That section is incorporated herein by reference.

Item 11. Description of Registrant’s Securities to Be Registered.

The information required by this item is contained under the sections of the information statement entitled “Risk Factors—Risks Related to Our Common Stock,” “Dividend Policy,” and “Description of Capital Stock.” Those sections are incorporated herein by reference.

Item 12. Indemnification of Directors and Officers.

The information required by this item is contained under the sections of the information statement entitled “Certain Relationships and Related Party Transactions—Other Related Party Transactions” and “Description of Capital

Stock” Those sections are incorporated herein by reference.

Item 13. Financial Statements and Supplementary Data.

The information required by this item is contained under the sections of the information statement entitled “Unaudited Pro Forma Financial Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Index to Financial Statements” (and the statements referenced therein). Those sections are incorporated herein by reference.

Item 14. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 15. Financial Statements and Exhibits.

(a) Financial Statements

The information required by this item is contained under the sections of the information statement entitled “Unaudited Pro Forma Financial Statements” and “Index to Financial Statements” (and the financial statements referenced therein). Those sections are incorporated herein by reference.

(b) Exhibits

The following documents are filed as exhibits hereto:

2.1**	Form of Separation and Distribution Agreement by and between Safe & Green Holdings Corp. and the Registrant
3.1**	Form of Amended and Restated Certificate of Incorporation

3.2**	Form of Amended and Restated Bylaws
10.1**	Form of Shared Services Agreement by and between Safe & Green Holdings Corp. and the Registrant
10.2**	Form of Tax Matters Agreement by and between Safe & Green Holdings Corp. and the Registrant
10.3**	Form of Indemnification Agreement to be entered into between the Registrant and each of its directors and executive officers
10.4#	Fabrication Agreement by and between SG Echo, LLC and the Registrant
10.5*+	Form of 2022 Incentive Compensation Plan
10.6**	Renewal & Extension of Real Estate Note and Lien between the Registrant and Weinritter Realty, LP
10.7**	Second Lien Deed of Trust between the Registrant and Weinritter Realty, LP
10.8**	Promissory Note between the Registrant and Palermo Lender LLC
10.9**	Promissory Note between the Registrant and SG Blocks, Inc.
10.10**	Operating Agreement of JDI Cumberland Inlet, LLC
10.11**	Amended and Restated Operating Agreement of Norman Berry II Owners, LLC
10.12**	Employment Agreement, dated February 3, 2023, with David Villarreal
21.1*	Subsidiaries of the Registrant
99.1**	Information Statement of Safe and Green Development Corporation preliminary and subject to completion, dated February 6, 2023
99.2*	Form of Notice of Internet Availability of Information Statement

* To be filed by amendment.
** Filed herewith
# Previously filed
+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

SAFE AND GREEN DEVELOPMENT CORPORATION

By: /s/ David Villarreal
Name: David Villarreal
Title: President and Chief Executive Officer

Date: February 6, 2023

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

SAFE & GREEN HOLDINGS CORP.

and

SAFE AND GREEN DEVELOPMENT CORPORATON

Dated as of February , 2023

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EXHIBIT A – Shared Services Agreement
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SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT (this "Agreement"), is entered into as of , 2023, by and between Safe & Green Holdings Corp., a Delaware corporation ("SG Holdings"), and Safe and Green Development Corporation, a Delaware corporation and a wholly owned subsidiary of SG Holdings ('SG DevCo") (each a "Party" and together, the "Parties").

RECITALS

WHEREAS, SG Holdings, acting through its direct and indirect Subsidiaries, currently conducts a number of businesses, including the SG DevCo Business;

WHEREAS, the Board of Directors of SG Holdings (the "SG Holdings Board") has determined that it is appropriate, desirable and in the best interests of SG Holdings and its stockholders to separate SG Holdings into two separate, independent, publicly-traded companies: (i) one comprising the SG DevCo Business, which shall be owned and conducted directly or indirectly by SG DevCo, all of the common stock of which is intended to be distributed to SG Holdings stockholders, and (ii) one comprising the SG Holdings Business, which shall continue to be owned and conducted, directly or indirectly, by SG Holdings;

WHEREAS, in furtherance of the foregoing, the SG Holdings Board has determined that it is appropriate, desirable and in the best interests of SG Holdings and its stockholders: (i) for SG Holdings and its Subsidiaries to enter into a series of transactions whereby SG Holdings and its Subsidiaries will be reorganized such that (A) SG Holdings and/or one or more other members of the SG Holdings Group will own all of the SG Holdings Assets and assume (or retain) all of the SG Holdings Liabilities, and (B) SG DevCo and/or one or more other members of the SG DevCo Group will own all of the SG DevCo Assets and assume (or retain) all of the SG DevCo Liabilities (the transactions referred to in clauses (A) and (B) being referred to herein as the "Separation"); and (ii) thereafter, on the Distribution Date, for SG Holdings to distribute to the holders of issued and outstanding shares of common stock of SG Holdings (the "SG Holdings Common Stock") as of the Record Date on a pro rata basis all of the issued and

outstanding shares of common stock of SG DevCo (the "SG DevCo Common Stock") (such transactions described in this clause (ii), as may be amended or modified from time to time in accordance with the terms and subject to the conditions of this Agreement, the "Distribution");

WHEREAS, SG DevCo has not engaged in activities except (i) operating the SG DevCo Business and (ii) preparing for its corporate reorganization and the distribution of its stock;

WHEREAS, SG Holdings and SG DevCo have determined that it is necessary and desirable, at or prior to the effective time of the Distribution (the "Effective Time"), to allocate, transfer or assign the SG DevCo Assets and SG DevCo Liabilities to the SG DevCo Group, and to allocate, transfer or assign the SG Holdings Assets and SG Holdings Liabilities to the SG Holdings Group;

WHEREAS, the Parties intend that the Distribution, together with certain related transactions, generally will be taxable for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the United States Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement is intended to be, and is hereby adopted as, a plan of reorganization under Section 368 of the Code to the extent relevant for these transactions; and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Separation and the relationship of SG DevCo and SG Holdings and their respective Affiliates.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

(1) "AAA" has the meaning assigned to such term in Section 8.3.

(2) "Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group shall be deemed to be an Affiliate of any member of the other Group, including by reason of having common stockholders or one or more directors in common. As used herein, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or other interests, by Contract or otherwise.

(3) "Agent" means the distribution agent to be appointed by SG Holdings to distribute to the stockholders of SG Holdings all of the outstanding shares of SG DevCo Common Stock pursuant to the Distribution.

(4) "Agreement" has the meaning assigned to such term in the Preamble hereto.

(5) "Agreement Disputes" has the meaning assigned to such term in Section 8.1(1).

(6) "Amended Financial Reports" has the meaning assigned to such term in Section 5.2(2).

(7) "Ancillary Agreements" means all of the written Contracts, instruments, assignments or other arrangements (other than this Agreement) entered into by the Parties or their Subsidiaries (but as to which no Third Party is a party) in connection with the Separation, the Distribution or the other transactions contemplated herein, including the Tax Matters Agreement, the Continuing Arrangements, and the other agreements set forth on Schedule 1.1(7).

(8) "Asset" means assets, properties, interests, claims, rights, remedies and recourse (including goodwill), wherever located (including in the possession of vendors or other third parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the Records or financial statements of any Person, including the following:

(i) all accounting and other legal and business books, records, ledgers and files, whether printed, electronic or written;

(ii) all computers and other electronic data processing and communications equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks and other transportation equipment, special and general tools, test devices, prototypes and models and other tangible personal property;

(iii) all inventories of products, goods, materials, parts, raw materials and supplies;

(iv) all interests in real property of whatever nature, including easements, rights-of-way, leases, subleases, licenses or other occupancy agreements, whether as fee owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, licensor, lessee, sublessee, licensee or otherwise;

(v) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and all other investments in securities of any Person;

(vi) all Contracts and any rights or claims (whether accrued or contingent) arising under any Contracts;

(vii) all deposits, letters of credit and performance and surety bonds;

(viii) all written (including in electronic form) technical information, data, specifications, research and development information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other third parties;

(ix) all Intellectual Property;

(x) all software;

(xi) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product data and literature, artwork, design, development and business process files and data, vendor and customer drawings, specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(xii) all prepaid expenses, trade accounts and other accounts and notes receivables;

(xiii) all claims, rights, remedies and recourse against any Person, whether sounding in tort, contract or otherwise, whether accrued or contingent;

(xiv) all claims, rights, remedies and recourse under insurance policies and all rights in the nature of insurance, indemnification, reimbursement or contribution;

(xv) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority;

(xvi) all cash or Cash Equivalents, bank accounts, brokerage accounts, lock boxes and other deposit arrangements; and

(xvii) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar Contracts or arrangements.

(9) "Audited Party" has the meaning assigned to such term in Section 5.2(1)(ii).

(10) "Business" means the SG DevCo Business and/or the SG Holdings Business, as the context requires.

(11) "Business Day" means any day that is not a Saturday, a Sunday or any other day on which banks are required or authorized by Law to be closed in New York, New York.

(12) "Business Entity" means any corporation, partnership, trust, limited liability company, joint venture, or other incorporated or unincorporated organization or other entity of any kind or nature (including those formed, organized or otherwise existing under the Laws of jurisdictions outside the United States).

(13) "Cash Equivalents" means (i) cash and (ii) checks, certificates of deposit having a maturity of less than one year, money orders, marketable securities, money market funds, commercial paper, short-term instruments and other cash equivalents, funds in time and demand deposits or similar accounts, and any evidence of indebtedness issued or guaranteed by any Governmental Authority, minus the amount of any outbound checks, plus the amount of any deposits in transit.

(14) "Code" has the meaning assigned to such term in the Recitals hereto.

(15) "Confidential Information" shall mean business, operations or other information, data or material concerning a Party and/or its Affiliates which, prior to or following the Effective Time, has been disclosed by a Party or its Affiliates to the other Party or its Affiliates, in written, oral (including by recording), electronic, or visual form to, or otherwise has come into the possession of, the other, including pursuant to the access provisions of Section 7.1 or Section 7.2 or any other provision of this Agreement or any Ancillary Agreement (except to the extent that such information can be shown to have been (i) in the public domain through no action of such Party or its Affiliates or (ii) lawfully acquired from other sources by such Party or its Affiliates to which it was furnished; provided, however, in the case of clause (ii) that, to the furnished Party's knowledge, such sources did not provide such information in breach of any confidentiality or fiduciary obligations).

(16) "Consents" means any consents, waivers, amendments, notices, reports or other filings to be obtained from or made, including with respect to any Contract, or any registrations, licenses, permits, authorizations to be obtained from, or approvals from, or notification requirements to, any third parties, including any third party to a Contract and any Governmental Authority.

(17) "Continuing Arrangements" means those arrangements set forth on Schedule 1.1(17) and such other commercial arrangements between one or more members of the SG Holdings Group, on the one hand, and SG DevCo Group, on the other hand, that are expressly intended in this Agreement or any Ancillary Agreement to survive and continue following the Effective Time.

(18) "Contract" shall mean any agreement, contract, subcontract, obligation, binding understanding, note, indenture, instrument, option, lease, promise, arrangement, release, warranty, license, sublicense, insurance policy, benefit plan, purchase order or legally binding commitment or undertaking of any nature (whether written or oral and whether express or implied).

(19) "Delaware Courts " has the meaning assigned to such term in Section 10.19.

(20) "Delayed Transfer Asset or Liability" has the meaning assigned to such term in Section 2.6(2).

(21) "Disclosing Party" has the meaning assigned to such term in Section 10.27.

(22) "Dispute Notice" has the meaning assigned to such term in Section 8.1(1).

(23) "Distribution" has the meaning assigned to such term in the Recitals hereto.

(24) "Distribution Date" means the date of the consummation of the Distribution, which shall be determined by the SG Holdings Board in its sole discretion.

(25) "Distribution Disclosure Documents" means the Registration Statement and all exhibits thereto (including the Information Statement) and any current reports on Form 8-K, in each case as filed or furnished by SG DevCo with the SEC in connection with the Distribution.

(26) "Effective Time" means the time at which the Distribution is effective on the Distribution Date.

(27) "Environmental Law" means all Laws, including all judicial and administrative orders, determinations, and consent agreements or decrees, relating to pollution, the protection, restoration or remediation of or prevention of harm to the environment or natural resources, or the protection of human health and safety, including

Laws relating to: (i) the exposure to, or presence, release or threatened release of, Hazardous Substances; (ii) the generation, manufacture, processing, distribution, use, treatment, containment, disposal, storage, release, transport or handling of Hazardous Substances; or (iii) recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Substances, in each case enacted on the date of this Agreement (regardless of whether the effective date relating thereto is before or after the Distribution).

(28) "Environmental Liabilities" means any Liabilities, arising out of or resulting from any Environmental Law, Contract or agreement relating to the environment, Hazardous Substances or exposure to Hazardous Substances, including (a) fines, penalties, judgments, awards, settlements, losses, expenses and disbursements, (b) costs of defense and other responses to any administrative or judicial action (including notices, claims, complaints, suits and other assertions of liability) and (c) responsibility for any investigation, response, reporting, remediation, monitoring or cleanup costs, injunctive relief, natural resource damages, and any other environmental compliance or remedial measures, in each case known or unknown, foreseen or unforeseen.

(29) "Exchange Act" means the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

(30) "Final Determination" has the meaning set forth in the Tax Matters Agreement.

(31) "Governmental Approvals" means any notices, reports or other filings to be given to or made with, or any releases, Consents, substitutions, approvals, amendments, registrations, permits or authorizations to be obtained from, any Governmental Authority.

(32) "Governmental Authority" means any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, or any other regulatory, self-regulatory, administrative or governmental organization or authority, including NYSE and any similar self-regulatory body under applicable securities Laws.

(33) "Guaranty Release" has the meaning assigned to such term in Section 2.11(2).

(34) "Hazardous Substances" means any and all materials, wastes, chemicals or substances (or combination thereof) that are listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, petroleum, oil, or words of similar meaning or effect, or for which liability can be imposed, under Environmental Law.

(35) "Indebtedness" means, (i) any indebtedness for borrowed money or the deferred purchase price of property as evidenced by a note, bonds or other instruments, (ii) obligations as lessee under capital leases, (iii) obligations secured by any mortgage, pledge (including a negative pledge), Security Interest, encumbrance, lien or charge of any kind existing on any Asset owned or held by any Person, whether or not such Person has assumed or become liable for the obligations secured thereby, (iv) any obligation under any interest rate swap agreement, (v) accounts payable, (vi) reimbursement obligations with respect to surety and performance bonds or letters of credit, and (vii) obligations under direct or indirect guarantees of (including obligations, contingent or otherwise, to assure a creditor against loss in respect of) indebtedness or obligations of the kinds referred to in clauses (i), (ii), (iii), (iv), (v) and (vi) above.

(36) "Indemnifiable Loss" means any and all damages, losses, deficiencies, Liabilities, obligations, penalties, judgments, settlements, claims, payments, fines, interest, costs and expenses (including reasonable costs and expenses of any and all Proceedings and demands, assessments, judgments, settlements and compromises relating thereto and the reasonable costs and expenses of attorneys', accountants', consultants' and other professionals' fees and expenses incurred in the investigation or defense thereof or the enforcement of rights hereunder).

(37) "Indemnified Party" or "Indemnified Parties" has the meaning assigned to such term in Section 6.2.

(38) "Indemnifying Party" means SG DevCo, for any indemnification obligation arising under Section 6.3, and SG Holdings, for any indemnification obligation arising under Section 6.2.

(39) "Indemnity Payment" has the meaning assigned to such term in Section 6.7(1)(i).

(40) "Information" means all information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including confidential or non-public information (including non-public financial information), proprietary information, studies, reports, Records, books, accountants' work papers, contracts, instruments, surveys, discoveries, ideas, concepts, processes, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, methodologies, prototypes, samples, flow charts, data, computer data, information contained in disks, diskettes, tapes, computer programs or other Software, marketing plans, customer data, communications by or to attorneys (including attorney work product), memos and other materials prepared by attorneys and accountants or under their direction (including attorney work product), and other technical, financial, legal, employee or business information or data.

(41) "Information Statement" means the information statement of SG DevCo, included as Exhibit 99.1 to the Registration Statement, to be distributed to holders of SG Holdings common stock in connection with the Distribution, including any amendments or supplements thereto.

(42) [RESERVED]

(43) "Insurance Proceeds" means those monies received by an insured from an unaffiliated Third Party insurer, net of any applicable premium adjustment, retrospectively-rated premium, deductible, retention, or cost of reserve paid or held by or for the benefit of such insured, and any costs incurred in collecting such monies.

(44) [RESERVED]

(45) "Intellectual Property" means all intellectual property and other similar proprietary rights of every kind and description throughout the world, whether registered or unregistered, including such rights in and to United States and foreign: (i) trademarks, trade dress, service marks, certification marks, logos, slogans, design rights, trade names, domain names and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing (collectively, "Trademarks"); (ii) patents and patent applications, and any and all divisionals, continuations, continuations-in-part, reissues, reexaminations, and extensions thereof, any counterparts claiming priority therefrom, utility models, certificates of invention, certificates of registration, design registrations or patents and similar rights; (iii) rights in inventions, invention disclosures, discoveries and improvements, whether or not patentable; (iv) all copyrights and copyrightable subject matter; (v) trade secrets (including, those trade secrets defined in the Uniform Trade Secrets Act and under corresponding foreign statutory Law and common law), proprietary rights in Information, and rights to limit the use or disclosure of any of the foregoing by any Person; (vi) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, application programming interfaces, compilations and data, technology supporting the foregoing, and all documentation and specifications related to any of the foregoing (collectively, "Software"); (vii) moral rights and rights of attribution and integrity; (viii) all rights in the foregoing and in other similar intangible assets; (ix) all applications and registrations

for the foregoing; and (x) all rights and remedies against past, present, and future infringement, misappropriation, or other violation thereof.

(46) "Intergroup Indebtedness" means any receivables, payables, accounts, advances, loans, guarantees, commitments and indebtedness for borrowed funds between a member of the SG Holdings Group and SG DevCo as of the Distribution; *provided*, *however*, that "Intergroup Indebtedness" shall not include any accounts payable or contingent Liabilities arising pursuant to (i) any intercompany agreement that will survive the Separation and Distribution, (ii) the Ancillary Agreements, (iii) any agreements with respect to continuing transactions between SG Holdings and SG DevCo and (iv) any other agreements entered into in the ordinary course of business at or following the Distribution.

(47) "Internal Control Audit and Management Assessments" has the meaning assigned to such term in Section 5.2(1)(i).

(48) "Internal Reorganization" means all of the transactions, other than the Distribution, described in the step plan listed on Schedule 1.1 (67).

(49) "Law" means any applicable foreign, federal, national, state, provincial or local law (including common law), statute, ordinance, rule, regulation, code or other requirement enacted, promulgated, issued or entered into, or act taken, by a Governmental Authority.

(50) "Liabilities" means all debts, liabilities, obligations, responsibilities, losses, damages (whether compensatory, punitive, consequential, treble or other), fines, penalties and sanctions, absolute or contingent, matured or unmatured, reserved or unreserved, liquidated or unliquidated, foreseen or unforeseen, on or off balance sheet, joint, several or individual, asserted or unasserted, accrued or unaccrued, known or unknown, whenever arising under or in connection with any Law (including any Environmental Law), or other pronouncements of Governmental Authorities constituting a Proceeding, order or consent decree of any Governmental Authority or any award of any arbitration tribunal, and those arising under any Contract, agreement, guarantee, commitment or undertaking, whether sought to be imposed by a Governmental Authority, private party, or a Party, whether based in contract, tort, implied or express covenant or warranty, strict liability, criminal or civil statute, or otherwise, and including any costs, expenses, interest, attorneys' fees, disbursements and expense of counsel, expert and consulting fees, fees of third party administrators, and costs related thereto or to the investigation or defense thereof.

(51) "Liable Party" has the meaning assigned to such term in Section 2.10(2).

(52) [RESERVED]

(53) "Nasdaq" means the Nasdaq Capital Market.

(54) [RESERVED]

(55) "Other Parties' Auditors" has the meaning assigned to such term in Section 5.2(1)(ii).

(56) "Other Party Marks" has the meaning assigned to such term in Section 5.1(1).

(57) "Party" or "Parties" has the meaning assigned to such term in the Preamble hereto.

(58) "Person" means any natural person, corporation, general or limited partnership, limited liability company or partnership, joint stock company, joint venture, association, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any Governmental Authority.

(59) "Pre-Separation Disclosure" mean any form, statement, schedule or other material (other than the Distribution Disclosure Documents) that SG Holdings, SG DevCo, or any of their respective Affiliates filed with or furnished to the SEC, any other Governmental Authority, or holders of any securities of SG Holdings or any of its Affiliates, in each case, prior to the Effective Time and in connection with the registration, sale, or distribution of securities or disclosure related thereto (including periodic disclosure obligations).

(60) "Proceeding" means any claim, charge, demand, action, cause of action, suit, countersuit, arbitration, litigation, inquiry, subpoena, proceeding, or investigation of any kind by or before any court, grand jury, Governmental Authority or any arbitration or mediation tribunal or authority.

(61) [RESERVED]

(62) "Receiving Party" has the meaning assigned to such term in Section 10.27.

(63) "Record Date" means the date to be determined by the SG Holdings Board in its sole discretion as the record date for the Distribution.

(64) "Records" means all books, records and other documents, books of account, stock records and ledgers, financial, accounting and personnel records, files, invoices, customers' and suppliers' lists, other distribution lists, operating, production and other manuals and sales and promotional literature, in all cases, in any form or medium.

(65) "Registration Statement" means the Registration Statement on Form 10 of SG DevCo (which includes the Information Statement) relating to the registration under the Exchange Act of SG DevCo Common Stock, including all amendments or supplements thereto.

(66) "Rules" has the meaning assigned to such term in Section 8.3.

(67) "SEC" means the United States Securities and Exchange Commission or any successor agency thereto.

(68) "Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever, excluding restrictions on transfer under securities Laws.

(69) "Separation" has the meaning assigned to such term in the Recitals hereto.

(70) "SG DevCo" has the meaning assigned to such term in the Preamble hereto.

(71) "SG DevCo Accounts" has the meaning assigned to such term in Section 2.4(1).

(72) "SG DevCo Assets" means only the following Assets (without duplication):

(i) all SG DevCo Contracts, and any rights or claims (whether accrued or contingent) of SG Holdings, SG DevCo, or any of their respective Affiliates, arising thereunder;

(ii) all Assets owned, leased or held by SG Holdings, SG DevCo, or any of their respective Affiliates immediately prior to the Effective Time that are used primarily or held for use primarily in the SG DevCo Business, including inventory, accounts receivable, goodwill, interests in real estate and all Assets reflected on the SG DevCo Balance Sheet, or the accounting records supporting such balance sheet and any Assets acquired by or for the SG DevCo Business subsequent to the date of such balance sheet which, had they been so acquired on or before such date and owned as of such date, would have been reflected on such balance sheet if prepared on a consistent basis, subject to any disposition of any of the foregoing Assets subsequent to the date of such balance sheet;

(iii) the Assets listed or described on Schedule 1.1(22)(v) and any and all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement as Assets to be retained by, or assigned or transferred to any member of the SG DevCo Group; and

(vi) all SG DevCo Accounts, and, subject to the provisions of Section 2.4, all cash, Cash Equivalents, and securities on deposit in such accounts immediately prior to the Effective Time, after giving effect to any withdrawal by, or other distribution of cash to, SG Holdings or any member of the SG Holdings Group which may occur at or prior to the Effective Time.

Notwithstanding the foregoing, the SG DevCo Assets shall in no event include:

(A) the Assets listed or described on Schedule 1.1(107)(iv); or

(B) any Assets that are expressly contemplated by this Agreement or any Ancillary Agreement as Assets to be retained by, transferred or assigned to, any member of the SG Holdings Group, including Assets leased, owned or held by SG Holdings, SG DevCo, or any of their respective Affiliates immediately prior to the Effective Time that are used primarily or held for use primarily in the SG Holdings Business.

(73) "SG DevCo Balance Sheet" means the balance sheet of the SG DevCo Business, as of ___________, 202_, that is included in the Information Statement; provided, however, that to the extent any Assets or Liabilities are Transferred by any Party or any member of its Group to SG DevCo or any member of the SG DevCo Group or vice versa in connection with the Separation and Internal Reorganization and prior to the Distribution Date, such Assets and/or Liabilities shall be deemed to be included or excluded from the SG DevCo Balance Sheet, as the case may be.

(74) "SG DevCo Business" means the business, activities and operations of SG DevCo Group prior to the Effective Time and the businesses and operations of Business Entities acquired or established by or for any member of the SG DevCo Group after the Effective Time.

(75) "SG DevCo Common Stock" has the meaning assigned to such term in the Recitals hereto.

(76) "SG DevCo Contracts" means the following Contracts to which any Party or any of its Subsidiaries or Affiliates is a party or by which it or any of its Affiliates or any of their respective Assets is bound, except for any such Contract or part thereof that is expressly contemplated not to be transferred or assigned by any member of the SG Holdings Group to SG DevCo pursuant to any provision of this Agreement or any Ancillary Agreement:

(i) any Contract that relates primarily to the SG DevCo Business;

(ii) any Contract or part thereof that is otherwise expressly contemplated pursuant to this Agreement or any of the Ancillary Agreements to be retained by, transferred or assigned to, any member of the SG DevCo Group; and

(iii) the Contracts listed or described on Schedule 1.1(26)(iii).

(77) "SG DevCo Disclosure" means any form, statement, schedule or other material (other than the Distribution Disclosure Documents) filed with or furnished to the SEC, any other Governmental Authority, or holders of any securities of any member of the SG DevCo Group, in each case, on or after the Distribution Date by or on behalf of any member of the SG DevCo Group in connection with the registration, sale, or distribution of securities or disclosure related thereto (including periodic disclosure obligations).

(78) "SG DevCo General Liability Policies" has the meaning assigned to such term in Section 9.1.

(79) "SG DevCo Group" SG DevCo and each Person that is a direct or indirect Subsidiary of SG DevCo as of immediately prior to the Distribution (but after giving effect to the Internal Reorganization), and each Person that becomes a Subsidiary of SG DevCo after the Effective Time.

(80) "SG DevCo Group Employees" has the meaning assigned to such term in the Shared Services Agreement.

(81) "SG DevCo Indemnified Parties" has the meaning assigned to such term in Section 6.2.

(82) "SG DevCo Liabilities" shall mean all of the following Liabilities of either Party or any of its Subsidiaries:

(i) any and all Liabilities expressly assumed or retained by the SG DevCo Group pursuant to this Agreement or the Ancillary Agreements, including any obligations and Liabilities of any member of the SG DevCo Group under this Agreement or the Ancillary Agreements;

(ii) any and all Liabilities of SG Holdings, SG DevCo, or any of their respective Affiliates, to the extent relating to, arising out of or resulting from:

(A) the operation or conduct of the SG DevCo Business, as conducted at any time prior to, on or after the Effective Time (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative of SG Holdings, SG DevCo, or any of their respective Affiliates (whether or not such act or failure to act is or was within such Person's authority) with respect to the

SG DevCo Business);

(B) the operation or conduct of any business conducted by any member of the SG DevCo Group at any time after the Effective Time (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative of SG DevCo or any of its Affiliates after the Effective Time (whether or not such act or failure to act is or was within such Person's authority) with respect to the SG DevCo Business); or

(C) any SG DevCo Assets (including but not limited to any Environmental Liabilities to the extent relating to, arising out of or resulting from any SG DevCo Assets), including those set forth on Schedule 1.1(22)(v), whether arising before, on or after the Effective Time;

(iii) any and all Liabilities (including under applicable federal and state securities Laws) relating to, arising out of or resulting from any SG DevCo Disclosure;

(iv) any and all Liabilities relating to, arising out of or resulting from (any Indebtedness of any member of the SG DevCo Group (whether incurred prior to, on or after the Effective Time);

(v) for the avoidance of doubt, and without limiting any other matters that may constitute SG DevCo Liabilities, any and all Liabilities relating to, arising out of or resulting from any Proceedings primarily related to the SG DevCo Business or any SG DevCo Asset (except to the extent relating to or resulting from the SG Holdings Business, the SG Holdings Assets or the other SG Holdings Liabilities) including such Proceedings listed or described on Schedule 1.1(34)(v);

(vi) all Liabilities reflected as Liabilities or obligations on the SG DevCo Balance Sheet or on the accounting records supporting such balance sheet, and all Liabilities arising or assumed after the date of such balance sheet which, had they arisen or been assumed on or before such date and been retained as of such date, would have been reflected on such balance sheet if prepared on a consistent basis, subject to any discharge of such Liabilities subsequent to the date of the SG DevCo Balance Sheet; it being understood that (x) the SG DevCo Balance Sheet and the accounting records supporting such balance sheet shall be used to determine the types of, and methodologies used to determine, those Liabilities that are included in the definition of SG DevCo Liabilities pursuant to this subclause (vi); and (y) the amounts set forth on the SG DevCo Balance Sheet with respect to any Liabilities shall not be treated as minimum amounts or limitations on the amount of such Liabilities that are included in the definition of SG DevCo Liabilities pursuant to this subclause (vi);

(vii) any and all accounts payable primarily related to or arising out of the SG DevCo Business; and

(viii) the Liabilities set forth on Schedule 1.1(34)(viii).

Notwithstanding the foregoing, the SG DevCo Liabilities shall in any event not include any Liabilities that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) as Liabilities to be retained or assumed by any member of the SG Holdings Group, including any Liabilities set forth on Schedule 1.1(119)(ix), or for which any member of the SG Holdings Group is liable pursuant to this Agreement or such Ancillary Agreement.

(83) "SG Holdings" has the meaning assigned to such term in the Preamble hereto.

(84) "SG Holdings Accounts" has the meaning assigned to such term in Section 2.4(1).

(85) "SG Holdings Assets" means (without duplication):

(i) the ownership interests (to the extent held by SG Holdings, SG DevCo or any of their respective Affiliates immediately prior to the Effective Time) in each member of the SG Holdings Group;

(ii) all Contracts to which SG Holdings, SG DevCo or any of their Affiliates is a party or by which they or any of their respective Affiliates or any of their respective Assets are bound and any rights or claims (whether accrued or contingent) of SG Holdings, SG DevCo, or any of their respective Affiliates arising thereunder, in each case, other than the SG DevCo Contracts;

(iii) [RESERVED];

(iv) the Assets listed or described on Schedule 1.1(108)(iv) and any and all Assets that are expressly contemplated by this Agreement or any Ancillary Agreement as Assets to be retained by, or assigned or transferred to, any member of the SG Holdings Group;

(v) all SG Holdings Accounts, and, subject to the provisions of Section 2.4, all cash, Cash Equivalents, and securities on deposit in such accounts immediately prior to the Effective Time;

(vi) any collateral securing any SG Holdings Liability immediately prior to the Effective Time; and

(vii) any and all Assets (other than those Assets listed or described on Schedule 1.1(10)(v)) of the Parties or their respective Subsidiaries as of the Effective Time that are not SG DevCo Assets.

(86) "SG Holdings Board" has the meaning assigned to such term in the Recitals hereto.

(87) "SG Holdings Business" means (i) any and all businesses and operations of SG Holdings or any of its Subsidiaries (including the members of the SG DevCo Group and the members of the SG Holdings Group) as conducted immediately prior to the Distribution, other than the SG DevCo Business; and (ii) the business and operations of Business Entities acquired or established by or for any member of the SG Holdings Group after the Effective Time.

(88) "SG Holdings Common Stock" has the meaning assigned to such term in the Recitals hereto.

(89) "SG Holdings Disclosure" means any form, statement, schedule or other material (other than the Distribution Disclosure Documents) filed with or furnished to the SEC, any other Governmental Authority, or holders of any securities of any member of the SG Holdings Group, in each case, on or after the Effective Time by or on behalf of any member of the SG Holdings Group in connection with the registration, sale or distribution of securities or disclosure related thereto (including periodic disclosure obligations).

(90) "SG Holdings General Liability Policies" has the meaning assigned to such term in Section 9.2.

(91) "SG Holdings Group" means (i) SG Holdings and each of its Subsidiaries immediately following the Effective Time and (ii) each other Person who is or becomes an Affiliate of SG Holdings at or after the Effective Time, in each case, other than the members of the SG DevCo Group.

(92) "SG Holdings Group Employee" has the meaning assigned to such term in the Shared Services Agreement.

(93) "SG Holdings Indemnified Parties" has the meaning assigned to such term in Section 6.3.

(94) "SG Holdings Liabilities" shall mean:

(i) any and all Liabilities expressly assumed or retained by the SG Holdings Group pursuant to this Agreement or any Ancillary Agreement, including any obligations and Liabilities of any member of the SG Holdings Group under this Agreement or the Ancillary Agreements;

(ii) any and all Liabilities of SG Holdings, SG DevCo, or any of their respective Affiliates, to the extent relating to, arising out of or resulting from:

(A) the operation or conduct of the SG Holdings Business, as conducted at any time prior to, on or after the Effective Time (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative of SG Holdings, SG DevCo, or any of their respective Affiliates (whether or not such act or failure to act is or was within such Person's authority) with respect to the SG Holdings Business) the operation or conduct of any business conducted by any member of the SG Holdings Group at any time after the Effective Time (including any Liability to the extent relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative of SG Holdings or any of its Affiliates after the Effective Time (whether or not such act or failure to act is or was within such Person's authority) with respect to the SG Holdings Business); or

(B) any SG Holdings Assets (including but not limited to any Environmental Liabilities to the extent relating to, arising out of or resulting from any SG Holdings Assets, including those set forth on Schedule 1.1(108)(iv)), whether arising before, on or after the Effective Time;

(iii) any and all Liabilities relating to, arising out of or resulting from any indemnification obligations to any current or former director or officer of SG Holdings Group;

(iv) any and all Liabilities relating to, arising out of or resulting from any discontinued or divested businesses or operations of SG Holdings and its Subsidiaries, including those set forth on Schedule 1.1(119)(iv)(A) (except (x) as otherwise assumed by the SG DevCo Group pursuant to any Ancillary Agreement, (y) Liabilities related to an SG DevCo Asset, or (z) the Liabilities set forth on Schedule 1.1(119)(iv)(B));

(v) any and all Liabilities (including under applicable federal and state securities Laws) relating to, arising out of or resulting from: (A) the Distribution Disclosure Documents; (B) any Pre-Separation Disclosure; and (C) any SG Holdings Disclosure;

(vi) any and all Liabilities relating to, arising out of or resulting from any Indebtedness of any member of the SG Holdings Group (whether incurred prior to, on or after the Effective Time);

(vii) for the avoidance of doubt, and without limiting any other matters that may constitute SG Holdings Liabilities, any and all Liabilities relating to, arising out of or resulting from any Proceedings primarily related to the SG Holdings Business or any SG Holdings Asset (except to the extent relating to or resulting from the SG DevCo Business, the SG DevCo Assets or the other SG DevCo Liabilities) including such Proceedings listed or described on Schedule 1.1(119)(vii);

(viii) any and all accounts payable primarily related to or arising out of the SG Holdings Business; and

(ix) the Liabilities listed or described on Schedule 1.1(119)(ix).

Notwithstanding the foregoing, the SG Holdings Liabilities shall in no event include any Liabilities (including Liabilities under SG DevCo Contracts and SG DevCo Liabilities) that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) as Liabilities to be retained or assumed by any member of the SG DevCo Group, including any Liabilities set forth on Schedule 1.1(34)(viii), or for which any member of the SG DevCo Group is liable pursuant to this Agreement or such Ancillary Agreement.

(95) "Shared Contract" means any Contract of SG DevCo or the SG Holdings Group that, as of the Distribution, relates in any material respect to both the SG DevCo Business, on the one hand, and the SG Holdings Business, on the other hand in respect of rights or performance obligations for periods of time after the Distribution.

(96) "Shared Contractual Liabilities" means Liabilities in respect of Shared Contracts.

(97) "Shared Services Agreement" means the Shares Services Agreement by and between SG Holdings and SG DevCo, dated as of the date hereof and substantially in the form attached as Exhibit A hereto.

(98) "Software" has the meaning assigned to such term in the definition of Intellectual Property.

(99) "Subsidiary" means, with respect to any Person, any other Person of which at least a majority of the securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions is directly or indirectly owned or controlled by such Person and/or by one or more of its Subsidiaries.

(100) "Tax" or "Taxes" has the meaning assigned to such term in the Tax Matters Agreement.

(101) "Tax Authority" has the meaning set forth in the Tax Matters Agreement.

(102) "Tax Contest" has the meaning assigned to such term in the Tax Matters Agreement.

(103) "Tax Matters Agreement" means the Tax Matters Agreement by and between SG Holdings and SG DevCo, dated as of the date hereof and substantially in the form attached as Exhibit B hereto.

(104) "Tax Return" has the meaning assigned to such term in the Tax Matters Agreement.

(105) "Third Party" shall mean any Person other than the Parties or any of their respective Subsidiaries.

(106) "Third Party Claim" has the meaning assigned to such term in Section 6.4(1).

(107) [RESERVED]

(108) "Trademarks" has the meaning assigned to such term in the definition of Intellectual Property.

(109) "Transfer" has the meaning assigned to such term in Section 2.2(1).

(110) "Transfer Documents" shall mean, collectively, the various instruments, assignments, agreements, Contracts and other documents entered into and to be entered into to effect the transfer of Assets and the assumption of Liabilities in the manner contemplated by this Agreement (including as contemplated by the Internal Reorganization) or otherwise relating to, arising out of or resulting from the transactions contemplated by this Agreement (other than the Ancillary Agreements), each of which shall be in such form and dated as of such date as SG Holdings shall determine in its sole discretion.

Section 1.2 References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Any action to be taken by the board of directors of a Party may be taken by a committee of the board of directors of such Party if properly delegated by the board of directors of a Party to such committee. Unless the context otherwise requires:

(1) the words "include", "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation";

(2) references in this Agreement to Articles, Sections, Annexes, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement;

(3) the words "hereof", "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement;

(4) references in this Agreement to any time shall be to Dallas, Texas time unless otherwise expressly provided herein; and

(5) as described in Section 10.2, to the extent that the terms and conditions of any Schedule hereto conflicts with the express terms of the body of this Agreement or any Ancillary Agreement, the terms of such Schedule shall control; it being understood that the Parties intend to include in the Schedules hereto any exceptions to the general rules described in the body of this Agreement and to give full effect to such exceptions, with respect to the matters expressly set forth therein.

Section 1.3 Effective Time. This Agreement shall be effective as of the Effective Time.

Section 1.4 Other Matters. described in more detail in, but subject to the terms and conditions of Section 10.1 and Section 10.2, the Shared Services Agreement and Tax Matters Agreement will govern SG Holdings' and SG DevCo's respective rights, responsibilities and obligations after the Distribution with respect to the matters set forth in such Ancillary Agreements, except as expressly set forth in this Agreement or any other Ancillary Agreement.

ARTICLE II.
THE SEPARATION

Section 2.1 General. Subject to the terms and conditions of this Agreement, including Section 4.3 and Section 4.4, the Parties shall use, and shall cause their respective Affiliates to use, their respective commercially reasonable efforts to consummate the transactions contemplated hereby, a portion of which have already been implemented prior to the date hereof. It is the intent of the Parties that prior to consummation of the Distribution, SG Holdings, SG DevCo and SG Holdings Subsidiaries shall be reorganized, to the extent necessary, such that immediately following the consummation of such reorganization, subject to Section 2.6 and the provisions of any Ancillary Agreement, (i) all of SG Holdings' and its Subsidiaries' right, title and interest in and to the SG DevCo Assets will be owned or held by member or members of the SG DevCo Group, the SG DevCo Business will be conducted by the members of the SG DevCo Group and the SG DevCo Liabilities will be assumed directly or indirectly by (or retained by) a member of the SG DevCo Group; and (ii) all of SG Holdings' and its Subsidiaries' right, title and interest in and to the SG Holdings Assets will be owned or held by a member or members of the SG Holdings Group, the SG Holdings Business will be conducted by the members of the SG Holdings Group and the SG Holdings Liabilities will be assumed directly or indirectly by (or retained by) a member of the SG Holdings Group. Further, it is the intent of the Parties that the direct assumption by SG DevCo of SG DevCo Liabilities is made in connection with the Separation, including the transfer of the SG DevCo Assets to SG DevCo.

Section 2.2 The Separation. At or prior to the Effective Time, to the extent not already completed and subject to the terms of the Ancillary Agreements:

(1) SG Holdings shall and hereby does, on behalf of itself and the other members of the SG Holdings Group, as applicable, transfer, contribute, assign, distribute, and convey, or cause to be transferred, contributed, assigned, distributed and conveyed ("Transfer"), to SG DevCo or another member of the SG DevCo Group, and SG DevCo or such member of the SG DevCo Group shall and hereby does accept from SG Holdings and the applicable members of the SG Holdings Group, all of SG Holdings' and the other members' of the SG Holdings Group's respective direct or indirect rights, title and interest in and to the SG DevCo Assets;

(2) SG DevCo shall and hereby does on behalf of itself and the other members of the SG DevCo Group, as applicable, Transfer to SG Holdings or another member of the SG Holdings Group, and SG Holdings or such member of the SG Holdings Group shall and hereby does accept from SG DevCo and the applicable members of the SG DevCo Group, all of SG DevCo's and the other members' of the SG DevCo Group's respective direct or indirect rights, title and interest in and to the SG Holdings Assets held by SG DevCo or a member of the SG DevCo Group;

(3) (i) SG Holdings shall, or shall cause another member of the SG Holdings Group to, accept, assume (or, as applicable, retain) and perform, discharge and fulfill, in accordance with their respective terms, all of the SG Holdings Liabilities and (ii) SG DevCo shall, or shall cause another member of the SG DevCo Group to, accept,

assume (or, as applicable, retain) and perform, discharge and fulfill, in accordance with their respective terms, all the SG DevCo Liabilities, in each case regardless of (A) when or where such Liabilities arose or arise, (B) where or against whom such Liabilities are asserted or determined, (C) whether arising from or alleged to arise from negligence, gross negligence, recklessness, violation of law, willful misconduct, bad faith, fraud or misrepresentation by any member of the SG Holdings Group or the SG DevCo Group, as the case may be, or any of their past or present respective directors, officers, employees, or agents, (D) which entity is named in any Proceeding associated with any Liability and (E) whether the facts on which they are based occurred prior to, on or after the date hereof;

Section 2.3 Settlement of Intergroup Indebtedness. Each of SG Holdings or any member of the SG Holdings Group, on the one hand, and SG DevCo or any member of the SG DevCo Group, on the other hand, will, repay, defease, capitalize, cancel, forgive, discharge, extinguish, assign, discontinue or otherwise cause to be satisfied, with respect to the other Party, as the case may be, all Intergroup Indebtedness owed or owed by the other Party on or prior to the Distribution, except as otherwise agreed to in good faith by the Parties in writing on or after the date hereof.

Section 2.4 Bank Accounts; Cash Balances.

(1) The Parties agree to take, or cause the members of their respective Groups to take, at the Effective Time (or such earlier time as SG Holdings may determine), all actions necessary to amend all Contracts governing each bank and brokerage account owned by SG DevCo or any other member of the SG DevCo Group (the "SG DevCo Accounts") so that such SG DevCo Accounts, if currently linked (whether by automatic withdrawal, automatic deposit, or any other authorization to transfer funds from or to, hereinafter "linked") to any bank or brokerage account owned by SG Holdings or any other member of the SG Holdings Group (the "SG Holdings Accounts") are de-linked from the SG Holdings Accounts. From and after the Effective Time, no SG Holdings Group Employee shall have any authority to access or control any SG DevCo Account, except as provided for through the Shared Services Agreement.

(2) The Parties agree to take, or cause the members of their respective Groups to take, at the Effective Time (or such earlier time as SG Holdings may determine), all actions necessary to amend all Contracts governing the SG Holdings Accounts so that such SG Holdings Accounts, if currently linked to an SG DevCo Account, are de-linked from the SG DevCo Accounts. From and after the Effective Time, no SG DevCo Group Employee shall have any authority to access or control any SG Holdings Account, except as may be provided for through the Shared Services Agreement (if applicable).

(3) The Parties intend that, following consummation of the actions contemplated by Section 2.4(1) and Section 2.4(2), there will continue to be in place a centralized cash management system pursuant to which the SG DevCo Accounts will be managed centrally and funds collected will be transferred into one or more centralized accounts maintained by members of the SG DevCo Group.

(4) The Parties intend that, following consummation of the actions contemplated by Section 2.4(1) and Section 2.4(2), there will continue to be in place a centralized cash management system pursuant to which the SG Holdings Accounts will be managed centrally and funds collected will be transferred into one or more centralized accounts maintained by members of the SG Holdings Group.

(5) With respect to any outstanding checks issued by SG Holdings, SG DevCo, or any of their respective Subsidiaries prior to the Effective Time, such outstanding checks shall be honored following the Effective Time by the member of the applicable Group owning the account on which the check is drawn.

(6) As between the Parties hereto and the members of their respective Groups, all payments and reimbursements received after the Effective Time by either Party (or member of its Group) that relate to a Business, Asset or Liability of the other Party (or member of its Group), shall be held by such Party in trust for the use and benefit of the Party entitled thereto and, promptly upon receipt by such Party of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over to the other Party the amount of such payment or reimbursement without right of set-off.

(7) The Parties agree that, prior to the Effective Time, SG Holdings or any other member of the SG Holdings Group may withdraw any and all cash or Cash Equivalents from the SG DevCo Accounts for the benefit of SG Holdings or any other member of the SG Holdings Group. Notwithstanding the foregoing, it is the intention of SG Holdings and SG DevCo that, at the time of the Distribution, SG DevCo shall have a minimum cash or Cash Equivalents balance, as would be reflected on the unaudited consolidated balance sheet of the SG DevCo Group as of the close of business on the date prior to the Distribution Date, of $___. All cash held by any member of the SG DevCo Group as of the Distribution shall be an SG DevCo Asset and all cash held by any member of the SG Holdings Group as of the Distribution shall be a SG Holdings Asset.

Section 2.5 Limitation of Liability; Termination of Agreements.

(1) Except as otherwise expressly provided in this Agreement, no Party or any member of such Party's Group shall have any Liability to any other Party or any member of each other Party's Group in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate.

(2) Except as provided in Section 2.3 or as set forth in subsection (3) below, no Party or any member of such Party's Group shall have any Liability to any other Party or any member of such other Party's Group based upon, arising out of or resulting from any Contract, arrangement, course of dealing or understanding, whether or not in writing, entered into or existing at or prior to the Effective Time, and each Party hereby terminates, and shall cause all members in its Group to terminate, any and all Contracts, arrangements, course of dealings or understandings between it or any members in its Group, on the one hand, and the other Party, or any members of its Group, on the other hand, effective as of immediately prior to the Effective Time, and any such Liability, whether or not in writing, is hereby irrevocably cancelled, released and waived effective as of the Effective Time. No such terminated Contract, arrangement, course of dealing or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, any reasonably requested actions necessary to effect the foregoing.

(3) The provisions of Section 2.5(2) shall not apply to any of the following Contracts, arrangements, course of dealings or understandings (or to any of the provisions thereof):

(i) this Agreement, the Ancillary Agreements, the Transfer Documents, the Continuing Arrangements and any Contract entered into in connection herewith or in order to consummate the transactions contemplated hereby or thereby;

(ii) any Contracts, arrangements, course of dealings or understandings to which any Third Party is a party (it being understood that to the extent that the rights and obligations of the Parties and the members of their respective Groups under any such Contracts, arrangements, course of dealings or understandings constitute SG Holdings Assets, SG DevCo Assets, SG Holdings Liabilities, or SG DevCo Liabilities, such Contracts, arrangements, course of dealings or understandings shall be assigned or retained pursuant to this Article II); and

(iii) any Contracts, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of SG Holdings or SG DevCo is a party.

(4) If any Contract, arrangement, course of dealing or understanding is terminated pursuant to Section 2.5(2) and, but for the mistake or oversight of either Party, would have been listed on Schedule 1.1(17) as a Continuing Arrangement as it is reasonably necessary for such affected Party to be able to continue to operate its businesses in substantially the same manner in which such businesses were operated prior to the Effective Time, then, at the request of such affected Party made within twelve (12) months following the Effective Time, the Parties shall negotiate in good faith to determine whether and to what extent (including the terms and conditions relating thereto), if any, notwithstanding such termination, such Contract, arrangement, course of dealing or understanding should continue following the Effective Time; provided, however, any Party may determine, in its sole discretion, not to re-instate or otherwise continue any such Contract, arrangement, course of dealing or understanding.

Section 2.6 Delayed Transfer of Assets or Liabilities.

(1) To the extent that any Transfers or assumptions contemplated by this Article II shall not have been consummated at or prior to the Effective Time, the Parties shall cooperate to effect such Transfers or assumptions as promptly following the Effective Time as shall be practicable. Nothing herein shall be deemed to require or constitute the Transfer of any Assets or the assumption of any Liabilities which by their terms or operation of Law cannot be Transferred or assumed; provided, however, that the Parties shall, and shall cause the respective members of their Groups to, cooperate and use commercially reasonable efforts to seek to obtain any necessary Consents or Governmental Approvals for the Transfer of all Assets and assumption of all Liabilities contemplated to be Transferred or assumed pursuant to this Article II.

(2) In the event that any such Transfer of Assets or assumption of Liabilities has not been consummated as of the Effective Time (any such Asset or Liability, a "Delayed Transfer Asset or Liability"), then from and after the Effective Time, (i) the Party (or relevant member in its Group) retaining such Asset shall thereafter hold (or shall cause such member in its Group to hold) such Asset for the use and benefit of the Party (or relevant member in its Group) entitled thereto (at the expense of the Person entitled thereto) and (ii) the Party intended to assume such Liability shall, or shall cause the applicable member of its Group to, pay or reimburse the Party (or the relevant member of its Group) retaining such Liability for all amounts paid or incurred in connection with the retention of such Liability. In addition, the Party retaining such Asset or Liability (or relevant member of its Group) shall (or shall cause such member in its Group to) treat, insofar as reasonably possible and to the extent permitted by applicable Law, such Delayed Transfer Asset or Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the Party to which such Delayed Transfer Asset or Liability is to be transferred or assumed in order to place such Party, insofar as reasonably possible, in the same position as if such Asset or Liability had been transferred or assumed as contemplated hereby and so that all the benefits and burdens relating to such Asset or Liability, including possession, use, risk of loss, potential for income and gain, and dominion, control and command over such Asset or Liability, are to inure from and after the Effective Time to the relevant member of the SG Holdings Group or the SG DevCo Group, as the case may be, entitled to the receipt of such Asset or Liability. In furtherance of the foregoing, the Parties agree that, as of the Effective Time, each Party shall be deemed to have acquired complete and sole beneficial ownership over all of such delayed Assets, together with all rights, powers and privileges incident thereto, and shall be deemed to have assumed in accordance with the terms of this Agreement all of the Liabilities, and all duties, obligations and responsibilities incident thereto, which such Party is entitled to acquire or required to assume pursuant to the terms of this Agreement.

(3) If and when the Consents, Governmental Approvals and/or conditions, the absence or non-satisfaction of which caused the deferral of transfer of any Delayed Transfer Asset or Liability pursuant to this Section 2.6, are obtained or satisfied, the Transfer or novation of the applicable Delayed Transfer Asset or Liability shall be effected without further consideration in accordance with and subject to the terms of this Agreement (including Section 2.2) and/or the applicable Ancillary Agreement as promptly as practicable after the receipt of such Consents, Governmental Approvals and/or absence or satisfaction of conditions.

(4) The Party (or relevant member of its Group) retaining any Delayed Transfer Asset or Liability shall (i) not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced, or agreed in advance to be reimbursed by the Party (or relevant member of its Group) entitled to such Asset, other than reasonable attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by the Party (or relevant member of its Group) entitled to such Asset and (ii) be indemnified for all Indemnifiable Losses or other Liabilities arising out of any actions (or omissions to act) of such retaining Party taken at the direction of the other Party (or relevant member of its Group) in connection with and relating to such retained Asset or Liability, as the case may be.

(5) Until the two year anniversary of this Agreement, if either Party determines that it (or any member of its Group) owns any Asset that was allocated by the terms of this Agreement to be Transferred to the other Party at the Effective Time or that is agreed by such Party and the other Party in their good faith judgment to be an Asset that more properly belongs to the other Party or an Asset that such other Party or Subsidiary was intended to have the right to continue to use, then the Party owning such Asset shall as applicable (i) Transfer any such Asset to the Party (or relevant member of its Group) identified as the appropriate transferee and following such Transfer, such Asset shall be an SG DevCo Asset or SG Holdings Asset, as the case may be, or (ii) grant such mutually agreeable rights with respect to such Asset to permit such continued use, subject to, and consistent with this Agreement, including with respect to assumption of associated Liabilities. In connection with such Transfer, the receiving party shall assume all Liabilities related to such Asset.

(6) After the Effective Time, each Party (or any member of its Group) may receive mail, packages and other communications properly belonging to the other Party (or any member of its Group). Accordingly, at all times after the Effective Time, each Party authorizes the other Party (or any member of its Group) to receive and open all mail, packages and other communications received by such Party (or any member of its Group) and not unambiguously intended for such first Party, any member of such first Party's Group or any of their respective officers, directors, employees or other agents, and to the extent that they do not relate to the business of the receiving Party, the receiving party shall promptly deliver such mail, telegrams, packages or other communications (or, in case the same relate to both businesses, copies thereof) to the other Party as provided for in Section 10.6. The provisions of this Section 2.6(6) are not intended to, and shall not, be deemed to constitute an authorization by any Party (or any member of its Group) to permit the other to accept service of process on its (or its members') behalf and no Party (or any member of its Group) is or shall be deemed to be the agent of the other Party (or any member of its Group) for service of process purposes.

(7) For the avoidance of doubt, nothing in this Section 2.6 shall apply to Shared Contracts, which shall be governed by Section 2.8.

Section 2.7 Transfer Documents. In connection with, and in furtherance of, the Transfers of Assets and the acceptance and assumptions of Liabilities contemplated by this Agreement, the Parties shall execute or cause to be executed, at or prior to the Effective Time, or after the Effective Time with respect to Section 2.6, by the appropriate entities, the Transfer Documents necessary to evidence the valid and effective assumption by the applicable Party (or any member of its Group) of its assumed Liabilities, and the valid Transfer to the applicable Party (or any member of its Group) of all rights, titles and interests in and to its accepted Assets, including the transfer of real property with quit claim deeds, as may be appropriate.

Section 2.8 Shared Contracts.

(1) With respect to Shared Contractual Liabilities pursuant to, under or relating to a given Shared Contract, such Shared Contractual Liabilities shall be

allocated, unless otherwise allocated pursuant to this Agreement or an Ancillary Agreement, between the Parties as follows:

(i) first, if a Liability is incurred exclusively in respect of a benefit received by one Party or its Group, the Party or Group receiving such benefit shall be responsible for such Liability;

(ii) second, if a Liability cannot be exclusively allocated to one Party or its Group under clause (i) above, such Liability shall be allocated among both Parties and their respective Groups based on the relative proportions of total benefit received (over the remaining term of the Shared Contract, measured starting as of the date of allocation) under the relevant Shared Contract. Notwithstanding the foregoing, each Party and its Group shall be responsible for any or all Liabilities arising out of or resulting from such Party's or Group's breach of the relevant Shared Contract.

(2) Except as otherwise expressly contemplated in this Agreement or an Ancillary Agreement, if SG Holdings or any member of the SG Holdings Group, on the one hand, or SG DevCo or any member of the SG DevCo Group, on the other hand, receives any benefit or payment under any Shared Contract which was intended for the other Party or its Group, SG Holdings, on the one hand, or SG DevCo, on the other hand, as applicable, will use its respective commercially reasonable efforts, or will cause any member of its Group to use its commercially reasonable efforts, to deliver, Transfer or otherwise afford such benefit or payment to the other Party.

(3) Notwithstanding anything to the contrary herein, the Parties have determined that it is advisable that certain Shared Contracts, or portions thereof, will be separated or assigned to a member of the SG Holdings Group or the SG DevCo Group, as applicable. The Parties shall use their commercially reasonable efforts to separate the Shared Contracts which are identified on Schedule 2.8(3)(i) into separate Contracts between the appropriate Third Party and either (i) SG DevCo or a member of the SG DevCo Group or (ii) SG Holdings or a member of the SG Holdings Group. SG Holdings or a member of the SG Holdings Group will use commercially reasonable efforts to assign the rights and obligations, but only to the extent relating to the SG DevCo Business, under the Shared Contracts which are identified on Schedule 2.8(3)(ii) to SG DevCo or a member of the SG DevCo Group. The Parties agree to cooperate and provide reasonable assistance prior to the Effective Time and for a period of six (6) months following the Effective Time (with no obligation on the part of either Party to pay any costs or fees with respect to such assistance) in effecting the separation or assignment of such Shared Contracts as described above.

(4) Each of SG Holdings and SG DevCo shall, and shall cause the members of their respective Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to their respective Business as an Asset owned by, and/or a Liability of, as applicable, such Party, or the members of such Party's Group, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law or a good faith resolution of a Tax Contest).

Section 2.9 Further Assurances.

(1) In addition to and without limiting the actions specifically provided for elsewhere in this Agreement, each of the Parties shall cooperate with each other and use (and will cause the relevant member of its Group to use) commercially reasonable efforts, prior to, on and after the Effective Time, to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(2) Without limiting the foregoing, each Party shall cooperate with the other Party, from and after the Effective Time, to execute and deliver, or use commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Consents and/or Governmental Approvals, and to take all such other actions as such Party may reasonably be requested to take by any other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the Transfers of the applicable Assets and the assignment and assumption of the applicable Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request of the other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(3) On or prior to the Distribution Date, SG Holdings and SG DevCo in their respective capacities as direct or indirect stockholders of their respective Subsidiaries, shall each approve or ratify any actions that are reasonably necessary or desirable to be taken by any Subsidiary of SG Holdings or Subsidiary of SG DevCo, as applicable, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

Section 2.10 Novation of Liabilities; Consents.

(1) Each Party, at the request of the other Party, shall use commercially reasonable efforts to obtain, or to cause to be obtained, any Consent, release, substitution or amendment required to novate or assign all obligations under Contracts or other Liabilities for which a member of such Party's Group and a member of the other Party's Group are jointly or severally liable and that do not constitute Liabilities of such other Party as provided in this Agreement, or to obtain in writing the unconditional release of all parties to such arrangements (other than any member of the Group who assumed or retained such Liability as set forth in this Agreement), so that, in any such case, the members of the applicable Group will be solely responsible for such Liabilities; provided, however, that no Party shall be obligated to pay any consideration therefor to any Third Party from whom any such Consent, substitution or amendment is requested (unless such Party is fully reimbursed by the requesting Party).

(2) If the Parties are unable to obtain, or to cause to be obtained, any such required Consent, release, substitution or amendment, the other Party or a member of such other Party's Group shall continue to be bound by such Contract, license or other obligation that does not constitute a Liability of such other Party and, unless not permitted by Law or the terms thereof, as agent or subcontractor for such Party, the Party or member of such Party's Group who assumed or retained such Liability as set forth in this Agreement (the "Liable Party") shall, or shall cause a member of its Group to, pay, perform and discharge fully all the obligations or other Liabilities of such other Party or member of such other Party's Group thereunder from and after the Effective Time; provided, however, that the other Party shall not be obligated to extend, renew or otherwise cause such Contract, license or other obligation to remain in effect beyond the term in effect as of the Effective Time. The Liable Party shall indemnify and defend each other Party and the members of such other Party's Group against any and all Liabilities arising in connection therewith; provided, however, that the Liable Party shall have no obligation to indemnify the other Party or any member of such other Party's Group with respect to any matter to the extent that such other Party has engaged in any knowing violation of Law or fraud in connection therewith. The other Party shall, without further consideration, promptly pay and remit, or cause to be promptly paid or remitted, to the Liable Party or to another member of the Liable Party's Group, all money, rights and other consideration received by it or any member of its Group in respect of such performance by the Liable Party (unless any such consideration is an Asset of such other Party pursuant to this Agreement). If and when any such Consent, release, substitution or amendment shall be obtained or such agreement, lease, license or other rights or obligations shall otherwise become assignable or able to be novated, the other Party shall promptly assign, or cause to be assigned, all rights, obligations and other Liabilities thereunder of any member of such other Party's Group to the Liable Party or to another member of the Liable Party's Group without payment of any further consideration and the Liable Party, or another member of such Liable Party's Group, without the payment of any further consideration, shall assume such rights and obligations and other Liabilities.

Section 2.11 Guarantees and Letters of Credit.

(1) SG Holdings shall (with the commercially reasonable cooperation of SG DevCo and the other members of the SG DevCo Group) use its commercially reasonable efforts, if so requested by SG DevCo, to have any member of the SG DevCo Group removed as guarantor of, or obligor for, any SG Holdings Liability, including with respect to those guarantees and obligations listed or described on Schedule 2.11(1), to the extent that they relate to SG Holdings Liabilities.

(2) SG DevCo shall (with the commercially reasonable cooperation of SG Holdings and the other members of the SG Holdings Group) use its commercially reasonable efforts, if so requested by SG Holdings, to have any member of the SG Holdings Group removed as guarantor of, or obligor for, any SG DevCo Liability, including with respect to those guarantees listed or described on Schedule 2.11(2), to the extent that they relate to the SG DevCo Liabilities (each of the releases referred to in clauses (1) and (2) of this Section 2.11, a "Guaranty Release").

Section 2.12 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

(1) EACH OF SG HOLDINGS (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE SG HOLDINGS GROUP), AND SG DEVCO (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE SG DEVCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN, IN ANY ANCILLARY AGREEMENT, TRANSFER DOCUMENT, OR IN ANY CONTINUING ARRANGEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT, TRANSFER DOCUMENT, OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED HEREBY OR THEREBY, IS REPRESENTING OR WARRANTING IN ANY WAY, AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, AS TO THE ASSETS, BUSINESSES OR LIABILITIES CONTRIBUTED, TRANSFERRED, DISTRIBUTED, OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR GOVERNMENTAL APPROVALS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, AS TO NO INFRINGEMENT, VALIDITY OR ENFORCEABILITY OR ANY OTHER MATTER CONCERNING, ANY ASSETS OR BUSINESS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY CONTRIBUTION, DISTRIBUTION, ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN, IN ANY TRANSFER DOCUMENT OR IN ANY ANCILLARY AGREEMENT, ALL ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM) AND THE RESPECTIVE TRANSFEREES SHALL BEAR ALL ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY CONSENTS OR GOVERNMENTAL APPROVALS ARE NOT OBTAINED OR THAT ANY REQUIREMENTS OF LAWS, CONTRACTS, OR JUDGMENTS ARE NOT COMPLIED WITH. ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARISING UNDER THE UNIFORM COMMERCIAL CODE (OR SIMILAR FOREIGN LAWS), ARE HEREBY DISCLAIMED.

(2) Each of SG Holdings (on behalf of itself and each member of the SG Holdings Group) and SG DevCo (on behalf of itself and each member of the SG DevCo Group) further understands and agrees that if the disclaimer of express or implied representations and warranties contained in Section 2.12(1) is held unenforceable or is unavailable for any reason under the Laws of any jurisdiction outside the United States or if, under the Laws of a jurisdiction outside the United States, both SG Holdings or any member of the SG Holdings Group, on the one hand, and SG DevCo or any member of the SG DevCo Group, on the other hand, are jointly or severally liable for any SG Holdings Liability or any SG DevCo Liability, respectively, then, the Parties intend that, notwithstanding any provision to the contrary under the Laws of such foreign jurisdictions, the provisions of this Agreement and the Ancillary Agreements (including the disclaimer of all representations and warranties, allocation of Liabilities among the Parties and their respective Subsidiaries, releases, indemnification and contribution of Liabilities) shall prevail for any and all purposes among the Parties and their respective Subsidiaries.

(3) SG Holdings hereby waives compliance by itself and each and every member of the SG Holdings Group with the requirements and provisions of any "bulk-sale" or "bulk transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the Transfer or sale of any or all of the SG Holdings Assets to SG Holdings or any member of the SG Holdings Group.

(4) SG DevCo hereby waives compliance by itself and each and every member of the SG DevCo Group with the requirements and provisions of any "bulk-sale" or "bulk transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the Transfer or sale of any or all of the SG DevCo Assets to SG DevCo or any member of the SG DevCo Group.

ARTICLE III.
CERTAIN ACTIONS PRIOR TO THE DISTRIBUTION

Section 3.1 Separation. The Parties agree to take, or cause the members of their respective Groups to take, prior to the Distribution, all actions necessary, subject to the terms of this Agreement, to effectuate the Separation as set forth in Article II.

Section 3.2 Certificate of Incorporation; Bylaws. At or prior to the Effective Time, all necessary actions shall be taken to adopt the form of amended and restated certificate of incorporation and amended and restated by-laws filed by SG DevCo with the SEC as exhibits to the Registration Statement.

Section 3.3 Directors. To the extent not already caused, at or prior to the Effective Time, SG Holdings shall take all necessary action to cause the board of directors of SG DevCo to consist of the individuals who are identified in the Registration Statement (including the Information Statement) at the Effective Time as being directors of SG DevCo.

Section 3.4 Resignations.

(1) Subject to Section 3.4(2), at or prior to the Effective Time, (i) SG Holdings shall cause all its employees and any employees of its Affiliates who will not become an SG DevCo Group Employee immediately following the Effective Time to resign, effective as of the Effective Time, from all positions as officers or directors of any member of the SG DevCo Group in which they serve, and (ii) SG DevCo shall cause all SG DevCo Group Employees to resign, effective as of the Effective Time, from all positions as officers or directors of any member of the SG Holdings Group in which they serve.

(2) No Person shall be required by any Party to resign from any position or office with another Party if such Person is disclosed in the Information Statement

as the Person who is to hold such position or office following the Distribution.

Section 3.5 Ancillary Agreements. At or prior to the Effective Time, SG Holdings and SG DevCo shall enter into, and, if applicable, shall cause a member or members of their respective Groups to enter into, the Ancillary Agreements.

Section 3.6 [RESERVED]

ARTICLE IV.
THE DISTRIBUTION

Section 4.1 The Distribution. Subject to the satisfaction or waiver of the conditions, covenants and other terms set forth in this Agreement and the Ancillary Agreements, on or prior to the Distribution Date, in connection with the Separation, including the Transfer of the SG DevCo Assets to SG DevCo in the Separation whenever made, SG DevCo shall issue to SG Holdings as a stock dividend such number of shares of SG DevCo Common Stock (or SG Holdings and SG DevCo shall take or cause to be taken such other appropriate actions to ensure that SG Holdings has the requisite number of shares of SG DevCo Common Stock) as may be requested by SG Holdings after consultation with SG DevCo in order to effect the Distribution, which shares as of the date of issuance shall represent (together with such shares previously held by SG Holdings) all of the issued and outstanding shares of SG DevCo Common Stock. Subject to conditions and other terms in this Article IV, SG Holdings will cause the Agent on the Distribution Date to make the Distribution, including by crediting the appropriate number of shares of SG DevCo Common Stock to book entry accounts for each holder of SG DevCo Common Stock or designated transferee or transferees of such holder of SG DevCo Common Stock. For stockholders of SG Holdings who own SG Holdings Common Stock through a broker or other nominee, their shares of SG DevCo Common Stock will be credited to their respective accounts by such broker or nominee. No action by any holder of SG Holdings Common Stock on the Record Date shall be necessary for such stockholder (or such stockholder's designated transferee or transferees) to receive the applicable number of shares of SG DevCo Common Stock (and, if applicable, cash in lieu of any fractional shares) such stockholder is entitled to in the Distribution.

Section 4.2 Fractional Shares. SG Holdings stockholders who, after aggregating the number of shares of SG DevCo Common Stock (or fractions thereof) to which such stockholder would be entitled on the Record Date, would be entitled to receive a fraction of a share of SG DevCo Common Stock in the Distribution, will receive cash in lieu of fractional shares. Fractional shares of SG DevCo Common Stock will not be distributed in the Distribution nor credited to book-entry accounts. The Agent shall, as soon as practicable after the Distribution Date (a) determine the number of whole shares and fractional shares of SG DevCo Common Stock allocable to each other holder of record or beneficial owner of SG Holdings Common Stock as of close of business on the Record Date, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests, and (c) distribute to each such holder, or for the benefit of each such beneficial owner, such holder's or owner's ratable share of the net proceeds of such sale, based upon the average gross selling price per share of SG DevCo Common Stock after making appropriate deductions for any amount required to be withheld for United States federal income tax purposes. SG DevCo shall bear the cost of brokerage fees and transfer taxes incurred in connection with these sales of fractional shares, which such sales shall occur as soon after the Distribution Date as practicable and as determined by the Agent. None of SG Holdings, SG DevCo or the applicable Agent will guarantee any minimum sale price for the fractional shares of SG DevCo Common Stock. Neither SG Holdings nor SG DevCo will pay any interest on the proceeds from the sale of fractional shares. The Agent will have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Agent nor the selected broker-dealers will be Affiliates of SG Holdings or SG DevCo.

Section 4.3 Actions in Connection with Distribution.

(1) SG DevCo shall file such amendments and supplements to the Registration Statement as SG Holdings may reasonably request, and such amendments as may be necessary in order to cause the same to become and remain effective as required by Law, including filing such amendments and supplements to the Registration Statement and Information Statement as may be required by the SEC or federal, state or foreign securities Laws. SG Holdings shall mail to the holders of SG Holdings Common Stock, at such time on or prior to the Distribution Date as SG Holdings shall determine, the Information Statement included in the Registration Statement, as well as any other information concerning SG DevCo, the SG DevCo Business, operations and management, the Separation and such other matters as SG Holdings shall reasonably determine are necessary and as may be required by Law.

(2) SG DevCo shall also prepare, file with the SEC and cause to become effective any registration statements or amendments thereof required to effect the establishment of, or amendments to, any employee benefit and other plans or as otherwise necessary or appropriate in connection with the transactions contemplated by this Agreement, or any of the Ancillary Agreements, including any transactions related to financings or other credit facilities. Promptly after receiving a request from SG Holdings, SG DevCo shall prepare and, in accordance with applicable Law, file with the SEC any such documentation that SG Holdings determines is necessary or desirable to effectuate the Distribution, and SG Holdings and SG DevCo shall each use commercially reasonable efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable.

(3) Promptly after receiving a request from SG Holdings, to the extent not already approved and effective, SG DevCo shall prepare and file, and shall use commercially reasonable efforts to have approved and made effective, an application for the original listing on the Nasdaq of the SG DevCo Common Stock to be distributed in the Distribution, subject to official notice of distribution.

(4) Nothing in this Section 4.3 shall be deemed, by itself, to create a Liability of SG Holdings for any portion of the Registration Statement.

Section 4.4 Sole Discretion of SG Holdings. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, SG Holdings shall, in its sole and absolute discretion, determine the Distribution Date and all terms of the Distribution, including the form, structure and terms of any transactions to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, SG Holdings may, in accordance with Section 10.10, at any time prior to the Distribution Date and from time to time until the completion of the Distribution decide to abandon the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. None of SG DevCo, any other member of the SG DevCo Group, any SG DevCo Group Employee or any Third Party shall have any right or claim to require the consummation of the Separation or the Distribution, each of which shall be effected at the sole discretion of the SG Holdings Board.

Section 4.5 Conditions.

(1) Subject to Section 4.4, the following are conditions to the consummation of the Distribution (which, to the extent permitted by applicable Law, may be waived, in whole or in part, by SG Holdings in its sole discretion):

(i) The SG DevCo Registration Statement shall have been declared effective by the SEC and shall be subject to no further comment, no stop order suspending the effectiveness of the SG DevCo Registration Statement shall be in effect, and no Proceedings for that purpose will be pending before or threatened by the

SEC;

(ii) The SG DevCo Common Stock to be delivered to the SG Holdings stockholders in the Distribution shall have been accepted for listing on the Nasdaq, subject to official notice of distribution;

(iii) SG Holdings shall have obtained an opinion from ___________, tax counsel to SG Holdings, in form and substance satisfactory to SG Holdings (in its sole discretion), substantially to the effect that, among other things, the Distribution, together with certain related transactions, should qualify as a taxable distribution for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code and that certain transactions involving the transfer to members of the SG DevCo Group of certain SG DevCo Assets and/or the assumption by members of the SG DevCo Group of certain SG DevCo Liabilities in connection with the Separation will not result in the recognition of any gain or loss to members of the SG Holdings Group or SG DevCo Group for U.S. federal income tax purposes;

(iv) Each of SG Holdings and SG DevCo shall have received any necessary permits, registrations and consents under the securities or "blue sky" Laws of states or other political subdivisions of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution and all such permits and authorizations shall be in effect;

(v) No order, injunction or decree issued by any court or other tribunal of competent jurisdiction shall have been entered and shall continue to be in effect and no other Law or other legal restraint or prohibition shall have been adopted or be effective preventing the consummation of the Separation, Distribution or any of the related transactions contemplated herein;

(vi) The Internal Reorganization shall have been effectuated, including the execution of all such instruments, assignments, documents and other agreements necessary to effect the Internal Reorganization; and

(vii) No other events or developments shall exist or shall have occurred that, in the judgment of the SG Holdings Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions contemplated by this Agreement.

(2) The conditions set forth in thisSection 4.5 are for the sole benefit of SG Holdings and shall not give rise to or create any duty on the part of SG Holdings or the SG Holdings Board to waive or not waive any such condition. Any determination made by SG Holdings prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 4.5 shall be conclusive and binding on the Parties hereto.

ARTICLE V.
COVENANTS

Section 5.1 Legal Names and Other Parties' Trademark.

(1) Except as otherwise specifically provided in any Ancillary Agreement, as soon as reasonably practicable after the Distribution Date, but in any event within six (6) months thereafter, each Party shall cease (and shall cause all of the other members of its Group to cease): (i) making any use of any names or Trademarks that include (A) any of the Trademarks of the other Party or such other Party's Affiliates (including, in the case of SG DevCo, "SG Holdings" or any other name or Trademark containing the words "SG Holdings", and in the case of SG Holdings, "SG DevCo" or "SG DevCo Inc." or any other name or Trademark containing the words "SG DevCo") and (B) any names or Trademarks confusingly similar thereto or dilutive thereof (with respect to each Party, such Trademarks of the other Party or any of such other Party's Affiliates, the "Other Party Marks"), and (ii) holding themselves out as having any affiliation with the other Party or such other Party's Affiliates; provided, however, that the foregoing shall not prohibit any Party or any member of a Party's Group from (1) in the case of any member of the SG DevCo Group, making factual and accurate reference in a non-Trademark manner that it was formerly affiliated with SG Holdings or in the case of any member of the SG Holdings Group, making factual and accurate reference in a non-Trademark manner that it was formerly affiliated with SG DevCo, (2) making use of any Other Party Mark in a manner that would constitute "fair use" under applicable Law if any unaffiliated Third Party made such use or would otherwise be legally permissible for any unaffiliated Third Party without the consent of the Party owning such Other Party Mark, and (3) making references in internal historical and tax records. In furtherance of the foregoing, as soon as practicable, but in no event later than six (6) months following the Distribution Date, each Party shall (and cause all of the other members of its Group to) remove, strike over or otherwise obliterate all Other Party Marks from all of such Party's and its Affiliates' assets and other materials, including any vehicles, business cards, schedules, stationery, packaging materials, displays, signs, promotional materials, manuals, forms, websites, email, computer software and other materials and systems. Any use by any Party or any of such Party's Affiliates of any of the Other Party Marks as permitted in this Section 5.1 is subject to their compliance with all quality control standards and related requirements and guidelines in effect for the Other Party Marks as of the Effective Time.

(2) Notwithstanding the foregoing requirements of Section 5.1(1), if any Party or any member of such Party's Group used commercially reasonable efforts to comply with Section 5.1(a) but is unable, due to regulatory or other circumstance beyond its control, to effect a legal name change in compliance with applicable Law such that an Other Party Mark remains in such Party's or its Group member's legal name, then such Party or its relevant Group member will not be deemed to be in breach hereof as long as it continues to use commercially reasonable efforts to effectuate such name change and does effectuate such name change within twelve (12) months after the Distribution Date, and, in such circumstances, such Party or Group member may continue to include in its assets and other materials references to the Other Party Mark that is in such Party's or Group member's legal name which includes references to "SG DevCo" or "SG Holdings" as applicable, but only to the extent necessary to identify such Party or Group member and only until such Party's or Group member's legal name can be changed to remove and eliminate such references.

(3) Notwithstanding the foregoing requirements of Section 5.1(1), but subject to Section 2.7 hereof, SG DevCo shall not be required to change any name including the words "SG" in any Third Party contract or license, or in property records with respect to real or personal property, if an effort to change the name is commercially unreasonable; provided, however, that (i) SG DevCo on a prospective basis from and after the Distribution Date shall change the name in any new or amended Third Party contract or license or property record and (ii) SG DevCo shall not advertise or make public any continued use of the "SG Holdings" name permitted by this Section 5.1(3) except as otherwise permitted by this Section 5.1.

Section 5.2 Auditors and Audits; Annual and Quarterly Financial Statements and Accounting

(1) Each Party agrees that during the period ending on December 31, 2024, with respect to clause (i) below and December 31, 2023 with respect to clause (ii) (and with the consent of the other applicable Party, which consent shall not be unreasonably withheld or delayed, during any period of time after December 31, 2024 reasonably requested by such requesting Party so long as there is a reasonable business purpose for such request) and in any event solely with respect to the preparation and audit of each of the Party's financial statements for any of the years ended December 31, 2022, 2021 and 2020, the printing, filing and public dissemination of such financial statements, the audit of each Party's internal control over financial reporting related to such financial statements and such Party's management's assessment thereof, and each Party's

management's assessment of such Party's disclosure controls and procedures related to such financial statements:

(i) Annual Financial Statements. Each Party shall provide to the other Party on a timely basis all information reasonably required to meet its schedule for the preparation, printing, filing, and public dissemination of its annual financial statements and for management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K and, to the extent applicable to such Party, (a) its auditor's audit report of its internal control over financial reporting and (b) management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder (such assessments and audit being referred to as the "Internal Control Audit and Management Assessments"). Without limiting the generality of the foregoing, each Party will provide all required financial and other Information with respect to itself and its Subsidiaries to its auditors in a sufficient and reasonable time and in sufficient detail to permit its auditors to take all steps and perform all reviews necessary to provide sufficient assistance to each other Party's auditors with respect to information to be included or contained in such other Party's annual financial statements and to permit such other Party's auditors and management to complete their respective auditor's report on Internal Control Audit and Management Assessments, to the extent applicable to such Party.

(ii) Access to Personnel and Records. Each audited Party shall authorize, and use its commercially reasonable efforts to cause, its respective auditors to make available to the other Party's auditors (each such other Party's auditors, collectively, the "Other Parties' Auditors") both the personnel who performed or are performing the annual audits of such audited party (each such Party with respect to its own audit, the "Audited Party") and work papers related to the annual audits of such Audited Party, in all cases within a reasonable time prior to such Audited Party's expected auditors' opinion date, so that the Other Parties' Auditors are able to perform the procedures they consider necessary to take responsibility for the work of the Audited Party's auditors as it relates to their auditors' report on such other Party's financial statements, all within sufficient time to enable such other Party to meet its timetable for the printing, filing and public dissemination of its annual financial statements. Each Party shall make available to the Other Parties' Auditors and management its personnel and Records in a reasonable time prior to the Other Parties' Auditors' opinion date and other Parties' management's assessment date so that the Other Parties' Auditors and other Parties' management are able to perform the procedures they consider necessary to conduct their respective Internal Control Audit and Management Assessments.

(2) Amended Financial Reports. In the event a Party restates any of its financial statements that includes such Party's audited or unaudited financial statements with respect to any balance sheet date or period of operation between January 1, 2020 and December 31, 2022, such Party will deliver to the other Party a substantially final draft, as soon as the same is prepared, of any report to be filed by such first Party with the SEC that includes such restated audited or unaudited financial statements (the "Amended Financial Reports"); provided, however, that such first Party may continue to revise its Amended Financial Report prior to its filing thereof with the SEC, which changes will be delivered to the other Party as soon as reasonably practicable; provided, further, however, that such first Party's financial personnel will actively consult with the other Party's financial personnel regarding any changes which such first Party may consider making to its Amended Financial Report and related disclosures prior to the anticipated filing of such report with the SEC, with particular focus on any changes which would have an effect upon the other Party's financial statements or related disclosures. Each Party will reasonably cooperate with, and permit and make any necessary employees available to, the other Party and the Other Parties' Auditors, in connection with the other Party's preparation of any Amended Financial Reports.

(3) Financials; Outside Auditors. If any Party or member of its respective Group is required, pursuant to Rule 3-09 of Regulation S-X or otherwise, to include in its Exchange Act filings audited financial statements or other information of the other Party or member of the other Party's Group, the other Party shall use its commercially reasonable efforts (i) to provide such audited financial statements or other information, and (ii) to cause its outside auditors to consent to the inclusion of such audited financial statements or other information in the Party's Exchange Act filings.

(4) Third Party Agreements. Nothing in this Section 5.2 shall require any Party to violate any Contract or arrangement with any Third Party regarding the confidentiality of confidential and proprietary information relating to that Third Party or its business; provided, however, that in the event that a Party is required under this Section 5.2 to disclose any such information, such Party shall use commercially reasonable efforts to seek to obtain such Third Party's consent to the disclosure of such information. The Parties also acknowledge that the Other Parties' Auditors are subject to contractual, legal, professional and regulatory requirements with which such auditors are responsible for complying.

Section 5.3 No Restrictions on Corporate Opportunities.

(1) In the event that SG Holdings or any other member of the SG Holdings Group, or any director or officer of SG Holdings or any other member of the SG Holdings Group, acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both SG Holdings or any other member of the SG Holdings Group and SG DevCo or any other member of the SG DevCo Group, neither SG Holdings nor any other member of the SG Holdings Group, nor any director or officer of SG Holdings or any other member of the SG Holdings Group, shall have any duty to communicate or present such corporate opportunity to SG DevCo or any other member of the SG DevCo Group and shall not be liable to SG DevCo or any other member of the SG DevCo Group or to SG DevCo's stockholders for breach of any fiduciary duty as a stockholder of SG DevCo or an officer or director thereof by reason of the fact that SG Holdings or any other member of the SG Holdings Group pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity, or does not present such corporate opportunity to SG DevCo or any other member of the SG DevCo Group.

(2) In the event that SG DevCo or any other member of the SG DevCo Group, or any director or officer of SG DevCo or any other member of the SG DevCo Group, acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both SG Holdings or any other member of the SG Holdings Group and SG DevCo or any other member of the SG DevCo Group, neither SG DevCo nor any other member of the SG DevCo Group, nor any director or officer of SG DevCo or any other member of the SG DevCo Group, shall have any duty to communicate or present such corporate opportunity to SG Holdings or any other member of the SG Holdings Group and shall not be liable to SG Holdings or any other member of the SG Holdings Group or to SG Holdings' stockholders for breach of any fiduciary duty as a stockholder of SG Holdings or an officer or director thereof by reason of the fact that SG DevCo or any other member of the SG DevCo Group pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity, or does not present such corporate opportunity to SG Holdings or any other member of the SG Holdings Group.

(3) For the purposes of this Section 5.3, "corporate opportunities" of SG DevCo or any other member of the SG DevCo Group shall include, but not be limited to, business opportunities that are, by their nature, in a line of business of SG DevCo or any other member of the SG DevCo Group, including the SG DevCo Business, are of practical advantage to them and are ones in which SG DevCo or any other member of the SG DevCo Group have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of SG Holdings or any other member of the SG Holdings Group or any of their officers or directors will be brought into conflict with that of SG DevCo or any other member of the SG DevCo Group, and "corporate opportunities" of SG Holdings or any other member of the SG Holdings Group shall include, but not be limited to, business opportunities that are, by their nature, in a line of business of SG Holdings or any other member of the SG Holdings Group, including the SG Holdings Business, are of practical advantage to them and are ones in which SG Holdings or any other member of the SG Holdings Group have an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of SG DevCo or any other member of the SG DevCo Group or any of their officers or directors will be brought into conflict with that of SG Holdings or any other member of the SG Holdings Group.

Section 5.4 [RESERVED].

ARTICLE VI.
SURVIVAL AND INDEMNIFICATION; MUTUAL RELEASES

Section 6.1 Release of Pre-Distribution Claims.

(1) Except (i) as provided in Section 6.1(3), (ii) as may otherwise be provided in this Agreement or any Ancillary Agreement and (iii) for any matter for which any SG Holdings Indemnified Party is entitled to indemnification pursuant to this Article VI, effective as of the Distribution, SG Holdings does hereby, for itself and each other member of the SG Holdings Group and their respective successors and assigns, and, to the extent SG Holdings legally may, all Persons that at any time prior or subsequent to the Distribution have been stockholders, directors, officers, members, agents or employees of SG Holdings or any other member of the SG Holdings Group (in each case, in their respective capacities as such), remise, release and forever discharge SG DevCo and each member of the SG DevCo Group and their respective successors and assigns from any and all Liabilities whatsoever, whether at Law or in equity, whether arising under any Contract or agreement, by operation of Law or otherwise, including for fraud, existing or arising from or relating to any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution, whether or not known as of the Distribution, including in connection with the transactions and all other activities to implement the Separation or the Distribution. SG Holdings shall not make, and shall not permit any other member of the SG Holdings Group to make, any claim or demand, or commence any Proceedings asserting any claim or demand, including any claim for indemnification, against any member of the SG DevCo Group with respect to any Liabilities released pursuant to this Section 6.1(1).

(2) Except (i) as provided in Section 6.1(2), (ii) as may be otherwise provided in this Agreement or any Ancillary Agreement and (iii) for any matter for which any SG DevCo Indemnified Party is entitled to indemnification pursuant to this Article VI, effective as of the Distribution, SG DevCo does hereby, for itself and each other member of the SG DevCo Group and their respective successors and assigns, and, to the extent SG DevCo legally may, all Persons that at any time prior or subsequent to the Distribution have been stockholders, directors, officers, members, agents or employees of SG DevCo or any other member of the SG DevCo Group (in each case, in their respective capacities as such), remise, release and forever discharge SG Holdings and each member of the SG Holdings Group and their respective successors and assigns from any and all Liabilities whatsoever, whether at Law or in equity, whether arising under any Contract or agreement, by operation of Law or otherwise, including for fraud, existing or arising from or relating to any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution, whether or not known as of the Distribution, including in connection with the transactions and all other activities to implement the Separation or the Distribution. SG DevCo shall not, and shall not permit any other member of the SG DevCo Group to, make any claim or demand, or commence any Proceedings asserting any claim or demand, including any claim for indemnification, against any member of the SG Holdings Group with respect to any Liabilities released pursuant to this Section 6.1(2).

(3) Nothing contained in Sections 6.1(2) or (3) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any arrangement that is not to terminate as of the Distribution. Nothing contained in Sections 6.1(1) or (2) shall release any Party from:

(i) any Liability provided in or resulting from any agreement among any member of the SG Holdings Group and any member of the SG DevCo Group that is not to terminate as of the Distribution, or any other liability that is not to terminate as of the Distribution;

(ii) any Liability provided in or resulting from any other Contract or understanding that is entered into after the Effective Time between one Party (and/or a member of such Party's Group), on the one hand, and the other Party (and/or a member of such Party's Group), on the other hand;

(iii) any Liability that the Parties may have with respect to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement, including in respect of claims brought against the Parties (or members of their respective Groups) by any Third Party, which Liability shall be governed by the provisions of this Article VI and, if applicable, the appropriate provisions of the Ancillary Agreements;

(iv) any Liability with respect to any Continuing Arrangements or any Intergroup Indebtedness that survive the Effective Time; and

(v) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other liability of any member of any Group under, this Agreement; or

(vi) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 6.1; provided that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any Person with respect to any Liability to the extent that such Person would be released with respect to such Liability by this Section 6.1 but for the provisions of this clause (vi).

In addition, nothing contained in Section 6.1(1) shall release any member of the SG Holdings Group from honoring its existing obligations to indemnify any director, officer or employee of SG DevCo who was a director, officer or employee of SG Holdings or any of its Affiliates at or prior to the Effective Time, to the extent such director, officer or employee is or becomes a named defendant in any Proceeding with respect to which he or she was entitled to such indemnification pursuant to obligations existing prior to the Effective Time; it being understood that if the underlying obligation giving rise to such Proceedings is an SG DevCo Liability, SG DevCo shall indemnify SG Holdings for such Liability (including SG Holdings' costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article VI.

(4) At any time, at the request of any other Party, each Party shall cause each member of its respective Group to execute and deliver releases in form reasonably satisfactory to the other Party reflecting the provisions of this Section 6.1.

Section 6.2 Indemnification by SG Holdings. In addition to any other provision of this Agreement or any Ancillary Agreement requiring indemnification, except as otherwise specifically set forth in any provision of this Agreement, and subject to Section 6.11, from and after the Distribution, SG Holdings will indemnify, defend, release and discharge SG DevCo and its Affiliates and their respective current and former directors, officers, employees and agents and each of the heirs, executors, successors and permitted assigns of any of the foregoing (collectively, the "SG DevCo Indemnified Parties," and, together with SG Holdings Indemnified Parties, the "Indemnified Parties"), from and against any and all Indemnifiable Losses actually suffered or incurred by the SG DevCo Indemnified Parties relating to, arising out of or resulting from any of the following items regardless of whether arising from or alleged to arise from negligence (whether simple, contributory or gross), recklessness, violation of Law, fraud, misrepresentation or otherwise (without duplication) to the fullest extent permitted by applicable Law:

(1) the failure of any member of the SG Holdings Group or any other Person to pay, perform or otherwise promptly discharge any SG Holdings Liability in accordance with their respective terms, whether arising prior to, on or after the Distribution;

(2) any SG Holdings Liability; and

(3) any breach by any member of the SG Holdings Group of this Agreement or, subject to Section 6.11 hereof, any of the Ancillary Agreements, subject to any indemnification provision or any specific limitation on liability contained in any Ancillary Agreement.

Section 6.3 Indemnification by SG DevCo. In addition to any other provision of this Agreement or any Ancillary Agreement requiring indemnification, except as otherwise specifically set forth in any provision of this Agreement, and subject to Section 6.11, from and after the Distribution, SG DevCo shall indemnify, defend, release and discharge SG Holdings and its Affiliates and their respective current and former directors, officers, employees and agents and each of the heirs, executors, successors and permitted assigns of any of the foregoing (collectively, the "SG Holdings Indemnified Parties"), from and against any and all Indemnifiable Losses actually suffered or incurred by the SG Holdings Indemnified Parties relating to, arising out of or resulting from any of the following items regardless of whether arising from or alleged to arise from negligence (whether simple, contributory or gross), recklessness, violation of Law, fraud, misrepresentation or otherwise (without duplication) to the fullest extent permitted by applicable Law:

(1) the failure of any member of the SG DevCo Group or any other Person to pay, perform or otherwise promptly discharge any SG DevCo Liability in accordance with their respective terms, whether arising prior to, on or after the Distribution;

(2) any SG DevCo Liability; and

(3) any breach by any member of the SG DevCo Group of this Agreement or, subject to Section 6.11 hereof, any of the Ancillary Agreements, subject to any indemnification provision or any specific limitation on liability contained in any Ancillary Agreement.

Section 6.4 Procedures for Indemnification; Third Party Claims.

(1) If an Indemnified Party shall receive notice or otherwise learn of the assertion by any Person who is not a member of the SG Holdings Group or the SG DevCo Group, as the case may be, of any claim, or of the commencement by any such Person of any Proceedings, with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnified Party pursuant to Section 6.2 or Section 6.3, or any other Section of this Agreement or any Ancillary Agreement (collectively, a "Third Party Claim"), such Indemnified Party shall give such Indemnifying Party written notice thereof within thirty (30) days after such Indemnified Party received notice or otherwise learned of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail, including, if known, the amount of the loss or Liability claimed or asserted by such third party for which indemnification may be available. Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice as provided in this Section 6.4 shall not relieve the related Indemnifying Party of its obligations under this Article VI, except to the extent that such Indemnifying Party is actually materially prejudiced by such failure to give notice.

(2) An Indemnifying Party shall be entitled (but shall not be required) to assume and control the defense of such Third Party Claim at its expense and through counsel of its choice who is reasonably acceptable to the Indemnified Party if it gives notice of its intention to do so to the Indemnified Party within thirty (30) days of the receipt of such notice from the Indemnified Party; provided, however, that the Indemnifying Party shall not be entitled to assume the defense of any Third Party Claim to the extent such Third Party Claim (x) is a Proceeding by a Governmental Authority, (y) involves an allegation of a criminal violation or (z) seeks injunctive relief against the Indemnified Party. In the event of a conflict of interest between the Indemnifying Party and the Indemnified Party with respect to the Third Party Claim, the Indemnified Party shall be entitled to retain, at the Indemnifying Party's expense, separate counsel reasonably acceptable to the Indemnifying Party as required by the applicable rules of professional conduct with respect to such matter. If the Indemnifying Party elects to undertake any such defense at its own expense, the Indemnified Party shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, pertinent Records, materials and information in the Indemnified Party's possession or under the Indemnified Party's control relating thereto as are reasonably required by the Indemnifying Party. Similarly, if the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all witnesses, pertinent Records, materials and information in the Indemnifying Party's possession or under the Indemnifying Party's control relating thereto as are reasonably required by the Indemnified Party.

(3) If, in such notice, an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election as provided in Section 6.4(2), such Indemnified Party may defend such Third Party Claim at the cost and expense of the Indemnifying Party; provided, however, that the Indemnifying Party may at any time thereafter assume the defense of such Third Party Claim upon notice to the Indemnified Party (but the reasonable cost and expense incurred by the Indemnified Party in defending such Third Party Claim until such date as the Indemnifying Party shall assume the defense of such Third Party Claim shall be paid by the Indemnifying Party).

(4) The Indemnified Party may not settle or compromise any Third Party Claim without the consent of the Indemnifying Party (such consent not to be unreasonably withheld, conditioned or delayed).

(5) The Indemnifying Party shall have the right to compromise or settle a Third Party Claim the defense of which it shall have assumed pursuant to Section 6.4(2) or Section 6.4(3) and any such settlement or compromise made or caused to be made of a Third Party Claim in accordance with this Article VI shall be binding on the Indemnified Party, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, the Indemnifying Party shall not settle any such Third Party Claim without the written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed) unless such settlement (A) completely and unconditionally releases the Indemnified Party in connection with such matter, (B) consists solely of monetary consideration borne by a Person other than the Indemnified Party, and (C) does not involve any admission by the Indemnified Party of any wrongdoing or violation of Law.

(6) In the event of Proceedings in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant, if at all practicable and advisable under the circumstances. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Proceedings as set forth in this Article VI.

(7) With respect to any Third Party Claim that implicates both the SG DevCo Group and the SG Holdings Group in a material fashion due to the allocation of Liabilities or potential impact on the operation of the SG Holdings Business or SG DevCo Business, responsibilities for management of defense, and related indemnities pursuant to this Agreement or any of the Ancillary Agreements, the Parties agree to use reasonable best efforts to cooperate fully and maintain a joint defense (in a manner that will preserve for the relevant members of the SG DevCo Group and SG Holdings Group the attorney-client privilege, joint defense or other privilege with respect thereto). The Party that is not responsible for managing the defense of such Third Party Claims shall, upon reasonable request, be consulted with respect to significant matters relating thereto

and may, if necessary or helpful, retain counsel to assist in the defense of such claims (at such Party's own expense).

Section 6.5 Indemnification Payments. Indemnification required by this Article VI shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or an Indemnifiable Loss is incurred.

Section 6.6 Survival of Indemnities. The rights and obligations of each of SG Holdings and SG DevCo and their respective Indemnified Parties under this Article VI shall survive (i) the sale or other transfer by any Group of any of its Assets or Businesses or the assignment by it of any Liabilities, and (ii) any merger, consolidation, business combination, sale of all or substantially all of the Assets, restructuring, recapitalization, reorganization or similar transaction involving either Party or any of its Subsidiaries.

Section 6.7 Indemnification Obligations Net of Insurance Proceeds and Other Amounts; Contribution.

(1) Insurance Proceeds and Other Amounts.

(i) The Parties intend that any Liability subject to indemnification or contribution pursuant to this Agreement or any Ancillary Agreement shall be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnified Party in respect of any indemnifiable Liability. Accordingly, the amount which an Indemnifying Party is required to pay to any Indemnified Party shall be reduced by any Insurance Proceeds or any other amounts theretofore actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives a payment required by this Agreement from an Indemnifying Party in respect of any Liability (an "Indemnity Payment") and subsequently receives Insurance Proceeds or any other amounts in respect of the related Liability, then the Indemnified Party shall pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(ii) Any Indemnity Payment shall be increased as necessary so that after making all payments corresponding to Taxes imposed on or attributable to such Indemnity Payment, the Indemnified Party receives an amount equal to the sum it would have received had no such Taxes been imposed.

(2) Insurers and Other Third Parties Not Relieved. The Parties hereby agree that an insurer or other Third Party that would otherwise be obligated to pay any amount shall not be relieved of the responsibility with respect thereto or have any subrogation rights with respect thereto by virtue of any provision contained in this Agreement or any Ancillary Agreement, and that no insurer or any other Third Party shall be entitled to a "windfall" (e.g., a benefit they would not be entitled to receive in the absence of the indemnification or release provisions) by virtue of any provision contained in this Agreement or any Ancillary Agreement. Each Party shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to collect or recover, or allow the Indemnifying Party to collect or recover, any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification may be available under this Article VI. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Proceeding to collect or recover Insurance Proceeds, and an Indemnified Party need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(3) Contribution. If the indemnification provided for in this Article VI is unavailable for any reason to an Indemnified Party in respect of any Indemnifiable Loss, then the Indemnifying Party shall, in accordance with this Section 6.7(3), contribute to the Indemnifiable Losses incurred, paid or payable by such Indemnified Party as a result of such Indemnifiable Loss in such proportion as is appropriate to reflect the relative fault of SG DevCo and each other member of the SG DevCo Group, on the one hand, and SG Holdings and each other member of the SG Holdings Group, on the other hand, in connection with the circumstances which resulted in such Indemnifiable Loss.

Section 6.8 Direct Claims. An Indemnified Party shall give the Indemnifying Party notice of any matter that an Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement (other than a Third Party Claim which shall be governed by Section 6.4) within thirty (30) days of such determination, stating the claimed or asserted amount of the Indemnifiable Loss and method of computation thereof, if known, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed by such Indemnified Party or arises; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations except and solely to the extent the Indemnifying Party shall have been actually materially prejudiced as a result of such failure.

Section 6.9 Remedies Cumulative. The remedies provided in this Article VI or elsewhere in this Agreement shall be cumulative and shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies provided for in this Agreement against any Indemnifying Party; provided, however, that the procedures set forth in this Article VI shall be the exclusive procedures governing any indemnity action brought under this Agreement.

Section 6.10 Consequential Damages. EXCEPT AS MAY BE AWARDED TO A THIRD PARTY IN CONNECTION WITH ANY THIRD PARTY CLAIM THAT IS SUBJECT TO THE INDEMNIFICATION OBLIGATIONS IN THIS ARTICLE VI, IN NO EVENT SHALL SG HOLDINGS, SG DEVCO OR THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR OTHER AGENTS BE LIABLE UNDER THIS AGREEMENT FOR ANY PUNITIVE, EXEMPLARY, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, AND IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR OTHER AGENTS BE LIABLE UNDER THIS AGREEMENT FOR LOST PROFITS, OPPORTUNITY COSTS, DIMINUTION IN VALUE OR DAMAGES BASED UPON A MULTIPLE OF EARNINGS OR SIMILAR FINANCIAL MEASURE, EVEN IF UNDER APPLICABLE LAW SUCH LOST PROFITS, OPPORTUNITY COSTS, DIMINUTION IN VALUE, OR SUCH DAMAGES WOULD NOT BE CONSIDERED CONSEQUENTIAL OR SPECIAL DAMAGES.

Section 6.11 Ancillary Agreements. Notwithstanding anything in this Agreement to the contrary, to the extent any Ancillary Agreement contains any specific, express indemnification obligation or contribution obligation relating to any SG Holdings Liability, SG Holdings Asset, SG DevCo Liability or SG DevCo Asset contributed, assumed, retained, transferred, delivered or conveyed pursuant to such Ancillary Agreement, or relating to any other specific matter, the indemnification obligations contained herein shall not apply to such SG Holdings Liability, SG Holdings Asset, SG DevCo Liability or SG DevCo Asset, or such other specific matter, and instead the indemnification and/or contribution obligations set forth in such Ancillary Agreement shall govern with regard to such SG Holdings Asset, SG Holdings Liability, SG DevCo Asset or SG DevCo Liability or any such other specific matter.

ARTICLE VII.
CONFIDENTIALITY; ACCESS TO INFORMATION

Section 7.1 Provision of Corporate Records. Other than in circumstances in which indemnification is sought pursuant to Article VI (in which event the provisions of such Article will govern) and without limiting the applicable provisions of Article VI, and subject to appropriate restrictions for classified, privileged or Confidential Information and subject further to any restrictions or limitations contained in Section 5.2 or elsewhere in this Article VII:

(1) After the Effective Time, upon the prior written request by SG DevCo for specific and identified Information which relates to (i) any member of the SG DevCo Group or the conduct of the SG DevCo Business (including SG DevCo Assets and SG DevCo Liabilities), as the case may be, up to the Effective Time, or (ii) any Ancillary Agreement, SG Holdings shall provide, as soon as reasonably practicable following the receipt of such request, appropriate copies of such Information (or the originals thereof if SG DevCo has a reasonable need for such originals) in the possession or control of SG Holdings or any of its Affiliates, but only to the extent such items so relate.

(2) After the Effective Time, upon the prior written request by SG Holdings for specific and identified Information which relates to (i) any member of the SG Holdings Group or the conduct of the SG Holdings Business (including SG Holdings Assets and SG Holdings Liabilities), as the case may be, up to the Effective Time, or (ii) any Ancillary Agreement, SG DevCo shall provide, as soon as reasonably practicable following the receipt of such request, appropriate copies of such Information (or the originals thereof if SG Holdings has a reasonable need for such originals) in the possession or control of SG DevCo or any of its Affiliates, but only to the extent such items so relate.

Section 7.2 Access to Information. Other than in circumstances in which indemnification is sought pursuant to Article VI (in which event the provisions of such Article will govern) and without limiting the applicable provisions of Article VI, and subject to any restrictions or limitations contained in Section 5.2 or elsewhere in this Article VII, from and after the Effective Time, each of SG Holdings and SG DevCo shall afford to the other and its authorized accountants, counsel and other designated representatives reasonable access during normal business hours, subject to appropriate notice and restrictions for classified, privileged or confidential information and to the requirements of any applicable Law, to the personnel, properties, and Information of such Party and its Subsidiaries insofar as such access is reasonably required by the other Party, and only for the duration such access is required, and relates to (a) such other Party or the conduct of its business prior to the Effective Time or (b) any Ancillary Agreement; provided, however, in the event that a Party determines that any such access or the provision of any such information (including information requested under Section 5.2 or Section 7.1) would be commercially detrimental in any material respect, violate any Law or Contract with a Third Party or waive any attorney-client privilege, the work product doctrine or other applicable privilege, the Parties shall take all reasonable measures (and, to the extent applicable, shall use commercially reasonable efforts to obtain the Consent from any Third Party required to make such disclosure without violating a Contract with a Third Party) to permit compliance with such information request in a manner that avoids any such harm, violation or consequence. Each of SG Holdings and SG DevCo shall inform their respective officers, directors, employees, agents, consultants, advisors, authorized accountants, counsel and other designated representatives who have or have access to the other Party's Confidential Information or other information provided pursuant to Section 5.2 or this Article VII of their obligation to hold such information confidential in accordance with the provisions of this Agreement.

Section 7.3 Witness Services. At all times from and after the Effective Time, each of SG Holdings and SG DevCo shall use its commercially reasonable efforts to make available to the other, upon reasonable written request, its and its Subsidiaries' officers, directors, employees, consultants, and agents (taking into account the business demands of such individuals) as witnesses to the extent that (a) such Persons may reasonably be required to testify in connection with the prosecution or defense of any Proceeding in which the requesting Party may from time to time be involved (except for claims, demands or Proceedings in which one or more members of one Group is adverse to one or more members of the other Group) and (b) there is no conflict in the Proceeding between the requesting Party and the other Party.

Section 7.4 Cooperation. At all times from and after the Effective Time, except for any Proceeding (or any threatened Proceeding) in which one or more members of one Group is adverse to one or more members of the other Group, or in which there is otherwise a conflict between one or more members of one Group and one or more members of the other Group (each of which shall be governed by such discovery rules as may be applicable thereto), each of SG Holdings and SG DevCo shall cooperate and consult in good faith as reasonably requested in writing by the other Party with respect to the prosecution or defense of any Proceeding (or any audit or any other legal requirement) in which the requesting Party may from time to time be involved, regardless of whether relating to events that took place prior to, on or after the date of Separation or whether relating to this Agreement or any Ancillary Agreement or any of the transactions contemplated hereby or thereby or otherwise. Notwithstanding the foregoing, this Section 7.4 does not require a Party to take any step that would materially interfere, or that it reasonably determines could materially interfere, with its business. The requesting Party agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, incurred in connection with a request under this Section 7.4.

Section 7.5 Confidentiality.

(1) Notwithstanding any termination of this Agreement, from and after the Effective Time until the date that is five (5) years after the date of termination of the Agreement, the Parties shall hold, and shall cause each of their respective Subsidiaries to hold, and shall each cause their respective officers, directors, employees, agents, consultants and advisors to hold, in strict confidence, and not to disclose or release or use, for any ongoing or future commercial purpose, without the prior written consent of the other Party, any and all Confidential Information concerning the other Party (and the members of its respective Group and Business); provided, however, that the Parties may disclose, or may permit disclosure of, Confidential Information (i) to their respective auditors, attorneys, financial advisors, bankers and other appropriate consultants and advisors who have a need to know such information for auditing and other non-commercial purposes and are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties and in respect of whose failure to comply with such obligations, the applicable Party will be responsible, (ii) if the Parties or any of their respective Subsidiaries are required or compelled to disclose any such Confidential Information by judicial or administrative process or by other requirements of Law or stock exchange rule, or (iii) as necessary in order to permit a Party to prepare and disclose its financial statements, or other required disclosures; provided, further, that each Party (and members of its Group as necessary) may use, or may permit use of, Confidential Information of the other Party in connection with such first Party performing its obligations, or exercising its rights, under this Agreement or any Ancillary Agreement. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to clause (ii) above, each Party, as applicable, shall, if not legally prohibited, promptly notify the other Party of the existence of such request or demand and shall provide the other Party a reasonable opportunity to seek an appropriate protective order or other remedy, which such Parties will cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Party whose Confidential Information is required to be disclosed shall or shall cause the other applicable Party or Parties to furnish, or cause to be furnished, only that portion of the Confidential Information that is legally required to be disclosed and shall take commercially reasonable steps to ensure that confidential treatment is accorded such portion of such Confidential Information.

(2) Notwithstanding anything to the contrary set forth herein, (i) the Parties shall be deemed to have satisfied their obligations hereunder with respect to Confidential Information if they exercise at least the same degree of care that SG Holdings exercises and applies to its confidential and proprietary information pursuant to SG Holdings' policies and procedures in effect as of the Effective Time and (ii) confidentiality obligations provided for in any Contract between each Party or its Subsidiaries and their respective employees shall remain in full force and effect. Notwithstanding anything to the contrary set forth herein, Confidential Information of any Party in the possession of and used by any other Party as of the Effective Time may continue to be used by such Party in possession of the Confidential Information in and only in (and only

to the extent reasonably necessary to) the operation of the SG DevCo Business (in the case of the SG DevCo Group) or the SG Holdings Business (in the case of the SG Holdings Group); provided, however, such Confidential Information may be used only so long as the Confidential Information is maintained in confidence in accordance with, and not disclosed in violation of, Section 7.5(1).

(3) Each Party acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of Third Parties that was received under confidentiality or non-disclosure agreements with such Third Party prior to the Effective Time. Such Party will hold, and will cause the other members of its Group and their respective representatives to hold, in strict confidence the confidential and proprietary information of Third Parties to which they or any other member of their respective Groups has access, in accordance with the terms of any Contracts entered into prior to the Effective Time between one or more members of the such Party's Group (whether acting through, on behalf of, or in connection with, the separated Businesses) and such Third Parties.

(4) Upon the written request of a Party, the other Party shall take commercially reasonable actions to promptly (i) deliver to such requesting Party all original Confidential Information (whether written or electronic) concerning such requesting Party and/or its Subsidiaries, and (ii) if specifically requested by such requesting Party, destroy any copies of such Confidential Information (including any extracts therefrom); provided, however, that the receiving Party may retain an archival copy of the Confidential Information, to the extent necessary to comply with applicable Law or such Party's retention or archival policies. Upon the written request of such requesting Party, the other Party shall cause one of its duly authorized officers to certify in writing to such requesting Party that the requirements of the preceding sentence have been satisfied in full.

Section 7.6 Privileged Matters.

(1) Pre-Separation Services. The Parties recognize that legal and other professional services (including, but not limited to, services rendered by legal counsel retained or employed by any Party (or any member of such Party's respective Group), including outside counsel and in-house counsel) that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the SG Holdings Group and the SG DevCo Group, and that each of the members of the SG Holdings Group and the SG DevCo Group should be deemed to be the client with respect to such pre-separation services for the purposes of asserting all privileges which may be asserted under applicable Law; provided, however, that (i) members of the SG DevCo Group shall not be deemed the client with respect to pre-separation services that relate solely to the SG Holdings Business, and members of the SG DevCo Group may not assert privilege with respect to pre-separation services that relate solely to the SG Holdings Business; and (ii) members of the SG Holdings Group shall not be deemed the client with respect to pre-separation services that relate solely to the SG DevCo Business, and members of the SG Holdings Group may not assert privilege with respect to pre-separation services that relate solely to the SG DevCo Business.

(2) Post-Separation Services. The Parties recognize that legal and other professional services will be provided following the Effective Time which will be rendered solely for the benefit of SG Holdings or SG DevCo or their successors or assigns, as the case may be. With respect to such post-separation services, the Parties agree as follows:

(i) SG Holdings shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information which relates solely to the SG Holdings Business, whether or not the privileged information is in the possession of or under the control of SG Holdings or SG DevCo. SG Holdings shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting SG Holdings Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated against or by SG Holdings, whether or not the privileged information is in the possession of or under the control of SG Holdings or SG DevCo or their successors or assigns; and

(ii) SG DevCo shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information which relates solely to the SG DevCo Business, whether or not the privileged information is in the possession of or under the control of SG Holdings or SG DevCo or their successors or assigns. SG DevCo shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with privileged information that relates solely to the subject matter of any claims constituting SG DevCo Liabilities, now pending or which may be asserted in the future, in any lawsuits or other proceedings initiated against or by SG DevCo, whether or not the privileged information is in the possession of or under the control of SG Holdings or SG DevCo or their successors or assigns.

(3) The Parties agree that they shall have a shared privilege, subject to the restrictions in this Section 7.6, with respect to all privileges not allocated pursuant to the terms of Section 7.6(1) or Section 7.6(2) and all privileges relating to any Proceedings or other matters which involve both SG Holdings and SG DevCo (or one or more members of their respective Groups) in respect of which both Parties retain any responsibility or Liability under this Agreement.

(4) No Party may disclose to any Third Party any privileged communications that could be withheld under any applicable Law, and in which any other Party has a shared privilege, without the consent of the other Party, which shall not be unreasonably withheld or delayed or as provided in clause (5) or (6) below. Consent shall be in writing, or shall be deemed to be granted unless written objection is made within twenty (20) days after notice upon the other Party requesting such consent.

(5) In the event of any litigation, arbitration or dispute between or among any of the Parties, or any members of their respective Groups, either such Party may disclose privileged communications to the other Party or member of such Party's Group so long as the privileged communications are subject to a shared privilege among or between the Parties; provided, however, that such disclosure of a shared privilege shall be effective only as to the use of information with respect to the litigation, arbitration or dispute between the relevant Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to third parties.

(6) If a dispute arises between or among the Parties or their respective Subsidiaries regarding whether a privilege should be waived to protect or advance the interest of any Party, each Party agrees that it shall negotiate and shall endeavor to minimize any prejudice to the rights of the other Parties, and shall not unreasonably withhold consent to any request for waiver by another Party. Each Party specifically agrees that it will not withhold consent to waiver for any purpose except to protect its own legitimate interests.

(7) Upon receipt by any Party or by any Subsidiary thereof of any subpoena, discovery or other request which arguably calls for the production or disclosure of information subject to a shared privilege or as to which another Party has the sole right hereunder to assert a privilege, or if any Party obtains knowledge that any of its or any of its Subsidiaries' current or former directors, officers, consultants, agents or employees have received any subpoena, discovery or other requests which arguably calls for the production or disclosure of such privileged information, such Party shall promptly notify the other Party or Parties of the existence of the request and shall provide the other Party or Parties a reasonable opportunity to review the information and to assert any rights it or they may have under this Section 7.6 or otherwise to prevent the production or disclosure of such privileged information.

(8) The transfer of all Information pursuant to this Agreement is made in reliance on the agreement of SG Holdings and SG DevCo, as set forth in Section 7.5

and this Section 7.6, to maintain the confidentiality of privileged information and to assert and maintain all applicable privileges. The access to information being granted pursuant to Section 7.1 and Section 7.2 hereof, the agreement to provide witnesses and individuals pursuant to Section 7.3 hereof, the furnishing of notices and documents and other cooperative efforts contemplated by this Section 7.6, and the transfer of privileged information between and among the Parties and their respective Subsidiaries pursuant to this Agreement shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

Section 7.7 Ownership of Information. Any information owned by one Party or any of its Subsidiaries that is provided to a requesting Party pursuant to this Article VII or Section 5.2 shall be deemed to remain the property of the providing Party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such information.

Section 7.8 Other Agreements. The rights and obligations granted under this Article VII are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of information, or privileged matter with respect thereto, set forth in any Ancillary Agreement.

Section 7.9 Compensation for Providing Information. A Party requesting Information pursuant to this Article VII agrees to reimburse the providing Party for the reasonable out-of-pocket expenses, if any, of gathering, copying and otherwise complying with respect to such Information (including any reasonable costs and expenses incurred in any review of Information for purposes of protecting any privilege thereunder or any other restrictions on the disclosure of such Information); provided, however, that each Party shall be responsible for its own attorneys' fees and expenses incurred in connection therewith.

ARTICLE VIII.
DISPUTE RESOLUTION

Section 8.1 Negotiation.

(1) In the event of a controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, termination or breach of this Agreement or any Ancillary Agreement (unless such Ancillary Agreement expressly provides that disputes thereunder will not be subject to the resolution procedures set forth in this Article VIII) or otherwise arising out of, or in any way related to this Agreement or any such Ancillary Agreement or the transactions contemplated hereby or thereby, including any claim based on Contract, tort, Law or constitution (but excluding any controversy, dispute or claim arising out of any Contract with a Third Party if such Third Party is a necessary party to such controversy, dispute or claim) (collectively, "Agreement Disputes"), a Party must provide written notice of such Agreement Dispute ("Dispute Notice"). Within thirty (30) days of receipt by a Party of a Dispute Notice, the receiving Party shall submit to the other Party a written response. The Dispute Notice and the response shall each include a statement of the Party's position, a general summary of the arguments (including relevant facts and circumstances) supporting that position, the name and title of the Party's representatives who will represent the Party and any other person(s) in negotiation of the Agreement Dispute. The Parties agree to negotiate in good faith to resolve any noticed Agreement Dispute. If the Parties are unable for any reason to resolve an Agreement Dispute within forty-five (45) days from the time of receipt of the response to the Dispute Notice and the forty-five (45) day period is not extended by mutual written consent, then the Chief Executive Officers of the Parties shall enter into negotiations for a reasonable period of time to settle such Agreement Dispute; provided, however, that such reasonable period shall not, unless otherwise agreed by the Parties in writing, exceed sixty (60) days from the 45th day noted above, if and as extended by mutual agreement of the Parties.

(2) Notwithstanding anything to the contrary contained in this Agreement or any Ancillary Agreement, in the event of any Agreement Dispute with respect to which a Dispute Notice has been delivered in accordance with Section 8.1, (i) the relevant Parties shall not assert the defenses of statute of limitations and laches with respect to the period beginning after the date of receipt of the Dispute Notice, and (ii) any contractual time period or deadline under this Agreement or any Ancillary Agreement to which such Agreement Dispute relates occurring after the Dispute Notice is received shall be tolled by the submittal of a Dispute Notice. All things said or disclosed, and any document produced, in the course of any negotiations, conferences and discussions in connection with efforts to settle an Agreement Dispute that is not otherwise independently discoverable shall not be offered or received as evidence or used for impeachment or for any other purpose in any arbitration or other proceeding, but shall be considered as to have been said, disclosed or produced for settlement purposes.

Section 8.2 [RESERVED]

Section 8.3 Arbitration. If Any Agreement Dispute not resolved pursuant to Section 8.1, then such Agreement Dispute shall be exclusively and finally determined, at the request of any relevant Party, by arbitration (by an arbitral tribunal as provided for in Section 8.4) conducted where the Parties agree it would be most convenient, and in the absence of agreement in Pinellas County, Florida], before and in accordance with the American Arbitration Association (" AAA") Commercial Arbitration Rules then currently in effect, except as modified herein (the "Rules").

Section 8.4 Selection of Arbitrators. There shall be three arbitrators. Each Party shall appoint an arbitrator within twenty (20) days of a Party's receipt of a Party's demand for arbitration. The two Party-appointed arbitrators shall have twenty (20) days from the appointment of the second arbitrator to agree on a third arbitrator who shall chair the arbitral tribunal. Any arbitrator not timely appointed by the Parties shall be appointed by the AAA in accordance with the listing and ranking method in the Rules, and in any such procedure, each Party shall be given a limited number of strikes, excluding strikes for cause. If any appointed arbitrator declines, resigns, becomes incapacitated, or otherwise refuses or fails to serve or to continue to serve as an arbitrator, the Party or arbitrators entitled to appoint such arbitrator shall promptly appoint a successor. In the event that an arbitrator is objected to, the AAA shall decide whether such objection is valid and whether the challenged arbitrator shall be removed. Any controversy concerning the jurisdiction of the arbitrators, whether the subject matter of an Agreement Dispute is suitable for resolution by arbitration, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation of enforceability of this Article VIII shall be determined by the arbitrators.

Section 8.5 Arbitration Procedures. Any hearing to be conducted shall be held no later than 180 days following appointment of the arbitrators or as soon thereafter as practicable.

Section 8.6 Discovery. The arbitrators, consistent with the expedited nature of arbitration, shall permit limited discovery only of documents directly related to the issues in dispute. There shall be no more than three depositions per party of no more than 8 hours each. Notwithstanding the foregoing, each Party will, upon the written request of the other Party, promptly provide the other with copies of documents on which the producing Party may rely in support of a claim or defense or which are relevant to the issues raised in the Agreement Dispute. All discovery, if any, shall be completed within 90 days following the appointment of the arbitrators or as soon thereafter as practicable. Adherence to formal rules of evidence shall not be required and the arbitrators shall consider any evidence and testimony that the arbitrators determine to be relevant, in accordance with the Rules and procedures that the arbitrators determine to be appropriate. In resolving any Agreement Dispute, the Parties intend that the arbitrators shall apply the substantive Laws of the State of Delaware, without regard to any choice of law principles thereof that would mandate the application of the Laws of another jurisdiction. The Parties intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable, and any award rendered by the arbitrators shall be final and binding on the Parties. The Parties agree to comply and cause the members of their applicable Group to comply with any award made in any such arbitration proceedings and agree to enforcement of or entry of judgment upon such award, in any court of competent jurisdiction.

Section 8.7 Confidentiality of Proceedings. Without limiting the provisions of the Rules, unless otherwise agreed in writing by or among the relevant Parties or permitted by this Agreement or as may be required by law or any regulatory authority, the relevant Parties shall keep, and shall cause the members of their applicable Group to keep, confidential all matters relating to the arbitration or the award. The arbitral award shall be confidential; provided, however, that such award may be disclosed (i) to the extent reasonably necessary in any proceeding brought to enforce this agreement to arbitrate or any arbitral award or for entry of a judgment upon the award and (ii) to the extent otherwise required by Law or regulatory authority.

Section 8.8 Pre-Hearing Procedure and Disposition. Nothing contained herein is intended to or shall be construed to prevent any Party, from applying to any court of competent jurisdiction for injunctive or other similar equitable relief in connection with the subject matter of any Agreement Disputes, including to compel a party to arbitrate any Agreement Dispute, to prevent irreparable harm prior to the appointment of the arbitral tribunal or to require witnesses to obey subpoenas issued by the arbitrators. Without prejudice to such equitable remedies as may be available under the jurisdiction of a court, the arbitral tribunal shall have full authority to grant provisional remedies and to direct the parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any party to respect the arbitral tribunal's orders to that effect. The Parties agree to accept and honor any orders relating to interim or provisional remedies that are issued by the arbitrators and agree that any such interim order or remedy may be enforced, as necessary, in any court of competent jurisdiction.

Section 8.9 Continuity of Service and Performance. During the course of resolving an Agreement Dispute pursuant to the provisions of thisArticle VIII, the Parties will continue to provide all other services and honor all other commitments under this Agreement and each Ancillary Agreement with respect to all matters not the subject of the Agreement Dispute in arbitration.

Section 8.10 Awards. The arbitrators shall make an award and issue a reasoned opinion in writing setting forth the basis for such award within 30 days following the close of the hearing on the merits, or a soon thereafter as practicable. The arbitrators shall be entitled, if appropriate, to award any remedy in such proceedings that is permitted under this Agreement and applicable Law, including monetary damages, specific performance and other forms of legal and equitable relief. The Parties hereby waive any claim to exemplary, punitive, multiple or similar damages in excess of compensatory damages, attorneys' fees, costs and expenses of arbitration, except as may be expressly required by statute or as necessary to indemnify a Party for a Third Party Claim and the arbitrators are not empowered to and shall not award such damages. Any final award must provide that the party against whom an award is issued shall comply with the order within a specified period of time, not to exceed 30 days.

Section 8.11 Costs. Provided the amount in dispute is less than $25,000, if any Party attempts, unsuccessfully, to prevent an Agreement Dispute from being arbitrated such Party shall reimburse the prevailing party for all costs incurred in compelling arbitration. Except as otherwise may be provided in any Ancillary Agreement, the costs of arbitration pursuant to this Article VIII shall be borne by the non-prevailing Party as determined by the arbitrator.

Section 8.12 Adherence to Time Limits. In accepting appointment, each of the arbitrators shall commit that his or her schedule permits him or her to devote the reasonably necessary time and attention to the arbitration proceedings and to resolving the Agreement Dispute within the time periods set by this Agreement and by the Rules. Any time limits set out in this Article VIII or in the Rules may be modified upon written agreement of the Parties and the arbitrators or by order of the arbitrators for good cause shown. Any failure of the arbitrators to comply with such time limits or to render a final award within the time specified shall not impair the validity of the award or cause the award to be void or voidable, nor shall it be a basis for challenge of the validity or enforceability of the award or of the arbitration proceedings.

ARTICLE IX.
INSURANCE

Section 9.1 Policies to be Maintained by SG DevCo. SG DevCo agrees and covenants (on its own behalf and on behalf of each other member of the SG DevCo Group) that it will procure and maintain at its sole cost and expense, for a period of no less than three (3) years from the Effective Time, all insurance programs required to comply with SG DevCo's statutory, contractual and regulatory obligations and all such other insurance policies as are reasonably necessary or customary for companies operating a business similar to the SG DevCo Business in every jurisdiction in which SG DevCo may operate. Such insurance programs may include, general and excess liability (the "SG DevCo General Liability Policies"), commercial general liability, worker's compensation, employer's liability, products liability and automobile liability coverage with commercially reasonable terms and limits. It is the intention of the Parties that the SG DevCo General Liability Policies shall act as primary insurance with respect to any claims asserted against SG Holdings and/or SG DevCo that arise out of the SG DevCo Liabilities with an occurrence date after the Effective Time.

Section 9.2 Policies to be Maintained by SG Holdings. SG Holdings agrees and covenants (on its own behalf and on behalf of each other member of the SG Holdings Group) that it will procure and maintain at its sole cost and expense, for a period of no less than three (3) years from the Effective Time, all insurance programs required to comply with SG Holdings' statutory, contractual and regulatory obligations and all such other insurance policies as are reasonably necessary or customary for companies operating a business similar to the SG Holdings Business in every jurisdiction in which SG Holdings may operate. Such insurance programs may include, general and excess liability (the "SG Holdings General Liability Policies"), commercial general liability, worker's compensation, employer's liability, products liability and automobile liability coverage with commercially reasonable terms and limits. It is the intention of the Parties that the SG Holdings General Liability Policies shall act as primary insurance with respect to any claims asserted against SG Holdings and/or SG DevCo that arise out of the SG Holdings Liabilities with an occurrence date after the Effective Time.

ARTICLE X.
MISCELLANEOUS

Section 10.1 Complete Agreement. This Agreement, including the exhibits and schedules attached hereto, and the Ancillary Agreements (and the exhibits and schedules thereto) shall constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. In the event of any conflict between the terms and conditions of the body of this Agreement and the terms and conditions of any Schedule, the terms and conditions of such Schedule shall control. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, in the case of any conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement, the provisions of this Agreement shall control; provided, however, except as set forth on Schedule 10.1, that in relation to any matters concerning Taxes, the Tax Matters Agreement shall prevail over this Agreement and any other Ancillary Agreement. It is the intention of the Parties that the Transfer Documents shall be consistent with the terms of this Agreement and the other Ancillary Agreements. The Parties agree that the Transfer Documents are not intended and shall not be considered in any way to enhance, modify or decrease any of the rights or obligations of SG Holdings, SG DevCo or any member of their respective Groups from those contained in this Agreement and the other Ancillary Agreements.

Section 10.2 Ancillary Agreements. Notwithstanding anything to the contrary contained in this Agreement, this Agreement is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Ancillary Agreements (excluding the Transfer Documents).

Section 10.3 Counterparts. This Agreement may be executed in more than one counterparts, all of which shall be considered one and the same agreement, and, except as otherwise expressly provided in Section 1.3, shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other

Parties. Execution of this Agreement or any other documents pursuant to this Agreement by facsimile or other electronic copy of a signature shall be deemed to be, and shall have the same effect as, executed by an original signature.

Section 10.4 Survival of Agreements. Except as otherwise contemplated by this Agreement or any Ancillary Agreement, all covenants and agreements of the Parties contained in this Agreement and each Ancillary Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms.

Section 10.5 Costs and Expenses; Payment.

(1) Except as expressly provided in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, SG Holdings shall bear all direct and indirect costs and expenses of any member of the SG DevCo Group or SG Holdings Group incurred on or prior to the Effective Time, in connection with the preparation, execution, delivery and implementation of this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby; provided, that, except as otherwise expressly provided in this Agreement or any Ancillary Agreement, from and after the Distribution, each Party shall bear its own direct and indirect costs and expenses related to its performance of this Agreement or any Ancillary Agreement. Except as expressly provided in this Agreement or any Ancillary Agreement, any amount payable pursuant to this Agreement or any Ancillary Agreement by one party (or any member of such party's Group) shall be paid within 30 days after presentation of an invoice or a written demand by the party entitled to receive such payments. Such demand shall include documentation setting forth the basis for the amount payable.

(2) With respect to any expenses incurred pursuant to a request for further assurances granted under Section 2.9, the Parties agree that any and all fees and expenses incurred by either Party shall be borne and paid by the requesting Party; it being understood that no Party shall be obliged to incur any Third Party accounting, consulting, advisor, banking or legal fees, costs or expenses, and the requesting Party shall not be obligated to pay such fees, costs or expenses, unless such fee, cost or expense shall have had the prior written approval of the requesting Party; notwithstanding the foregoing, each Party shall be responsible for paying its own internal fees, costs and expenses (e.g., salaries of personnel). With respect to any fees, costs and expenses incurred by either Party in satisfying its obligations under Section 5.2, the requesting Party shall be responsible for the other Party's fees, costs and expenses; notwithstanding the foregoing, each Party shall be responsible for paying its own internal fees, costs and expenses (e.g., salaries and benefits of personnel).

Section 10.6 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements, as between the Parties, shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt unless the day of receipt is not a Business Day, in which case it shall be deemed to have been duly given or made on the next Business Day) by delivery in person, by overnight courier service, by electronic e-mail with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.6):

If to SG Holdings:

Safe & Green Holdings Corp.
990 Biscayne Blvd. #501
Office 12
Miami, Florida 33132
Attn: Paul M. Galvin, Chief Executive Officer and Interim Chief Financial Officer

If to SG DevCo:

Safe and Green Development Corporation
990 Biscayne Blvd. #501
Office 12
Miami, Florida 33132
Attn: David Villareal, Chief Executive Officer

Section 10.7 Waiver.

(1) Any provision of this Agreement may be waived if, and only if, such waiver is in writing and signed by the Party against whom the waiver is to be effective.

(2) No failure or delay by either Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 10.8 Modification or Amendment. This Agreement may only be amended, modified or supplemented, in whole or in part, in a writing signed on behalf of each of the Parties in the same manner as this Agreement and which makes reference to this Agreement.

Section 10.9 No Assignment; Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their permitted successors and assigns. No Party to this Agreement may assign or delegate, by operation of law or otherwise, all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other Party to this Agreement, which such Party may withhold in its absolute discretion, except that (x) each Party hereto may assign any or all of its rights and interests hereunder to an Affiliate and (y) each Party may assign any of its obligations hereunder to an Affiliate; provided, however, that such assignment shall not relieve such Party of any of its obligations hereunder unless agreed to by the non-assigning Party, and any attempt to do so shall be ineffective and void ab initio. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties hereto and their respective successors and permitted assigns.

Section 10.10 Termination. Notwithstanding anything to the contrary herein, this Agreement (including Article VI hereof) may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by and in the sole discretion of SG Holdings without the approval of SG DevCo or the stockholders of SG Holdings. In the event of such termination, this Agreement shall become null and void and no Party, nor any of its officers, directors or employees, shall have any Liability to any other Party or any other Person. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

Section 10.11 Payment Terms. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount to be paid or reimbursed by

any Party (and/or a member of such Party's Group), on the one hand, to any other Party (and/or a member of such Party's Group), on the other hand, under this Agreement shall be paid or reimbursed hereunder within twenty (20) Business Days after presentation of an undisputed invoice or a written demand therefor and setting forth, or accompanied by, reasonable documentation or other reasonable explanation supporting such amount.

Section 10.12 No Circumvention. The Parties agree not to directly or indirectly take any actions, act in concert with any Person who takes an action, or cause or allow any member of any such Party's Group to take any actions (including the failure to take a reasonable action) such that the resulting effect is to materially undermine the effectiveness of any of the provisions of this Agreement or any Ancillary Agreement (including adversely affecting the rights or ability of any Party to successfully pursue indemnification, contribution or payment pursuant to Article VI).

Section 10.13 Subsidiaries. Each of the Parties shall cause (or with respect to an Affiliate that is not a Subsidiary, shall use commercially reasonable efforts to cause) to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Subsidiary or Affiliate of such Party or by any Business Entity that becomes a Subsidiary or Affiliate of such Party on and after the Effective Time. This Agreement is being entered into by SG Holdings and SG DevCo on behalf of themselves and the members of their respective groups (the SG Holdings Group and the SG DevCo Group). This Agreement shall constitute a direct obligation of each such entity and shall be deemed to have been readopted and affirmed on behalf of any Business Entity that becomes a Subsidiary or Affiliate of such Party on and after the Effective Time. Either Party shall have the right, by giving notice to the other Party, to require that any Subsidiary of the other Party execute a counterpart to this Agreement to become bound by the provisions of this Agreement applicable to such Subsidiary.

Section 10.14 Third Party Beneficiaries. Except (a) as provided in Article VI relating to Indemnified Parties and (b) as may specifically be provided in any Ancillary Agreement, this Agreement is solely for the benefit of each Party hereto and its respective Affiliates, successors or permitted assigns, and it is not the intention of the Parties to confer third party beneficiary rights upon any other Person, and should not be deemed to confer upon any third party any remedy, claim, liability, reimbursement, Proceedings or other right in excess of those existing without reference to this Agreement.

Section 10.15 Titles and Headings. Titles and headings to Sections and Articles are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 10.16 Exhibits and Schedules. The exhibits and schedules hereto shall be construed with and be an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein. Nothing in the Exhibits or Schedules constitutes an admission of any liability or obligation of any member of the SG Holdings Group or the SG DevCo Group or any of their respective Affiliates to any third party, nor, with respect to any third party, an admission against the interests of any member of the SG Holdings Group or the SG DevCo Group or any of their respective Affiliates. The inclusion of any item or liability or category of item or liability on any Exhibit or Schedule is made solely for purposes of allocating potential liabilities among the Parties and shall not be deemed as or construed to be an admission that any such liability exists.

Section 10.17 Public Announcements. From and after the Effective Time, SG Holdings and SG DevCo shall consult with each other before issuing, and give each other the opportunity to review and comment upon, that portion of any press release or other public statements that relates to the transactions contemplated by this Agreement or the Ancillary Agreements, and shall not issue any such press release or make any such public statement prior to such consultation, except (a) as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system; (b) for disclosures made that are substantially consistent with disclosure contained in any Distribution Disclosure Document or Pre-Separation Disclosure, or (c) as otherwise set forth on Schedule 10.17.

Section 10.18 Governing Law. This Agreement, and all actions, causes of action, or claims of any kind (whether at law, in equity, in contract, in tort, or otherwise) that may be based upon, arise out of, or relate to this Agreement, or the negotiation, execution, or performance of this Agreement (including any action, cause of action, or claim of any kind based upon, arising out of, or related to any representation or warranty made in, in connection with, or as an inducement to this Agreement) shall be governed by and construed in accordance with the law of the State of Delaware, irrespective of the choice of Laws principles of the State of Delaware, including without limitation Delaware laws relating to applicable statutes of limitations and burdens of proof and available remedies.

Section 10.19 Consent to Jurisdiction. Subject to the provisions of Article VIII, each of the Parties hereto agrees that the appropriate, exclusive and convenient forum for any disputes between any of the Parties hereto arising out of this Agreement or the transactions contemplated hereby shall be brought and determined in the Court of Chancery of the State of Delaware; provided, that if jurisdiction is not then available in the Court of Chancery of the State of Delaware, then any such legal action or proceeding may be brought in any federal court located in the State of Delaware or any other Delaware state court (the "Delaware Courts"). Each of the Parties further agrees that delivery of notice or document by United States registered mail to such Party's respective address set forth in Section 10.6 shall be effective as to the contents of such notice or document; provided, that service of process or summons for any action, suit or proceeding in the Delaware Courts with respect to any matters to which it has submitted to jurisdiction in this Section 10.19 shall be effective only pursuant to service on a Party's registered agent for service of process. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the Delaware Courts, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 10.20 Specific Performance. The Parties agree that irreparable damage would occur in the event that the provisions of this Agreement were not performed in accordance with their specific terms. Accordingly, it is hereby agreed that the Parties shall be entitled to (i) an injunction or injunctions to enforce specifically the terms and provisions hereof in any arbitration in accordance with Article VIII, (ii) provisional or temporary injunctive relief in accordance therewith in any Delaware Court, and (iii) enforcement of any such award of an arbitral tribunal or a Delaware Court in any court of the United States, or any other any court or tribunal sitting in any state of the United States or in any foreign country that has jurisdiction, this being in addition to any other remedy or relief to which they may be entitled.

Section 10.21 Waiver of Jury Trial. SUBJECT TO ARTICLE VIII, EACH OF THE PARTIES HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY JUDICIAL PROCEEDING IN WHICH ANY CLAIM OR COUNTERCLAIM (WHETHER AT LAW, IN EQUITY, IN CONTRACT, IN TORT, OR OTHERWISE) ASSERTED BASED UPON, ARISING FROM, OR RELATED TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT, OR THE COURSE OF DEALING OR RELATIONSHIP BETWEEN THE PARTIES TO THIS AGREEMENT, INCLUDING THE NEGOTIATION, EXECUTION, AND PERFORMANCE OF SUCH AGREEMENT. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND THAT NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, OR REPRESENTATIVE OF ANY PARTY SHALL REQUEST A JURY TRIAL IN ANY SUCH PROCEEDING NOR SEEK TO CONSOLIDATE ANY SUCH PROCEEDING WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.21.

Section 10.22 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, the remaining provisions

of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance here from.

Section 10.23 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting or causing any instrument to be drafted.

Section 10.24 Authorization. Each of the Parties hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such Party, that this Agreement constitutes a legal, valid and binding obligation of each such Party enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and general equity principles.

Section 10.25 No Duplication; No Double Recovery. Nothing in this Agreement is intended to confer to or impose upon any Party a duplicative right, entitlement, obligation or recovery with respect to any matter arising out of the same facts and circumstances (including with respect to the rights, entitlements, obligations and recoveries that may arise out of one or more of the following Sections: Section 6.1,
Section 6.2 and Section 6.3).

Section 10.26 Tax Treatment of Payments. Unless otherwise required by a Final Determination, this Agreement or the Tax Matters Agreement or otherwise agreed to among the Parties, for U.S. federal Tax purposes, any payment made pursuant to this Agreement (other than any payment of interest pursuant to Section 10.11) by: (i) SG DevCo to SG Holdings shall be treated for all Tax purposes as a distribution by SG DevCo to SG Holdings with respect to stock of SG DevCo occurring immediately before the Distribution; or (ii) SG Holdings to SG DevCo shall be treated for all Tax purposes as a taxable contribution by SG Holdings to SG DevCo with respect to its stock occurring immediately before the Distribution; and in each case, no Party shall take any position inconsistent with such treatment. In the event that a Tax Authority asserts that a Party's treatment of a payment pursuant to this Agreement should be other than as set forth in the preceding sentence, such Party shall use its commercially reasonable efforts to contest such challenge.

Section 10.27 Cooperation and General Knowledge Transfer. Except as provided in any Ancillary Agreement, during the 180 days following the Effective Time, each Party shall use commercially reasonable efforts to provide (the "Disclosing Party") the other Party (the "Receiving Party") with reasonable access to its employees in order to assist the Receiving Party with general institutional knowledge transfer and to reasonably respond to questions. Except as otherwise provided for in any Ancillary Agreement, such access, cooperation, and assistance will be provided as reasonably requested at no cost to the Receiving Party; provided, however, that if a Disclosing Party determines in its sole discretion that the Receiving Party's requests are unreasonable and/or unduly burdensome, to the level of interfering with the Disclosing Party's employees primary work duties, then the Disclosing Party may, by written notice, notify the Receiving Party that it intends to charge the Receiving Party for the Disclosing Party's out-of-pocket expenses related to responding to the unreasonable and overly burdensome request. If the Parties are unable to mutually reach an agreement for the provision of such services to be charged and the amount to be so charged, then the Disclosing Party shall not be required to fulfill or respond to such request. This Section 10.27 is intended to apply to general knowledge regarding the operations and conduct of the SG Holdings Business and SG DevCo Business; provided, however, that notwithstanding anything to the contrary contained in this Section 10.27, this Section 10.27 is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Ancillary Agreements, and the provision of services to be provided pursuant to such services as covered by such Ancillary Agreement shall be controlled by such Ancillary Agreement.

Section 10.28 No Reliance on Other Party. The Parties hereto represent to each other that this Agreement is entered into with full consideration of any and all rights which the Parties hereto may have. The Parties hereto have relied upon their own knowledge and judgment and have conducted such investigations they and their in-house counsel have deemed appropriate regarding this Agreement and the Ancillary Agreements and their rights in connection with this Agreement and the Ancillary Agreements. The Parties hereto are not relying upon any representations or statements made by any other Party, or any such other Party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties hereto are not relying upon a legal duty, if one exists, on the part of any other Party (or any such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or its preparation, it being expressly understood that no Party hereto shall ever assert any failure to disclose information on the part of any other Party as a ground for challenging this Agreement or any provision hereof.

[*Signature page follows. The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

SG & GREEN HOLDINGS CORP.

By: ____________________
Name: Paul M. Galvin
Title: Chief Executive Officer

SAFE AND GREEN DEVELOPMENT CORPORATION

By: ____________________
Name: David Villareal
Title: Chief Executive Officer

SIGNATURE PAGE TO SEPARATION AND DISTRIBUTION AGREEMENT

EXHIBIT A – Shared Services Agreement

EXHIBIT B – Tax Matters Agreement

[SCHEDULES TO BE ADDED]

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
SAFE AND GREEN DEVELOPMENT CORPORATION

Safe and Green Development Corporation, a corporation organized and existing under the laws of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of this Corporation is "Safe and Green Development Corporation." The original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on
February 17, 2021. The name under which this corporation was originally incorporated was SGB Development Corp. A Certificate of Amendment to the corporation's Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on December 16, 2022

2. This Amended and Restated Certificate of Incorporation ("***Restated Certificate***") was duly adopted by the Board of Directors and the stockholders of the corporation in accordance with Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

3. This Restated Certificate restates and amends the original Certificate of Incorporation, as it was amended on December 16, 2022, to read in its entirety as follows:

ARTICLE I
NAME

The name of this Corporation is Safe and Green Development Corporation (the "***Corporation***").

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the registered office of the Corporation in the State of Delaware shall be located at 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware or any applicable successor act thereto, as the same may be amended from time to time ("***DGCL***").

ARTICLE IV
CAPITAL STOCK

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "***Common Stock***" and "***Preferred Stock***." The total number of shares which the Corporation is authorized to issue is Fifty-Five Million (55,000,000) shares. Fifty Million (50,000,000) shares shall be Common Stock, each having a par value of $0.01; and Five Million (5,000,000) shares shall be Preferred Stock, each having a par value of $0.01.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby expressly authorized to provide for the issue of all of any of the shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any certificate of designation filed with respect to any series of Preferred Stock.

C. Shares of Common Stock and Preferred Stock may be issued from time to time as the Board of Directors shall determine, and on such terms and for such consideration as shall be fixed by the Board of Directors.

ARTICLE V
BOARD OF DIRECTORS

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Board of Directors. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors. In no event shall the number of directors be less than the minimum prescribed by law.

B. Election of Directors. The directors, other than those who may be elected by the holders of any series of Preferred Stock under specified circumstances, shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide. Directors need not be stockholders of the Corporation.

C. Removal of Directors. Subject to the rights of holders of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause. Subject to the rights of holders of any series of Preferred Stock or any limitation imposed by law, any individual director or directors may be removed from office at any time with cause by the affirmative vote of the holders of at least a majority of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors.

D. Vacancies. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

E. Bylaw Amendments. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation Any adoption, amendment or repeal of the Bylaws of the Corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Corporation; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election or directors, voting together as a single class.

F. Stockholder Nominations. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

G. Committees of the Board of Directors. Pursuant to the Bylaws the Board of Directors may establish one or more committees of the Board of Directors to which may be delegated any or all of the powers and duties of the Board of Directors to the full extent permitted by law.

H. Written Consent. No action shall be taken by the stockholders by written consent or electronic transmission.

ARTICLE VI
LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS

No director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, as applicable, except to the extent such an exemption from liability or limitation thereof is not permitted under the DGCL, or as the same my hereafter be amended. No amendment to or repeal of this provision shall apply to or have any effect on the liability or alleged liability of any director or officers of the Corporation for or with respect to any acts or omissions or such director or officer occurring prior to such amendment or repeal. If applicable law is amendment after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limited the personal liability of directors, then the liability of a director or officer to the Corporation shall be eliminated or limited to the fullest extent under applicable law as so amended.

ARTICLE VII
FORUM FOR ADJUDICATION OF DISPUTES

Unless the Corporation consents in writing to the selection of an alternative forum, (A) the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for the following actions (unless such court does not have subject matter jurisdiction thereof, in which case the federal district court of the State of Delaware shall be the sole and exclusive forum): (1) any derivative action or proceeding brought on behalf of the Corporation; (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders; (3) any action asserting a claim arising pursuant to any provision of the DGCL, the Corporation's Certificate of Incorporation or the Bylaws of the Corporation (as either may be amended or restated) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; or (4) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation governed by the internal affairs doctrine of the law of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Notwithstanding the foregoing, this Article VII shall not apply to claims seeking to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article VII.

***

IN WITNESS WHEREOF, this Restated Certificate has been executed by a duly authorized officer of this Corporation on this [ ] day of [ ], 2023.

SAFE AND GREEN DEVELOPMENT CORPORATION

By: ______________________________
Name:
Title:

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

OF

SAFE AND GREEN DEVELOPMENT CORPORATION

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AMENDED AND RESTATED BYLAWS

OF

SAFE AND GREEN DEVELOPMENT CORPORATION

(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1.1. Registered Office. The address of the registered office of Safe and Green Development Corporation (the "***corporation***") in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the corporation's certificate of incorporation, as the same may be amended and/or restated from time to time (the "Certificate of Incorporation").

Section 1.2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 2.1. Corporate Seal. The Board of Directors may adopt a corporate seal. If adopted, the corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 3.1. Place Of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (the "DGCL").

Section 3.2. Annual Meetings.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders; (ii) brought specifically by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 3.2(b) below and at the date of the meeting, who is entitled to vote at the meeting and who complied with the procedures set forth in this Section 3.2 and, to the extent that Rule 14a-19 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "1934 Act") applies, has complied with Rule 14a-19 under the 1934 Act. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the 1934 Act) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting.

(1) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 3.2(b)(3) and must update and supplement such written notice on a timely basis as set forth in Section 3.2(c). Such stockholder's notice shall include: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee, (4) the date or dates on which such shares were acquired and the investment intent of such acquisition, and (5) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in any proxy statement and other proxy materials as a nominee and to serving as a director if elected); and (B) the information required by Section 3.2(b)(4). The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(2) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14(a)-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 3.2(b)(3), and must update and supplement such written notice on a timely basis as set forth in Section 3.2(c). Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 3.2(b)(4).

(3) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary at the principal executive offices of the corporation. To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the **ninetieth (90th)** day nor earlier than the close of business on the **one hundred twentieth (120th)** day prior to the first anniversary of the preceding year's annual meeting; *provided, however,* that, subject to the last sentence of this Section 3.2(b)(3), in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the **one hundred twentieth (120th)** day prior to such annual meeting and not later than the close of business on the later of the **ninetieth (90th)** day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. The Corporation shall not be required to include in its proxy materials any successor, substitute or replacement nominee for director at an annual meeting if a stockholder's notice is not timely pursuant to this Section 3.2(b)(3) with respect to such successor, substitute or replacement nominee for director. In no event shall an adjournment or a postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(4) The written notice required by Section 3.2(b)(1) or 3.2(b)(2) shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "Proponent" and collectively, the "Proponents"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class, series and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 3.2(b)(1)) or to propose the business that is specified in the notice (with respect to a notice under Section 3.2(b)(2)); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders representing at least sixty-seven percent (67%) of the Corporation's voting shares entitled to vote on the election of directors in support of such nominee or nominees (with respect to a notice under Section 3.2(b)(1)), or to holders of at least the percentage of outstanding stock required to approve or adopt the proposal (with respect to a notice under Section 3.2(b)(2)); (F) a representation as to whether the Proponents intend to solicit proxies or votes in support of such nominee or nominees (with respect to a notice under Section 3.2(b)(1)) in accordance with Rule 14a-19 under the 1934 Act; (G) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (H) a description of all Derivative Transactions (as defined below) by each Proponent during the previous **twelve (12) month period**, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

For purposes of Sections 3.2 and 3.3, a "Derivative Transaction" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

(w) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation,

(x) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation,

(y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes, or

(z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member.

(c) A stockholder providing written notice required by Sections 3.2(b)(1) or (2) shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) the date that is five (5) business days prior to the meeting and, in the event of any adjournment or postponement thereof, five (5) business days prior to such adjourned or postponed meeting. In the case of an update and supplement pursuant to clause (i) of this Section 3.2(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five (5) business days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 3.2(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two (2) business days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two (2) business days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 3.2(b)(3) to the contrary, in the event that the number of directors in an Expiring Class is increased and there is no public announcement of the appointment of a director to such class, or, if no appointment was made, of the vacancy in such class, made by the corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with Section 3.2(b)(3), a stockholder's notice required by this Section 3.2 and which complies with the requirements in Section 3.2(b)(1), other than the timing requirements in Section 3.2(b)(3), shall also be considered timely, but only with respect to nominees for any new positions in such Expiring Class created by such increase, if it shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the corporation; provided, however, the corporation shall not be required to include in its proxy materials any successor, substitute or replacement nominee for director if a stockholder's notice is not timely pursuant to Section 2.3(d) with respect to such successor, substitute or replacement nominee for director. For purposes of this section, an "Expiring Class" shall mean a class of directors whose term shall expire at the next annual meeting of stockholders.

(e) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 3.2(a), or in accordance with clause (iii) of Section 3.2(a). Except as otherwise required by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 3.2(b)(4)(D) and 3.2(b)(4)(E), to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(f) Notwithstanding the foregoing provisions of this Section 3.2, a stockholder must also comply with all applicable requirements of state and federal law, including the 1934 Act and the rules and regulations thereunder (including, without limitation, Rule 14a-19 under the 1934 Act), the Certificate of Incorporation and these Bylaws with respect to any nomination or proposal. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however,* that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 3.2(b)(3) of these Bylaws.

(g) Notwithstanding the foregoing provisions of this Section 3.2, unless otherwise required by law, if any stockholder (i) provides notice pursuant to Rule 14a-19(a)(1) under the 1934 Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the 1934 Act, then the corporation shall disregard any proxies or votes solicited for any persons nominated by such stockholder and such nomination shall be disregarded. Upon request by the corporation, if any stockholder provides notice pursuant to Rule 14a-19(a)(1) under the 1934 Act, such stockholder shall deliver to the corporation, no later than five (5) business days prior to the applicable meeting of stockholders, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the 1934 Act. In the event that a stockholder providing notice no longer intends to solicit proxies in accordance with Rule 14a-19, such stockholder shall provide notice to the corporation of such intention as promptly as practicable. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Board of Directors.

(h) For purposes of Sections 3.2 and 3.3,

(i) "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act; and

(ii) "affiliates" and "associates" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "1933 Act").

Section 3.3. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption).

(b) The Board of Directors shall determine the time and place, if any, of such special meeting. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 3.4 of these Bylaws. No business may be transacted at such special meeting otherwise than specified in the notice of meeting.

(c) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph and at the date of the meeting, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 3.2(b)(1). In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Section 3.2(b)(1) of these Bylaws shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the **sixtieth (60th)** day prior to such meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 3.2(c). In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(d) Notwithstanding the foregoing provisions of this Section 3.3, a stockholder must also comply with all applicable requirements of state and federal law, including the 1934 Act and the rules and regulations thereunder (including, without limitation, Rule 14a-19 under the 1934 Act), the Certificate of Incorporation and these Bylaws with respect to matters set forth in this Section 3.3. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however,* that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors to be considered pursuant to Section 3.3(c) of these Bylaws.

(e) Notwithstanding the foregoing provisions of this Section 3.3, unless otherwise required by law, if any stockholder (i) provides notice pursuant to Rule 14a-19(a)(1) under the 1934 Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the 1934 Act, then the corporation shall disregard any proxies or votes solicited for any persons nominated by such stockholder and such nomination shall be disregarded. Upon request by the corporation, if any stockholder provides notice pursuant to Rule 14a-19(a)(1) under the 1934 Act, such stockholder shall deliver to the corporation, no later than five (5) business days prior to the applicable meeting of stockholders, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the 1934 Act. In the event that a stockholder providing notice no longer intends to solicit proxies in accordance with Rule 14a-19, such stockholder shall provide notice to the corporation of such intention as promptly as practicable. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for exclusive use by the Board of Directors.

Section 3.4. Notice Of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given by the Corporation not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his, her or its attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 3.5. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 3.6. Adjournment And Notice Of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting. When a meeting is adjourned to another time or place (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are (a) announced at the meeting at which the adjournment is taken, (b) displayed during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication, or (c) set forth in the notice of meeting given in accordance with these Bylaws. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 3.7. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 3.9 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 3.8. Joint Owners Of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his or her act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 3.9. List Of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of 10 days ending on the day before the meeting date: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation.

Section 3.10. Action Without Meeting.

No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent or by electronic transmission.

Section 3.11. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or

the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 4.1. Number And Term of Office. The authorized number of directors of the corporation shall be fixed in accordance with the Certificate of Incorporation. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 4.2. Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 4.3. Classes of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this section, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 4.4. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders, *provided, however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director’s successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 4.5. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time. If no such specification is made, it shall be deemed effective at the time of delivery to the Secretary. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his or her successor shall have been duly elected and qualified.

Section 4.6. Removal.

(a) Subject to the rights of holders of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause.

(b) Subject to the rights of holders of any series of Preferred Stock or any limitation imposed by law, any individual director or directors may be removed from office at any time with cause by the affirmative vote of the holders of at least a majority of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors.

Section 4.7. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer or a majority of the authorized number of directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, charges prepaid, at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be

as valid as though it had been transacted at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 4.8. Quorum And Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 11.1 for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 4.9. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.10. Fees And Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 4.11. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Section 4.11, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 4.11 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 4.12. Organization. At every meeting of the directors and stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his or her absence, any Assistant Secretary or other officer or director directed to do so by the President, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 5.1. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 5.2. Tenure And Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders, unless the Chairman of the Board has been appointed and is present. Unless an officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may direct the Treasurer, if any, or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(g) Duties of Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 5.3. Delegation Of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 5.4. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 5.5. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 6.1. Execution Of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation. All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 6.2. Voting Of Securities Owned By The Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the

absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 7.1. Form And Execution Of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 7.2. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 7.3. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 7.4. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7.5. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 8.1. Execution Of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 7.1), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided, however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 9.1. Declaration Of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 9.2. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 10.1. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 11.1. Indemnification of Directors, Executive Officers, Employees and Other Agents.

(a) Directors and executive officers. The corporation shall indemnify its directors and executive officers (for purposes of this Article XI, "Executive Officers" shall have the meaning defined in Rule 3b-7 promulgated under the 1934 Act) to the extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, *provided, further,* that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Officers. The corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or executive officer in his or her capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this section or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this section, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this section to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. To the extent permitted by law, the claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this section or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this section.

(h) Amendments. Any repeal or modification of this section shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this section that shall not have been invalidated, or by any other applicable law. If this section shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the “corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a “director,” “executive officer,” “officer,” “employee,” or “agent” of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this section.

ARTICLE XII

NOTICES

Section 12.1. Notices.

(a) Notice To Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 3.4 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by US mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice To Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), as otherwise provided in these Bylaws, or by overnight delivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit Of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice To Person With Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within sixty (60) days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 13.1. Amendments. Subject to the limitations set forth in Section 11.1(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the corporation; *provided*, *however*, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least sixty- six and two-thirds (66-2/3%) of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

Exhibit 10.1

SHARED SERVICES AGREEMENT

Shared Services Agreement (the "Agreement"), dated as of , 2023 (the "Effective Date"), by and between Safe & Green Holdings Corp., a Delaware corporation ("SG Holdings"), and Safe and Green Development Corporation, a Delaware corporation ("SG DevCo) (each, a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, SG Holdings desires to provide, directly or indirectly, certain administrative, legal, tax, financial, information technology and other services to SG DevCo, and SG DevCo desires to accept and receive such services as described hereinbelow.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SG Holdings and SG DevCo agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. The following terms, as used herein, have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with, the Person in question.

"Business Days" shall mean all weekdays except those that are official holidays of employees of the United States government. Unless specifically stated as "Business Days," a reference in this Agreement to "days" means calendar days.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise. For purposes of this Agreement, the terms "controlling" and "controlled" have correlative meanings.

"Direct Expenses" means, for any fiscal quarter, all third party costs and expenses incurred by Holdings during such fiscal quarter that are directly attributable to the operations of any SG DevCo Party (for the avoidance of doubt, excluding any Shared Employee Expenses and any Shared Non-Employee Expenses).

"Governmental Authority" means the United States or any state, provincial, local or foreign government, or any subdivision, agency or authority of any thereof having competent jurisdiction over any SG DevCo Party.

"Person" means any individual, partnership, limited partnership, limited liability SG DevCo, corporation, unincorporated association, joint venture or other entity.

"SG Holdings Headcount Allocation" means, with respect to any Shared Employee for any fiscal quarter, the percentage of such Shared Employee's time at work during such period that, in the reasonable estimation of
SG Holdings, has been spent engaged in activities for the benefit of a SG DevCo, expressed as a decimal number equal to or greater than 0.00 and less than or equal to 1.00.

"Shared Employee" means any employee of SG Holdings that provides services to SG DevCo.

"Shared Employee Expenses" means, with respect to any costs and expenses attributable to the compensation and benefits (other than any equity compensation) provided to any Shared Employee for any fiscal quarter, the product of (i) the amount of such costs and expenses, multiplied by (ii) the SG Holdings Headcount Allocation for such Shared Employee for such fiscal quarter.

"Shared Non-Employee Expenses" means, with respect to any general and administrative costs and expenses incurred by SG Holdings for any fiscal quarter that are attributable to both the operation of SG Holdings (other than the provision of the Shared Services) and the provision of the Shared Services, including but not limited to information technology, data subscription and corporate overhead expenses, the portion of such costs and expenses that are attributable to the provision of the Shared Services, as reasonably determined by SG Holdings.

"Subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, (i) of which such Person or any other Subsidiary of such Person is a general partner (excluding partnerships, the general partnership interests of which held by such Person or any Subsidiary of such Person do not have a majority of the voting interests in such partnership), or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries.

ARTICLE II
SHARED SERVICES; COST ALLOCATION

Section 2.01. Provision of Shared Services. SG Holdings may provide SG DevCo with certain general and administrative services necessary or useful for the conduct of its business, including but not limited to the services identified on Exhibit A (collectively, the "Shared Services"), all of which are currently being provided by SG Holdings to SG DevCo.

Section 2.02. Performance of Shared Services by Affiliates and Third Parties. In discharging its obligations hereunder, SG Holdings may engage any of its Affiliates or any qualified third party to provide the Shared Services (or any part thereof) on its behalf and the performance of the Shared Services (or any part thereof) by any such Affiliate or third party will be treated as if SG Holdings performed such Shared Services itself. Notwithstanding the foregoing, the engagement of any such Affiliate or third party to provide Shared Services shall not relieve SG Holdings of its obligations hereunder. In the performance of the Shared Services, SG Holdings shall perform the Shared Services at a service level equal to or better than the current service level for that particular Shared Service as provided by SG Holdings to itself or its Affiliates, provided, that with respect to a particular Shared Service, SG Holdings and SG DevCo may agree on a specific service level relevant to such Shared Service, consistent with this general principle.

Section 2.03. SG DevCo Expenses. SG DevCo shall be responsible for all Direct Expenses, all Shared Employee Expenses and all Shared Non-Employee Expenses associated with the provision of any Shared Services (collectively, the "SG DevCo Expenses").
Section 2.04. Invoicing and Payment.

(a) SG Holdings shall pay on SG DevCo's behalf all SG DevCo Expenses, except that SG DevCo may elect, or SG Holdings may cause SG DevCo, to pay directly certain Direct Expenses. Within 10 days of the date hereof for the current fiscal quarter and thereafter, at least 10 days prior to the beginning of each subsequent fiscal quarter, SG Holdings shall send SG DevCo an invoice in writing of its good faith estimate of the SG DevCo Expenses (other than any Direct Expenses that are to be paid directly by SG

DevCo) for such fiscal quarter (the "Estimated Quarterly Expenses") (the date of delivery of such invoice being referred to herein as the 'Invoice Date"). SG DevCo agrees to pay on or before the date that is 30 days after the Invoice Date by wire transfer of immediately available funds to an account of SG Holding san amount equal to the Estimated Quarterly Expenses.

(b) In the event the actual SG DevCo Expenses (other than Direct Expenses that were paid directly by SG DevCo) for any fiscal quarter (the "Actual Quarterly Expenses") differ from the Estimated Quarterly Expenses for such fiscal quarter, SG Holdings shall send SG DevCo a notice in writing setting forth such difference. SG DevCo agrees to pay on or before the date that is 30 days after receipt of such notice by wire transfer of immediately available funds to an account of SG Holdings an amount equal to the Actual Quarterly Expenses *less* the Estimated Quarterly Expenses. In the event the Estimated Quarterly Expenses exceed the Actual Quarterly Expenses, the shortfall will be deducted from the calculation of the Estimated Quarterly Expenses and Actual Quarterly Expenses for the succeeding fiscal quarter.

(c) Each Party agrees to maintain, and to cause its applicable Affiliates to maintain, books and records arising from or related to any Shared Services provided hereunder that are accurate and complete in all material respects during the term of each Shared Service and for a period of four (4) years following the termination or expiration of such Shared Service, including but not limited to accounting records and documentation produced in connection with the rendering of any Shared Service and in the calculation of any compensation payable pursuant hereto (the "Records").

(d) During the term hereof and for one year thereafter, no more than once during each six month period in each fiscal year, SG DevCo shall have the right to audit the Records of SG Holdings and its Affiliates pertaining to the Shared Services received during that fiscal year. SG DevCo may use an independent auditor to perform any such audit that is reasonably acceptable to SG Holdings. Prior to SG DevCo using an independent auditor, such independent auditor shall enter into an agreement with the Parties, on terms that are agreeable to both Parties, under which such independent auditor agrees to maintain the confidentiality of the information and materials reviewed during the course of such audit. The findings of such audit shall be considered Confidential Information for the purposes of this Agreement.

(e) Any audit shall be conducted during regular business hours and in a manner that does not interfere unreasonably with the operations of SG Holdings or its Affiliates. Each audit shall begin upon the date agreed by the Parties, but in no event more than ten (10) days after notice from SG DevCo of such audit, and shall be completed as soon as reasonably practicable. SG DevCo shall pay or cause to be paid the costs of conducting such audit, unless the results of an audit reveal an overpayment of the applicable audited Shared Service of 7.5% or more, in which case, SG Holdings shall pay or cause to be paid the lesser of the pro-rata portion of the audit fees for auditing such Shared Service or an amount equal to the amount of the overpayment. If the audit concludes that an overpayment or underpayment has occurred during the audited period, such payment shall be remitted by the Party or its Affiliate responsible for such payment to the other Party or its Affiliate to whom such payment is owed within thirty (30) days after the date such auditor's written report identifying the overpayment or underpayment is delivered to the Party who is, or whose Affiliate is, responsible for such payment.

Section 2.05. Taxes.

(a) SG DevCo shall pay directly to the relevant Governmental Authority, and without duplication shall reimburse or indemnify SG Holdings or its applicable Affiliates for, all applicable sales, use and value-added taxes incurred with respect to provision of the Shared Services ("Sales Taxes"), regardless of whether such Sales Taxes are invoiced with the applicable fee payment, added retroactively or subsequently imposed, and including Sales Taxes imposed with respect to the Shared Services in connection with any tax audit, claim, assessment or other tax proceeding. These taxes shall be incremental to other payments or charges identified in this Agreement. For the avoidance of doubt, each Party shall be responsible for any income, franchise or other similar taxes due on amounts payable to such Party under this Agreement.

(b) If applicable law requires that an amount in respect of any taxes, levies or charges be withheld from any payment to SG Holding sunder this Agreement, SG DevCo shall (i) promptly notify SG Holdings of such required withholding, (ii) withhold from amounts otherwise due to SG Holdings hereunder any taxes required to be withheld and (iii) pay such withheld taxes when due to the applicable taxing authorities and the amount payable to SG Holdings shall be increased as necessary so that, after such withholding, SG Holdings receives an amount equal to the amount it would have received had no such withholding been required. SG DevCo shall promptly deliver to SG Holdings an original receipt from the applicable taxing authorities evidencing the amount of tax withheld. Further, if SG Holdings is denied a foreign tax credit due to the failure of SG DevCo to provide the original receipt, SG DevCo shall pay to SG Holdingsa n additional amount, so that the amount that SG Holdings receives hereunder is the same that it would have received had withholding taxes not applied. SG DevCo shall provide SG Holdings with any cooperation or reasonable assistance as may be necessary to enable SG Holdings to claim exemption from, or a reduction in the rate of, any withholding taxes (including, without limitation, pursuant to any applicable double taxation or similar treaty), to receive a refund of such withholding taxes or to claim a tax credit therefor.

ARTICLE III
INDEMNITY

Section 3.01. Indemnity by SG DevCo. SG DevCo shall indemnify, defend and hold harmless SG Holdings, its Affiliates, Subsidiaries and its and their respective officers, directors and employees from and against any and all costs and expenses, losses, damages, claims, causes of action and liabilities (including reasonable attorneys' fees, disbursements and expenses of litigation) (collectively, "Losses") arising from, relating to, or in any way connected with the provision of Shared Services by SG Holdings to any SG DevCo Party, except to the extent caused by the gross negligence or willful misconduct of SG Holdings.

Section 3.02. Procedure. SG Holdings shall promptly provide SG DevCo with written notice of any claim, action or demand for which indemnification is claimed provided however that the failure to provide notice shall not preclude SG Holdings from such indemnification unless such failure adversely affect SG DevCo's rights.. SG DevCo shall be entitled to control the defense of any such claim, action or demand; provided, that SG Holdings may participate in any such claim, action or demand with counsel of its choice at its own expense; and provided, further, that SG DevCo shall not settle any claim, action or demand without the prior written consent of SG Holdings, such consent not to be unreasonably withheld or delayed. If SG DevCo so requests, SG Holdings shall reasonably cooperate in the defense of such claim, action or demand at SG DevCo's expense.

Section 3.03. Limitation on Liability. Notwithstanding anything contained herein to the contrary, in no event shall SG Holdings, its Affiliates and/or its or their respective directors, officers, employees, representatives or agents (collectively, the "SG Holdings Parties") be liable to SG DevCo for any Losses arising from, relating to, or in any way connected with the provision of the Shared Services by Holdings to any SG DevCo Party, except in the case of gross negligence or willful misconduct of SG Holdings, in which case SG Holdings' liability shall be capped at the aggregate SG DevCo Expenses (other than Direct Expenses) paid to Holdings during the 12 month period preceding the incurrence of such Losses (and in no event shall any Holdings Parties be liable for any (i) indirect, incidental, special, exemplary, consequential or punitive damages or (ii) damages for, measured by or lost profits, diminution in value, multiple of earnings or other similar measure).

ARTICLE IV
COVENANTS AND OTHER AGREEMENTS

Section 4.01. Relationship of the Parties. SG Holdings is providing the Shared Services hereunder as an independent contractor. Nothing in this Agreement shall be

deemed to constitute the Parties hereto as joint venturers, alter egos, partners or participants in an unincorporated business or other separate entity, nor in any manner create any employer-employee or principal-agent relationship between any SG DevCo Party on the one hand, and any SG Holdings Party on the other hand (notwithstanding the fact that SG DevCo and SG Holdings may have in common any officers, directors, stockholders, members, managers, employees, or other personnel).

Section 4.02. Directors and Officers. Nothing in this Agreement shall be construed to relieve the directors or officers of any SG DevCo Party from the performance of their respective duties or limit the exercise of their powers in accordance with such SG DevCo Party's charter, bylaws, operating agreement, other organizational documents, applicable law, or otherwise. The activities of any SG DevCo Party shall at all times be subject to the Control and direction of their respective directors and officers. Each SG DevCo Party reserves the right to make all decisions with regard to any matter upon which SG Holdings has rendered its advice, consultation and services. SG DevCo and SG Holdings expressly acknowledge and agree that SG Holdings is being engaged by SG DevCo to provide the Shared Services to SG DevCo, for which SG Holdings will be compensated and reimbursed pursuant to the terms of this Agreement. SG Holdings shall not, and shall have no authority to, Control any SG DevCo Party or any SG DevCo Party's day-to-day operations, whether through the performance of Sponsor's duties hereunder or otherwise. Moreover, although an SG DevCo Party may grant to SG Holdings authority to sign, review or approve such SG DevCo Party's checks, payments, expenditures, transfers and/or conveyances, any such grant of authority shall be made by such SG DevCo Party and accepted by SG Holdings with the express understanding and limitation that SG Holdings shall possess and exercise such authority solely in its capacity as a provider of the Shared Services pursuant to the terms of this Agreement, and in no other capacity, and that no inference shall be drawn therefrom as to any ability of SG Holdings to Control such SG DevCo Party or such SG DevCo Party's day-to-day operations or any liability or responsibility therefor. The directors, officers and employees of each SG DevCo Party shall retain all responsibility for each such SG DevCo Party and their operations as and to the extent required by the each such SG DevCo Party's charter, bylaws, operating agreement, other organizational documents and applicable law.

Section 4.03. Certain Intellectual Property Matters. If, in connection with its provision of the Shared Services, either Party provides, or provides access to, the other Party and/or its Affiliates any intellectual property, such Party hereby grants the other Party and/or its Affiliates, during the term of this Agreement, a non-exclusive, revocable, non-transferable, non-sublicensable, royalty-free, fully paid up license or sublicense (as applicable) to such intellectual property, solely to the extent necessary to provide or receive the Shared Services in accordance with this Agreement; provided, that if the applicable Party does not own such intellectual property, the other Party's and its Affiliates' access to, use of and rights for such third-party intellectual property shall be subject in all regards to any restrictions, limitations or other terms or conditions imposed by the licensor of such intellectual property, which terms and conditions were disclosed or otherwise made available to such Party by the other Party. Upon the termination or expiration of any element or sub-element of the Shared Services pursuant to this Agreement, the license or sublicense, as applicable, to the relevant intellectual property provided in connection with that element or sub-element will automatically terminate; provided, however, that all licenses and sublicenses granted under this Agreement shall terminate immediately upon the expiration or earlier termination of this Agreement in accordance with the terms hereof (except that licenses or sublicenses of a Party's intellectual property that is embedded in any deliverable provided to the other Party that is intended to be used by such other Party after expiration or termination of the Agreement shall continue solely to the extent necessary to allow such other Party to continue to use such deliverable). Except as expressly provided in this Agreement, each Party shall not acquire any right, title or interest in the other Party's intellectual property by reason of the provision or receipt of the Shared Services provided under this Agreement. If a Party creates any improvements or derivative works of the other Party's intellectual property in the course of performing the Shared Services, the other Party shall own all rights in the same. If, in the course of providing any Shared Service, SG Holdings creates or develops any intellectual property in connection with such Shared Services for or on behalf of SG DevCo ("Newly Developed IP"), then, as between the Parties, such Newly Developed IP shall be solely and exclusively owned by SG Holdings and SG DevCo hereby irrevocably assigns and transfers (and shall cause its Affiliates to assign and transfer) to SG Holdings all of SG DevCo's right, title and interest in, to and under such Newly Developed IP. SG DevCo shall take any and all actions and execute any and all other documents reasonably necessary to perfect, confirm and record SG Holdings' ownership of such Newly Developed IP.

Section 4.04. Network Access and Security.

(a) All interconnectivity by SG Holdings to the computing systems and/or networks of SG DevCo, and all attempts at such interconnectivity, shall be only through the security gate-ways/firewalls of the Parties; provided, that, during the term of this Agreement, SG DevCo may transition any such computing systems and/or networks to such security gateways/firewalls as determined by SG DevCo, and, subject to the limitations set forth below, SG Holdings shall provide commercially reasonable cooperation to SG DevCo in connection with such transition; provided, that SG DevCo shall reimburse SG Holdings in full for its reasonable costs or expenses incurred in relation to such cooperation.

(b) Neither Party shall access, and the Parties shall take reasonable actions designed to prevent unauthorized Persons to access, the computing systems and/or networks of the other Party without the other Party's express written authorization or except as otherwise authorized or reasonably required by the other Party pursuant to this Agreement, and any such actual or attempted access shall be consistent with any such authorization or this Agreement.

(c) The Parties shall use commercially reasonable efforts to maintain, and update pursuant to a commercially reasonable schedule, and more frequently in response to specific threats that become known from time to time, a virus detection/scanning program in connection with the connectivity by SG DevCo to SG Holdings computing systems and/or networks, which shall be consistent in all material respects with that used by such Parties immediately prior to the date of this Agreement.

(d) Each Party shall use commercially reasonable efforts to maintain a prudent security program, consistent in all material respects with that used by SG Holdings immediately prior to the date of this Agreement, including appropriate physical, electronic and procedural safeguards, designed to (i) maintain the security and confidentiality of such Party's systems and confidential information of the other Party on such systems, (ii) protect against any threats or hazards to the security or integrity of such Party's systems, including the confidential, non-public and proprietary information of the other Party on such Party's systems, and (iii) prevent unauthorized access to or use of such Party's systems, including the confidential, non-public and proprietary information of the other Party on such Party's systems. SG DevCo shall comply with all physical, electronic and procedural security policies and procedures maintained by SG Holdings pursuant to this Agreement that have been made available by Sg Holdings to SG DevCo.

Section 4.05 Confidential Information.

(a) "Confidential Information" of a Party means all business, operational, customer, employee, technological, financial, commercial and other proprietary information and materials disclosed by a Party and its Affiliates to the other Party, its Affiliates and third-Person vendors pursuant to this Agreement, and shall include all information and materials that: (b) relate to the determination of the fees to be paid pursuant to this Agreement; (c) are obtained by the other Party in the course of an audit pursuant to Section 3.3; (d) are obtained by the other Party after the Effective Date in the course of the receipt or provision of any of the Shared Services; (e) embody or otherwise summarize Confidential Information; or (f) are identified in writing by the disclosing Party as confidential and/or proprietary.

(b) Except as expressly authorized by prior written consent of the disclosing Party, the receiving Party shall:

(i) limit access to any Confidential Information of the other Party received by it to its and its Affiliates' directors, officers, employees, subcontractors, agents and representatives, including third-Person vendors, who need to know in connection with this Agreement and the obligations of the Parties hereunder;

(ii) advise such directors, officers, employees, subcontractors, agents and representatives, including third-Person vendors, having access to the Confidential Information of the other Party of the proprietary nature thereof and of the obligations set forth in this Agreement and confirm their agreement that they will be bound by such obligations (provided that no individual may perform technology Shared Services without previously having executed a written non-disclosure agreement with a Party or its Affiliate);

(iii) safeguard all Confidential Information of the other Party received using a reasonable degree of care, but not less than that degree of care used by the receiving Party in safeguarding its own similar information or material;

(iv) comply in all material respects with all applicable:

(x) laws relating to maintaining the confidentiality of the Confidential Information of the other Party; and

(y) privacy policies provided to the receiving Party relating to Confidential Information of the disclosing Party;

(v) except as set forth in this Agreement, not reproduce or use any Confidential Information of the other Party or disclose the Confidential Information of the other Party to any other Person without the prior written consent of the other Party; and

(vi) use the Confidential Information of the other Party only for the purposes and in connection with the performance of the receiving Party's obligations set forth in this Agreement.

(c) Notwithstanding the obligations set forth in Section 4.05 (b), the obligations of confidentiality, non-use and non-disclosure imposed under this Section 4.05 shall not apply to any Confidential Information of the other Party:

(i) that the recipient can demonstrate has been published or otherwise been made available to the general public without breach of this Agreement;

(ii) that the recipient can demonstrate has been furnished or made known to the recipient without any obligation to keep it confidential by a third Person under circumstances which are not known or should not have reasonably been known to the recipient to involve a breach of the third Person's obligations to a Party hereto;

(iii) that the recipient can demonstrate was developed or acquired independently by an employee or agent of the recipient without access to or use of Confidential Information of the other Party furnished to the recipient pursuant to this Agreement;

(iv) that the recipient can demonstrate was also provided to it, independent of this Agreement, in its capacity as a director or shareholder of the other Party and is governed by confidentiality obligations in its capacity as such.

(d) Injunctive Relief. Each Party acknowledges that the disclosing Party would not have an adequate remedy at Law for the breach of any one or more of the covenants contained in this Section 4.05 and agrees that, in the event of such breach, the disclosing Party may apply to a court for an injunction to prevent breaches of this Section 4 and to enforce specifically the terms and provisions of this Section 4.05.

(e) Disclosure Required by Law. The provisions of this Section 4.05 shall not preclude disclosures required by Law; provided, however, that each Party shall use reasonable efforts to notify the other Party prior to making any such disclosure, in order to permit the other Party to take such steps as it deems appropriate to minimize any loss of confidentiality.

ARTICLE V
TERM AND TERMINATION

Section 5.01. Term.

(a) The Agreement shall commence on the date hereof and shall terminate upon the earlier to occur of (i) the mutual agreement of the Parties to terminate this Agreement, (ii) SG Holdings terminating this Agreement in accordance with Section 5.01(b) and (iii) the date upon which all Shared Services provided pursuant to this Agreement have been terminated in accordance with Section 5.01(c).

(b) SG Holdings may terminate this Agreement, and the rights of SG DevCo, by written notice to SG DevCo immediately (or upon such other time period as indicated below) upon the occurrence of any of the following:

(i) SG DevCo has committed a breach of this Agreement and fails to remedy such breach within 30 days of receipt of written notice of such breach;

(ii) SG DevCo files a voluntary petition under the United States Bankruptcy Code or the insolvency laws of any state; or has an involuntary petition filed against it under the United States Bankruptcy Code, or a receiver appointed for its business, unless such petition or appointment of a receiver is dismissed within 30 days; or

(iii) SG DevCo assigns or transfers or attempts to assign or transfer this Agreement in violation of Section 7.04.

(c) SG DevCo may terminate its receipt of, and SG Holdings may terminate its provision of, any Shared Service for its convenience, without cause, by giving the other Party written notice not less than thirty (30) days prior to the effective date of such termination.

Section 5.02. Effect of Termination. Other than as required by applicable law, upon termination of this Agreement pursuant to Section 5.01, SG Holding sand its Affiliates shall have no further obligation to provide any Shared Services and SG DevCo shall have no obligation to pay any SG DevCo Expenses; provided, that notwithstanding such termination, (i) SG DevCo shall remain liable to SG Holdings for SG DevCo Expenses owed and payable in respect of Shared Services provided prior to the effective date of the termination and (ii) the provisions of Sections 3.01, 3.02, 3.03, 5.02, 7.07, 7.09 and 7.14 shall survive any such termination indefinitely.

ARTICLE VI
DISPUTE RESOLUTION

Section 6.01. Resolution Procedure. Each Party agrees to use its reasonable best efforts to resolve disputes under this Agreement by a negotiated resolution between the Parties. If the Parties have not resolved the matter in dispute within thirty (30) days after the commencement of good-faith negotiations, either SG DevCo or SG Holdings may submit the dispute to any federal court in the State of New York in accordance with Section 7.07 and Section 7.08 of this Agreement.

ARTICLE VII
MISCELLANEOUS

Section 7.01. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt, or (a) personal delivery to the Party to be notified, (b) when sent, if sent by electronic mail or facsimile (if any) during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day, (c) five (5) Business Days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) Business Day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt.

(a) All communications to SG DevCo shall be sent to: Safe and Green Development Corp., 990 Biscayne Blvd. #501, Office 12, Miami, Florida 33132, Attn: David Villarreal, email: dvillarreal@safeandgreenholdings.com.

(b) All communications sent to SG Holdings shall be sent to: Safe & Green Holdings Corp., 990 Biscayne Blvd. #501, Office 12, Miami, Florida 33132, Attn: Paul Galvin, Chief Executive Officer, email: pgalvin@safeandgreenholdings.com.

Section 7.02. Entire Agreement. This Agreement, together with any documents, instruments and writings that are delivered pursuant hereto or referenced herein, constitutes the entire agreement and understanding of the Parties in respect of its subject matter and supersedes all prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof or the transactions contemplated hereby.

Section 7.03. Successors. All of the terms, agreements, covenants, representations, warranties, and conditions of this Agreement are binding upon, and inure to the benefit of and are enforceable by, the Parties and their respective successors. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

Section 7.04. Assignments. Except as otherwise specifically provided herein, neither Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Party.

Section 7.05. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

Section 7.06. Headings. The section headings contained in this Agreement are inserted for convenience only and will not affect in any way the meaning or interpretation of this Agreement.

Section 7.07. Governing Law. This Agreement, the entire relationship of the Parties and any litigation between the Parties (whether grounded in contract, tort, statute, law or equity) shall be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of Delaware, without giving effect to its choice of laws principles.

Section 7.08. Jurisdiction. The Parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Florida and to the jurisdiction of the United States District Court for the [______] District of Florida for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in state courts of Florida or the United States District Court for the [________] District of Florida, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

Section 7.09. Waiver of Jury Trial. The Parties hereby waive any right to a jury trial in connection with any litigation pursuant to this Agreement and the transactions contemplated hereby.

Section 7.10. Amendments. This Agreement may not be amended, modified or waived as to any particular provision, except with the written consent of SG DevCo and SG Holdings.

Section 7.11. Severability. The provisions of this Agreement will be deemed severable and the invalidity or unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof; provided, that if any provision of this Agreement, as applied to either Party or to any circumstance, is adjudged by a governmental authority, arbitrator, or mediator not to be enforceable in accordance with its terms, the Parties agree that the governmental authority, arbitrator, or mediator making such determination will have the power to modify the provision in a manner consistent with its objectives such that it is enforceable, and/or to delete specific words or phrases, and in its reduced form, such provision will then be enforceable and will be enforced.

Section 7.12. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring either Party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local, or foreign law will be deemed also to refer to law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "*include*," "*includes*," and "*including*" will be deemed to be followed by "*without limitation*." Pronouns in masculine, feminine, and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires. The words "*this Agreement*," "*herein*," "*hereof*," "*hereby*," "*hereunder*," and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The Parties intend that each representation, warranty, and covenant contained herein will have independent significance. If either Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such Party has not breached will not detract from or mitigate the fact that such Party is in breach of the first representation, warranty, or covenant.

Section 7.13. Waiver. No waiver by either Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, may be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising because of any prior or subsequent occurrence.

Section 7.14. Confidentiality. Each Party hereby acknowledges that in connection with its examination of certain confidential information that has been or will be provided to such Party in connection with the Shared Services provided pursuant to this Agreement, each Party may have access to material non-public information concerning the other Party. Each Party agrees to keep this information confidential.

Section 7.15. Specific Performance. Each Party hereto agrees that irreparable damage would occur in the event that any provision of this Agreement was not performed by the other Party in accordance with the specific terms hereof or was otherwise breached, and that money damages or legal remedies would not be an adequate remedy for any such damages. Therefore, it is accordingly agreed that each Party hereto shall be entitled to enforce specifically the terms and provisions of this Agreement, or to enforce compliance with, the covenants and obligations of the other Party, in any court of competent jurisdiction, and appropriate injunctive relief shall be granted in connection therewith. Each Party, in seeking an injunction, a decree or order of specific performance, shall not be required to provide any bond or other security in connection therewith and any such remedy shall be in addition and not in substitution for any other remedy to which each Party is entitled at law or in equity.

Section 7.16. Outside Activities. SG DevCo hereby acknowledges and agrees that one or more of the SG Holdings Parties have had, and from time to time may have, outside activities or interests that conflict or may conflict with the best interests of SG DevCo Parties or any of their Affiliates (collectively, "Outside Activities"), including (without limitation) investment opportunities or investments in, ownership of, or participation in entities that are or could be complementary to, or competitive with, the SG DevCo Parties or any of their Affiliates. SG DevCo hereby consents to all such Outside Activities, and none of the SG Holdings Parties shall be liable to the SG DevCo Parties or any of their Affiliates for breach of any duty (contractual or otherwise), including without limitation any fiduciary duties, by reason of any such activities or of such Person's participation therein. In the event that any of the SG Holdings Parties acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both the SG DevCo Parties or any of their Affiliates, on the one hand, and any of the Holdings Parties, on the other hand, or any other Person, none of the SG Holdings Parties shall have any duty (contractual or otherwise), including without limitation any fiduciary duties, to communicate, present or offer such corporate opportunity to SG DevCo Parties or any of their Affiliates and, notwithstanding any provision of this Agreement to the contrary, shall not be liable to the SG DevCo Parties or any of their Affiliates for breach of any duty (contractual or otherwise), including without limitation any fiduciary duties, by reason of the fact that any of the SG Holdings Parties directly or indirectly pursues or acquires such opportunity for itself, directs such opportunity to another Person, or does not present or communicate such opportunity to the SG DevCo Parties or any of their Affiliates, even though such corporate opportunity may be of a character that, if presented to the SG DevCo Parties or any of their Affiliates, could be taken by the SG DevCo Parties or any of their Affiliates, as applicable. SG DevCo hereby renounces any interest, right, or expectancy in any such opportunity not offered to it by the SG Holdings Parties to the fullest extent permitted by law. For the avoidance of doubt, the provisions of this Section 7.16 shall not limit in any respect the provisions of Section 4.02 of this Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties hereto have executed or caused this Agreement to be executed and delivered as of the day and year first above written.

SAFE AND GREEN DEVELOPMENT CORPORATION

By: ______________________________
Name: Nicolai Brune
Title: Chief Financial Officer

SAFE & GREEN HOLDINGS CORP.

By: ______________________________
Name: Paul Galvin
Title: Chief Executive Officer

[*Signature Page to Shared Services Agreement*]

Exhibit A

Shared Services

The Shared Services may include, without limitation:

- Accounting services-

  Prepare monthly accounting of the Company
  Billing services
  Cash management and banking services
  Budgeting services

- Tax advisory services
- Financial advisory services
- Auditing services
  Audit preparation work
- Corporate record keeping
- Investor relations
- Risk management

- Information technology services-
  Hardware and software systems,
  Access to SG Holdings VPN and computer servers
- Insurance administration and claims processing
- Regulatory compliance and government relations
- Tax preparation-
  preparation of initial tax returns
- Human resources-
  Payroll
- Other administrative services as the Parties may agree from time to time

Exhibit 10.2

TAX MATTERS AGREEMENT

By and between

SAFE & GREEN HOLDINGS CORP.

And

SAFE AND GREEN DEVELOPMENT CORPORATON

Dated as of [ ], 2023

THIS TAX MATTERS AGREEMENT (this "***Agreement***") is entered into as of [ ], 2023, by and between by and between Safe & Green Holdings Corp., a Delaware corporation, ("***SG Holdings***") and Safe and Green Development Corporation, a Delaware corporation and a wholly owned subsidiary of SG Holdings, ("***SG DevCo***") (each a "***Party***" and together, the "***Parties***").

WHEREAS, pursuant to the Separation and Distribution Agreement, dated as of [ ], 2023, by and between SG Holdings and SG DevCo (the "***Separation Agreement***"), SG Holdings agreed, among other things, to distribute 30% of the outstanding stock of SG DevCo to SG Holdings' stockholders (the "***Distribution***");

WHEREAS, the Parties wish to provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in the filing of Tax Returns, and provide for certain other matters relating to Taxes.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.01. General. As used in this Agreement, the following terms have the following meanings:

"Affiliated Group" means an affiliated group of corporations within the meaning of Section 1504(a) of the Code, or any other group filing consolidated, combined, or unitary Tax Returns under state, local or foreign law.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Combined Tax Return" means a Tax Return filed in respect of federal, state, local or foreign income Taxes for an Affiliated Group, or any other affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code).

"SG DevCo" has the meaning set forth in the preamble to this Agreement.

"SG DevCo Group" has the meaning set forth in the Separation Agreement.

"Distribution" has the meaning set forth in the recitals to this Agreement.

"Distribution Date" means the date on which the Distribution occurs.

"Effective Time" means the time at which the Distribution becomes effective.

"Final Determination" means the final resolution of liability for any Tax for any taxable period, by or as a result of: (i) a final decision, judgment, decree, or other order by any court of competent jurisdiction that can no longer be appealed; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under the laws of other jurisdictions, that resolves the entire Tax liability for any taxable period; or (iii) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Tax Authority.

"Indemnified Party" means the Party that is entitled to seek indemnification from the other Party pursuant to the provisions of Section 2.01.

"Indemnifying Party" means the Party from which the other Party is entitled to seek indemnification pursuant to the provisions of Section 2.01.

"IRS" means the Internal Revenue Service or any successor thereto, including its agents, representatives, and attorneys.

"Party" has the meaning set forth in the preamble to this Agreement.

"Person" has the meaning set forth in Section 7701(a)(1) of the Code.

"Post-Distribution Period" means any taxable period (or portion thereof) beginning after the Distribution Date.

"Pre-Distribution Period" means any taxable period (or portion thereof) ending on or before the Distribution Date.

"Separation Agreement" has the meaning set forth in the recitals to this Agreement.

"Spin-Off Business" means SG Holdings' real estate development business currently conducted by SG DevCo, including the operations, properties, services, and activities of such business.

"Tax" means (i) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any federal, state or local or foreign governmental authority, including income, gross receipts, excise, property, sales, use, license, capital stock, transfer, franchise, payroll, withholding, social security, value added, real property transfer,

intangible, recordation, registration, documentary, stamp, and other taxes of any kind whatsoever, and (ii) any interest, penalties, or additions attributable thereto.

"Tax Arbiter" has the meaning set forth in Section 4.08.

"Tax Attributes" means net operating losses, capital losses, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, previously taxed income, separate limitation losses, deductions, credits or other comparable items, and assets basis that could affect a Tax liability for a past or future taxable period.

"Tax Authority" means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection, or imposition of any Tax (including the IRS).

"Tax Matter" has the meaning set forth in Section 3.01.

"Tax Contest" has the meaning set forth in Section 2.05.

"Tax Notice" has the meaning set forth in Section 2.05.

"Tax Return" means any return, report, certificate, form, or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) supplied or required to be supplied to, or filed with, a Tax Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any laws relating to any Tax and any amended Tax return or claim for refund.

"Transaction Documents" means this Agreement and the Separation Agreement.

"Transfer Taxes" means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp, or similar Taxes imposed on the Distribution.

"Treasury Regulations" means the final and temporary (but not proposed) income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"SG Holdings" has the meaning set forth in the preamble to this Agreement.

"SG Holdings Group" has the meaning set forth in the Separation Agreement.

Section 1.02. Additional Definitions. Capitalized terms used but not defined in this Agreement have the meaning ascribed to them in the Separation Agreement.

ARTICLE II

ALLOCATION, PAYMENT AND INDEMNIFICATION

Section 2.01. Responsibility for Taxes; Indemnification.

(a) SG DevCo shall be responsible for and shall pay, and shall indemnify and hold harmless SG Holdings for, (i) any of its Taxes for all periods prior to and after the Distribution and (ii) any Taxes of the SG Holdings Group for Pre-Distribution Periods to the extent attributable to the Spin-Off Business, excluding, for the avoidance of doubt, any Taxes arising as a result of the Distribution (other than Transfer Taxes which shall be governed by Section 2.03).

(b) SG Holdings shall be responsible for and shall pay, and shall indemnify and hold harmless SG DevCo for, any of the taxes of the SG Holdings group other than taxes for which SG DevCo is responsible pursuant to Section 2.01(a), including, for the avoidance of doubt, any Taxes arising as a result of the Distribution (other than Transfer Taxes which shall be governed by Section 2.03).

(c) If the Indemnifying Party is required to indemnify the Indemnified Party pursuant to this Section 2.01, the Indemnified Party shall submit its calculations of the amount required to be paid pursuant to this Section 2.01 in sufficient detail and together with reasonable supporting documentation. Subject to the following sentence, the Indemnifying Party shall pay to the Indemnified Party, no later than twenty (20) days after the Indemnifying Party receives the Indemnified Party's calculations, the amount that the Indemnifying Party is required to pay the Indemnified Party under this Section 2.01. If the Indemnifying Party disagrees with such calculations, it must notify the Indemnified Party of its disagreement in writing within fifteen (15) days of receiving such calculations.

(d) For all Tax purposes, SG Holdings and SG DevCo agree to treat any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by SG Holdings to SG DevCo or a distribution by SG DevCo to SG Holdings as the case may be, occurring immediately prior to the Effective Time.

(e) The amount of any indemnification payment pursuant to this Section 2.01 shall be reduced by the amount of any reduction in Taxes actually realized by the Indemnified Party by the end of the taxable year in which the indemnity payment is made, and shall be increased if and to the extent necessary to ensure that, after all required Taxes on the indemnity payment are paid (including Taxes applicable to any increases in the indemnity payment under this Section 2.01(e)), the Indemnified Party receives the amount it would have received if the indemnity payment was not taxable.

(f) The determination of the Tax liabilities of SG Holdings and SG DevCo, respectively, shall be made in a manner consistent with the Separation Agreement.

Section 2.02. Determination of Taxes Attributable to the Spin-Off Business.

(a) For purposes of Section 2.01(a)(ii), the amount of Taxes attributable to the Spin-Off Business shall be determined by SG DevCo on a pro forma Combined Tax Return of SG Holdings Group prepared: (i) assuming that the members of the SG Holdings Group were not included in the group that filed the relevant Combined Tax Return; (ii) including only Tax items of members of the SG Holdings Group that were included in the relevant Combined Tax Return; (iii) using all elections, accounting methods, and conventions used on the relevant Combined Tax Return for such period; (iv) applying the highest statutory marginal corporate income Tax rate in effect for the relevant taxable period; (v) assuming that the SG Holdings Group elects not to carry back any net operating losses; and (vi) assuming that the SG Holdings Group's utilization of any Tax

Attribute carryforward or carryback is limited to the Tax Attributes of the SG Holdings Group that would be available if the Tax liability of SG Holdings for each prior taxable year were determined in accordance with this Section 2.02.

(b) The Parties shall cooperate in good faith in order to jointly determine the allocation of items of income and expense and intercompany eliminations for purposes of preparing the pro forma Combined Tax Return of SG Holdings pursuant to Section 2.02(a).

Section 2.03. Payment of Sales, Use or Similar Taxes. Transfer Taxes shall be borne fifty percent (50%) by SG DevCo and fifty percent (50%) by SG Holdings. Notwithstanding anything in this Section 2.03 to the contrary, the Party required by applicable law shall remit payment for any Transfer Taxes and duly and timely file any related Tax Returns, subject to any indemnification rights it may have against the other Party, which shall be paid in accordance with Section 2.01(c). The Parties shall cooperate in: (i) determining the amount of such Taxes; (ii) providing all available exemption certificates; and (iii) preparing and timely filing any and all required Tax Returns for or with respect to such Taxes with any and all appropriate Tax Authorities.

Section 2.04. Tax Refunds. SG DevCo shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which SG DevCo is responsible for under Section 2.01(a), SG Holdings shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which SG Holdings is responsible for under Section 2.01(b), and a Party receiving a refund to which the other Party is entitled hereunder shall pay over such refund to such other Party within twenty (20) days after such refund is received.

Section 2.05. Audits and Proceedings. Notwithstanding any other provision hereof, if after the Distribution Date, an Indemnified Party receives any notice, letter, correspondence, claim, or decree from any Tax Authority (a "***Tax Notice***") and, upon receipt of such Tax Notice, believes it has suffered or potentially could suffer any Tax liability for which it is indemnified pursuant to Section 2.01, the Indemnified Party shall deliver such Tax Notice to the Indemnifying Party within ten (10) days of the receipt of such Tax Notice; provided, however, that the failure of the Indemnified Party to provide the Tax Notice to the Indemnifying Party shall not affect the indemnification rights of the Indemnified Party pursuant to Section 2.01, except to the extent that the Indemnifying Party is prejudiced by the Indemnified Party's failure to deliver such Tax Notice. The Indemnifying Party shall control the defense of any such Tax Notice and the conduct of any audit or proceeding resulting from such Tax Notice (collectively, a " ***Tax Contest***"), provided (i) the Indemnifying Party shall act in good faith in connection with its control of any such Tax Contest, (ii) the Indemnifying Party shall keep the Indemnified Party reasonably informed regarding the progress of such Tax Contest, and (ii) to the extent such Tax Contest may adversely impact the Tax Liability of the Indemnified Party or its Affiliated Group, (A) the Indemnified Party shall have the right to participate in and advise on such Tax Contest (including the opportunity to review and comment upon the Indemnifying Party's communications with the Tax Authority and submissions to any court, and any such reasonable comments shall be incorporated upon the consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed), and (B) the Indemnifying Party shall not settle or compromise such Tax Contest without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed). If the Indemnifying Party fails within a reasonable time after receipt of such Tax Notice from the Indemnified Party to defend any such Tax Contest as provided herein, the Indemnifying Party shall be bound by the results obtained by the Indemnified Party in connection therewith. The Indemnifying Party shall pay to the Indemnified Party the amount of any indemnification payment computed pursuant to Section 2.01 within fifteen (15) days after a Final Determination of the Tax liability that is the subject of such Tax Contest.

Section 2.06. Carryforwards and Carrybacks.

(a) SG DevCo shall notify SG Holdings after the Distribution Date of any consolidated carryover item which may be partially or totally attributed to and carried over by SG Holdings or a member of its Affiliated Group and will notify SG Holdings of subsequent adjustments which may affect such carryover item.

(b) To the extent permitted by applicable law, SG Holdings shall not carry back any federal income Tax item to any Pre-Distribution Period.

Section 2.07. Tax Attributes. Tax Attributes arising in a Pre-Distribution Period shall be allocated to the SG DevCo Group and the SG Holdings Group in accordance with the Code and Treasury Regulations. The Parties shall jointly determine the allocation of such Tax Attributes arising in Pre-Distribution Periods as soon as reasonably practicable following the Distribution Date, and hereby agree to compute all Taxes for Post-Distribution Periods consistently with that determination unless otherwise required by a Final Determination.

ARTICLE III

COOPERATION

Section 3.01. General Cooperation. The Parties shall each cooperate fully with all reasonable requests in writing from the other Party, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns, claims for Tax refunds, Tax proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of any of the Parties covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a "***Tax Matter***"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter and shall include, at each Party's own cost:

(a) the provision of any Tax Returns of the Parties, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Tax Authorities;

(b) the execution of any document (including any power of attorney) in connection with any Tax proceedings of any of the Parties, or the filing of a Tax Return or a Tax refund claim of the Parties;

(c) the use of the Party's reasonable best efforts to obtain any documentation in connection with a Tax Matter; and

(d) the use of the Party's reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records or other information in connection with the filing of any Tax Returns of any of the Parties.

Each Party shall make its employees, advisors, and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters.

Section 3.02. Retention of Records. SG DevCo and SG Holdings shall retain or cause to be retained all Tax Returns, schedules and workpapers, and all material records or other documents relating thereto in their possession, until sixty (60) days after the expiration of the applicable statute of limitations (including any waivers or extensions thereof) of the taxable periods to which such Tax Returns and other documents relate or until the expiration of any additional period that any Party reasonably requests, in writing, with respect to specific material records or documents. A Party intending to destroy any material records or documents required to be retained pursuant to this Section

3.02 shall provide the other Party with reasonable advance notice and the opportunity to copy or take possession of such records and documents. The Parties hereto will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

ARTICLE IV

MISCELLANEOUS

Section 4.01. Tax Sharing Agreements. All Tax sharing, indemnification and similar agreements, written or unwritten, as between SG DevCo, on the one hand, and SG Holdings, on the other (other than this Agreement and any other Transaction Document), shall be or shall have been terminated no later than the Effective Time and, after the Effective Time, neither SG DevCo nor SG Holdings shall have any further rights or obligations under any such Tax sharing, indemnification or similar agreement.

Section 4.02. Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the payment date.

Section 4.03. Survival of Covenants. Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms; provided, however, that all indemnification for Taxes shall survive until sixty (60) days following the expiration of the applicable statute of limitations (taking into account all extensions thereof), if any, of the Tax that gave rise to the indemnification; provided, further, that, in the event that notice for indemnification has been given within the applicable survival period, such indemnification shall survive until such time as such claim is finally resolved.

Section 4.04. Amendment. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Company, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Company against whom it is sought to enforce such waiver, amendment, supplement or modification.

Section 4.05. Severability. If any term or other provision of this Agreement is determined by a court of competent jurisdiction or the Tax Arbiter to be invalid, illegal or incapable of being enforced under any law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, such term or provision shall be deemed replaced by a term or provision that such court or the Tax Arbiter, as the case may be, determines is valid and enforceable and that comes closest to expressing the intention of the invalid, illegal or unenforceable provision.

Section 4.06. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

Section 4.07. Effective Date. This Agreement shall become effective only upon the occurrence of the Distribution.

Section 4.08. Dispute Resolution. In the event of any dispute relating to this Agreement, the Parties shall work together in good faith to resolve such dispute within thirty (30) days. In the event that such dispute is not resolved, upon written notice by a Party after such thirty (30)-day period, the matter shall be referred to a Tax counsel or other tax advisor of recognized national standing (the "***Tax Arbiter***") that will be jointly chosen by SG DevCo and SG Holdings. The Tax Arbiter may, in its discretion, obtain the services of any third party necessary to assist it in resolving the dispute. The Tax Arbiter shall furnish written notice to the parties to the dispute of its resolution of the dispute as soon as practicable, but in any event no later than ninety (90) days after acceptance of the matter for resolution. Any such resolution by the Tax Arbiter shall be binding on the Parties, and the Parties shall take, or cause to be taken, any action necessary to implement such resolution. All fees and expenses of the Tax Arbiter shall be shared equally by the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly by their respective authorized officers as of the date first above written.

SAFE & GREEN HOLDINGS CORP.

By: ____________________
Name: Paul M. Galvin
Title: Chief Financial Officer

SAFE AND GREEN DEVELOPMENT CORPORATION

By: ____________________
Name:
Title:

Exhibit 10.3

SAFE AND GREEN DEVELOPMENT CORPORATION
INDEMNIFICATION AGREEMENT

This Indemnification Agreement (the "***Agreement***") is made as of __________, 2023, by and between**Safe and Green Development Corporation**, a Delaware corporation (the "***Company***"), and ("***Indemnitee***").

WHEREAS, the Company and Indemnitee recognize the substantial increase in corporate litigation in general, subjecting officers and directors to expensive litigation risks;

WHEREAS, the Company desires to attract and continue to retain the services of highly qualified individuals, such as Indemnitee, to serve as officers and directors of the Company and to indemnify its officers and directors so as to provide them with the maximum protection permitted by law;

WHEREAS, the statutory indemnification provisions of the Delaware General Corporation Law (the "***DGCL***"), Section 145, expressly provide that they are nonexclusive, and it is the desire of the Company to indemnify directors and officers who have entered into settlements of derivative suits or have paid judgments, fines or penalties therefor, provided they have not breached the applicable statutory standard of conduct; and

WHEREAS, in view of such considerations, the Company desires to provide, independent from the indemnification to which the Indemnitee is otherwise entitled by law and under the Company's Certificate of Incorporation and Bylaws, indemnification to the Indemnitee and advances of expenses, all as set forth in this Agreement to the maximum extent permitted by law.

NOW, THEREFORE, to induce the Indemnitee to serve the Company and in consideration of these premises and the mutual agreements set forth in this Agreement, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Indemnitee hereby agree as follows:

1. Indemnification.

(a) Third Party Proceedings. The Company shall indemnify Indemnitee if Indemnitee is or was a party or is threatened to be made a party to or is otherwise involved in (e.g., as a witness) any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, or any subsidiary of the Company, by reason of any action or inaction on the part of Indemnitee while an officer or director or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement (if such settlement is approved in advance by the Company, which approval shall not be unreasonably withheld) actually and reasonably incurred by Indemnitee in connection with such action or proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, or with respect to any criminal action or proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Company's Certificate of Incorporation and Bylaws, vote of its stockholders or disinterested directors or applicable law.

(b) Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee if Indemnitee was or is a party or is threatened to be made a party to or is otherwise involved in (e.g., as a witness) any threatened, pending or completed action or proceeding by or in the right of the Company or any subsidiary of the Company to procure a judgment in its favor by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company, or any subsidiary of the Company, by reason of any action or inaction on the part of Indemnitee while an officer or director or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) and, to the fullest extent permitted by law, amounts paid in settlement, in each case to the extent actually and reasonably incurred by Indemnitee in connection with the defense or settlement of such action or proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and its shareholders, except that no indemnification shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudicated by court order or judgment to be liable to the Company in the performance of Indemnitee's duty to the Company and its shareholders unless and only to the extent that the Delaware Court of Chancery or any other court in which such action or proceeding is or was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or other such court shall deem proper.

(c) Indemnification of Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any action, suit or proceeding referred to in Section 1(a) or Section 1(b) or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all expenses (including attorneys' fees) actually and reasonably incurred by Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such action, suit or proceeding, the Company shall indemnify Indemnitee against all expenses (including attorneys' fees) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including a disposition without prejudice), without (i) the disposition being adverse to Indemnitee, (ii) an adjudication that Indemnitee was liable to the Company, (iii) a plea of guilty or *nolo contendere* by Indemnitee, (iv) an adjudication that Indemnitee did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and (v) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe his conduct was unlawful, Indemnitee shall be considered for the purpose hereof to have been wholly successful with respect thereto. DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

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2. Expenses; Indemnification Procedure.

(a) Advancement of Expenses. The Company shall advance, to the extent not prohibited by law, all expenses incurred by Indemnitee ("***Expense Advances***") in connection with the investigation, defense, settlement or appeal of any civil or criminal action or proceeding referred to in Section 1(a) or (b) hereof. Indemnitee hereby undertakes to repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized hereby. The advances to be made hereunder shall be paid by the Company to Indemnitee within thirty (30) days following receipt of an undertaking (the "***Undertaking***"), substantially in the form attached hereto asExhibit 1, by or on behalf of Indemnitee to repay the amount of any such advance if and to the extent that it shall

ultimately be determined that Indemnitee is not entitled to indemnification for such amount. The Undertaking shall be unsecured and shall bear no interest and shall be accepted without reference to the financial ability of Indemnitee to make repayment.

(b) Notice/Cooperation by Indemnitee. Indemnitee shall, give the Company notice in writing as soon as practicable of any claim made against Indemnitee for which indemnification is or will be sought under this Agreement. Notice to the Company shall be directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other address as the Company shall designate in writing to Indemnitee). Notice shall be deemed received three (3) business days after the date postmarked if sent by domestic certified or registered mail, properly addressed; otherwise, notice shall be deemed received when such notice shall actually be received by the Company. In addition, Indemnitee shall give the Company such information and cooperation as it may reasonably require and as shall be within Indemnitee's power.

(c) Procedure. (1) The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. Any indemnification and advances provided for in Section 1 and this Section 2 shall be made promptly, and in any event within thirty (30) days after receipt by the Company of the written request of Indemnitee together with such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to such indemnification or advances and, in the case of advances, a statement or statements reasonably evidencing the expenses incurred by Indemnitee and an undertaking as required by Section 2 hereof, unless with respect to such requests the Company determines within such 30-day period that Indemnitee did not meet the applicable standard of conduct or that indemnification is not required under Section 7 below. Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of any action, suit or proceeding. Such determination shall be made in each instance (i) if a Change in Control shall have occurred, unless otherwise elected by Indemnitee, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred: (a) by a majority vote of the directors of the Company who are not at that time parties to the action, suit or proceeding in question ("***disinterested directors***"), even though less than a quorum; (b) by a committee of such disinterested directors designated by majority vote of such disinterested directors, even though less than a quorum; (c) if there are no such disinterested directors, or if such disinterested directors so direct, by Independent Counsel in a written opinion ; or (d) a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the action, suit or proceeding in question. For purposes of this Agreement:

(A) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person (as defined below) after the date of this Agreement becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in this definition of Change in Control whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the Surviving Entity) more than 50% of the combined voting power of the voting securities of the Surviving Entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such Surviving Entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

(B) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(C) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act;provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(D) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(E) "Surviving Entity" shall mean the surviving entity in a merger or consolidation or any entity that controls, directly or indirectly, such surviving entity.

(F) "Independent Counsel" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(2) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 2(c)(1) hereof, the Independent Counsel shall be selected as provided in this Section 2(c)(2). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the

Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 2(c)(1) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 2(c)(1) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 2(d) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) If a claim under this Agreement, under any statute, or under any provision of the Company's Certificate of Incorporation or Bylaws providing for indemnification, is not paid in full by the Company within the time allowed, Indemnitee may, but need not, at any time thereafter bring an action against the Company to recover the unpaid amount of the claim and, subject to Section 8 of this Agreement, Indemnitee shall also be entitled to be paid for the expenses (including attorneys' fees) of bringing such action. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any action or proceeding in advance of its final disposition) that Indemnitee has not met the standards of conduct which make it permissible under applicable law for the Company to indemnify Indemnitee for the amount claimed, but the burden of proving such defense shall be on the Company. Indemnitee shall be entitled to receive interim payments of expenses pursuant to Section 2(a) unless and until such defense may be finally adjudicated by court order or judgment from which no further right of appeal exists. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 2(d). The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. In the event that a determination shall have been made pursuant to this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 2(d) shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. If a determination shall have been made pursuant to this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Agreement, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Agreement that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all expenses (including attorneys' fees) and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Reliance on Reports. Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on Indemnitee's good faith reliance on the records or books of account of the Company, including financial statements, or on information supplied to Indemnitee by the officers of the Company in the course of their duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

(f) Presumption; Burden. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement and has acted in good faith. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(g) Notice to Insurers. If, at the time of the receipt of a notice of a claim pursuant to Section 2(b) hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(h) Assumption of Defense and Selection of Counsel. In the event the Company shall be obligated under Section 2(a) hereof to pay the expenses of any proceeding against Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, with counsel approved by Indemnitee, which approval shall not be unreasonably withheld or delayed, upon the delivery to Indemnitee of written notice of its election so to do. Notwithstanding the foregoing, the Company shall not be permitted to settle any action or claim on behalf of Indemnitee in any manner which would impose any unindemnified liability or penalty on Indemnitee or require any acknowledgment of wrongdoing on the part of Indemnitee without Indemnitee's written consent, which consent shall not be unreasonably withheld or delayed. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same proceeding, provided that (i) Indemnitee shall have the right to employ his or her counsel in any such proceeding at Indemnitee's expense; and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company; (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense; or (C) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company or as to which counsel for Indemnitee shall have reasonably made the conclusion provided for in clause (ii)(B) above.

3. Additional Indemnification Rights; Nonexclusivity; Contribution.

(a) Scope. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Company's Certificate of Incorporation, the Company's

Bylaws or by statute. In the event of any change, after the date of this Agreement, in any applicable law, statute or rule which expands the right of a Delaware corporation to indemnify a member of its board of directors or an officer, such changes shall be, *ipso facto*, within the purview of Indemnitee's rights and the Company's obligations under this Agreement. In the event of any change in any applicable law, statute or rule which narrows the right of a Delaware corporation to indemnify a member of its board of directors or an officer, such changes, to the extent not otherwise required by such law, statute or rule to be applied to this Agreement shall have no effect on this Agreement or the parties' rights and obligations hereunder.

(b) Nonexclusivity. The indemnification provided by this Agreement shall not be deemed exclusive of any rights to which Indemnitee may be entitled under the Company's Certificate of Incorporation, its Bylaws, any agreement, any vote of stockholders or disinterested directors, the DGCL, or otherwise, both as to action in Indemnitee's official capacity and as to action in another capacity while holding such office. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving in an indemnified capacity even though he or she may have ceased to serve in any such capacity at the time of any action, suit or other covered proceeding.

(c) Contribution.

(i) Whether or not the indemnification provided in Section 1 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee;

(ii) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which they may be required to be considered by law. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive;

(iii) The Company hereby agrees fully to indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee; and

(iv) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the expenses, judgments, fines or penalties actually or reasonably incurred by him in the investigation, defense, appeal or settlement of any civil or criminal action or proceeding, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses, judgments, fines or penalties to which Indemnitee is entitled.

5. Primacy of Indemnification. The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by the Company's insurance provider and certain of its affiliates (collectively, the "***Fund Indemnitors***"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary); (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors; and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 5.

6. Officer and Director Liability Insurance. The Company shall maintain a policy or policies of insurance with reputable insurance companies providing the officers and directors of the Company with coverage for losses from wrongful acts, or to ensure the Company's performance of its indemnification obligations under this Agreement. Among other considerations, the Company will weigh the costs of obtaining such insurance coverage against the protection afforded by such coverage. In all policies of director and officer liability insurance, Indemnitee shall be named as an insured in such a manner as to provide Indemnitee the same rights and benefits as are accorded to the most favorably insured of the Company's directors, if Indemnitee is a director; or of the Company's officers, if Indemnitee is not a director of the Company but is an officer; or of the Company's key employees, if Indemnitee is not an officer or director but is a key employee. Notwithstanding the foregoing, subject to any other obligation or agreement to maintain such insurance, the Company shall have no obligation to obtain or maintain such insurance if the Company determines in good faith that such insurance is not reasonably available, if the premium costs for such insurance are disproportionate to the amount of coverage provided, if the coverage provided by such insurance is limited by exclusions so as to provide an insufficient benefit, or if Indemnitee is covered by similar insurance maintained by a subsidiary or parent of the Company.

7. Severability. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. The provisions of this Agreement shall be severable as provided in this Section 7. If this Agreement or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction,

then the Company shall nevertheless indemnify Indemnitee to the fullest extent permitted by any applicable portion of this Agreement that shall not have been invalidated, and the balance of this Agreement not so invalidated shall be enforceable in accordance with its terms.

8. Exceptions. Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

(a) Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to proceedings or claims initiated or brought voluntarily by Indemnitee and not by way of defense, except as expressly contemplated by this Agreement, with respect to proceedings brought to establish or enforce a right to indemnification under this Agreement or any other statute or law or otherwise as required under Section 145 of the DGCL, but such indemnification or advancement of expenses may be provided by the Company in specific cases if the Board of Directors has approved the initiation of such suit; or

(b) Insured Claims. To indemnify Indemnitee for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties, and amounts paid in settlement) to the extent such expenses or liabilities have been paid directly to Indemnitee under a policy of officers' and directors' liability insurance or under any other insurance policy, contract, agreement or otherwise maintained by the Company; or

(c) Claims under Section 16(b). To indemnify Indemnitee for expenses or the payment of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute; or

9. Construction of Certain Phrases. For purposes of this Agreement, references to the "Company" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

For purposes of this Agreement, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on Indemnitee with respect to an employee benefit plan; and references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

10. Effectiveness of Agreement. This Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, as the time such act or omission occurred. The Company's obligations hereunder shall continue as to Indemnitee if he or she ceases to be a director, officer, employee or agent.

11. Attorneys' Fees. In the event that any action is instituted by Indemnitee under this Agreement to enforce or interpret any of the terms hereof, Indemnitee shall be entitled to be paid all court costs and expenses, including reasonable attorneys' fees, incurred by Indemnitee with respect to such action, unless as a part of such action, the Delaware Court of Chancery determines that each of the material assertions made by Indemnitee as a basis for such action were not made in good faith or were frivolous. In the event of an action instituted by or in the name of the Company under this Agreement or to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be paid all court costs and expenses, including attorneys' fees, incurred by Indemnitee in defense of such action (including with respect to Indemnitee's counterclaims and crossclaims made in such action), unless as a part of such action the court determines that each of Indemnitee's material defenses to such action were made in bad faith or were frivolous.

12. No Rights of Continued Service. This Agreement shall not impose any obligation of the Company to continue Indemnitee's service to the Company beyond any period otherwise required by law or by other agreements or commitments of the parties, if any.

13. Miscellaneous.

(a) Governing Law. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflict of law.

(b) Consent to Jurisdiction. The Company and Indemnitee each hereby irrevocably consent to the exclusive jurisdiction of the Delaware Court of Chancery for any purpose in connection with any actions or proceedings which arise out of or relate to this Agreement.

(c) Entire Agreement; Enforcement of Rights. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. Furthermore, the Company agrees not to seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(d) Construction. This Agreement is the result of negotiations between, and has been reviewed by, each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(e) Notices. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when directed to the Chief Executive Officer of the Company at the address shown on the signature page of this Agreement (or such other address as the Company shall designate in writing) and when delivered personally or three business days after being postmarked, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all, substantially all or a substantial part of the business or assets of the Company. This Agreement shall inure to the benefit of Indemnitee and Indemnitee's heirs, legal representatives, executives and administrators. The Company shall require and cause any successor (whether direct or indirect, and whether by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business or assets of the Company, by written agreement in form and

substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(h) Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Company to effectively bring suit to enforce such rights.

[Remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

SAFE AND GREEN DEVELOPMENT CORPORATION

By: ______________________
Name: Paul M. Galvin
Title: Chief Executive Officer
Address: 990 Biscayne Blvd. #501
Office 12
Miami, Florida 33132

The Indemnitee

By: ______________________
Name:
Title:
Address:

Signature Page to Indemnification Agreement

EXHIBIT 1

UNDERTAKING

1. This Undertaking is submitted pursuant to the Indemnification Agreement dated as of ____________, 2023 between **SAFE AND GREEN DEVELOPMENT CORPORATION**, a Delaware corporation (the "***Company***"), and _______________ (the "***Agreement***"). Capitalized terms used but not defined herein shall have the respective meanings set forth in the Agreement.

2. I am requesting certain Expense Advances in connection with a claim to which I believe I am entitled to indemnification.

3. I hereby undertake to repay such Expense Advances if it shall ultimately be determined that I am not entitled to be indemnified by the Company therefor under the Agreement or otherwise.

4. The Expense Advances are, in general, all related to:
____

Exhibit 10.6

LOAN RENEWAL - WEINRITTER REALTY LP.

COLLATERAL:	1st Lien – 1900& 1901 American Dr., Lago Vista, TX 78645
FILE #:	2296.525
BORROWER(S) INFO:	SGB Development Corp Tax ID# 87-1375590
RENEWED AMOUNT:	$2,000,000.00
TERM EXTENSION FEE:	$10,000.000 – Due upon signing this renewal & extension, per the original note dated July 14, 2021
	MODIFICATION
INTEREST RATE:	12.5%
AMORTIZATION:	Interest Only
LATE CHARGE:	10 DAYS 5%
BALLOON:	February 1, 2024
DUE ON SALE:	YES
LAWYERS INFO:	Michael Baucum, 1100 NW Loop 410, #801 SA, TX 78213 (210)451-8140 Email: Michael@baucumlawfirm.com Assist Virginia Peterson (210)451-8141 Email: vp@baucumlawfirm.com

***PLEASE ORDER A TITLE SEARCH**

Agreed By:

/s/ Paul M Galvin

Paul M. Galvin
SGB Development Corp.
Chief Executive Officer

/s/ Daniella Ritter

Daniella Ritter
Weinritter Realty, LP.

Exhibit 10.7

2ND Lien WEINRITTER REALTY LP.

COLLATERAL:	2nd Lien – 1900& 1901 American Dr., Lago Vista, TX 78645
FILE#:	2296.525
BORROWER(S) INFO:	SGB Development Corp Tax ID# 87-1375590
2nd LIEN LOAN AMOUNT:	$500,000.00
	MODIFICATION
INTEREST RATE:	12.5%
AMORTIZATION:	Interest Only
LATE CHARGE:	10 DAYS 5%
BALLOON:	February 1, 2024
DUE ON SALE:	YES
LAWYERS INFO:	Michael Baucum, 1100 NW Loop 410, #801 SA, TX 78213 (210)451-8140 Email:Michael@baucumlawfirm.com Assist Virginia Peterson (210)451-8141 Email: vp@baucumlawfirm.com

Agreed By:

/s/ Paul M Galvin

Paul M. Galvin
SGB Development Corp.
Chief Executive Officer

/s/ Daniella Ritter

Daniella Ritter
Weinritter Realty, LP.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SECOND LIEN DEED OF TRUST

DATE:	September 8th, 2022
GRANTOR:	SGB Development Corp., a Delaware corporation
GRANTOR'S ADDRESS:	195 Montague Street, 14th Floor, Brooklyn, NY 11201
TRUSTEE:	Michael Baucum or Virginia W. Peterson or Laura Ann Baucum
TRUSTEE'S ADDRESS:	1100 NW Loop 410, # 801, San Antonio, TX 78213
BENEFICIARY:	WeinRitter Realty, LP, a Texas limited partnership
BENEFICIARY'S ADDRESS:	P. O. Box 782129, San Antonio, TX 78278-2129

NOTE(S):

NOTE DATE:	September 8th, 2022
NOTE AMOUNT:	$500,000.00
NOTE MAKER:	SGB Development Corp., a Delaware corporation
NOTE PAYEE.	WeinRitter Realty, LPs a Texas limited partnership
FINAL MATURITY DATE:	As therein set forth
TERMS OF PAYMENT:	As therein set forth

PROPERTY (INCLUDING ANY IMPROVEMENTS):

Being 59.3712 acres of land, more or less, out of the K. BALDWIN SURVEY NO. 600, ABSTRACT NO. 90, Travis County, Texas, and out of a portion of Lot l, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being that same tract of land described in the deed to Northport Harbor, LLC, dated September 2, 2014, recorded in Document No.

2014131554, Official Public Records of Travis County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

PRIOR LIENS (INCLUDING RECORDING INFORMATION): None.

OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY: None.

For value received and to secure payment of the note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and pays the note according to its terms, this deed of trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

GRANTORS OBLIGATIONS:

Grantor agrees to:

1. keep the properly in good repair and condition;
2. pay all taxes and assessments on the property when due;
3. preserve the lien's priority as it is established in this deed of trust;
4. if the property is improved, maintain, in a form acceptable to Beneficiary, an insurance policy that:
    a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
    b. contains an 80 percent coinsurance clause;
    c. provides all-risk coverage;
    d. protects Beneficiary with a standard mortgage clause;
    e. provides flood insurance at any time the Property is in a flood hazard area;

       and

    f. contains such other coverage as Beneficiary may reasonably require:
5. comply at all times with the requirements of the 80% coinsurance clause;
6. deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration:
7. keep any buildings occupied as required by the insurance policy; and
8. if this is not a first lien, pay all prior lien notes that Grantor is personally liable to pay and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS.

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee. If Trustee or his successor or substitute shall have given notice of sale hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the propel-ty pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale.

2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.

3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.

4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.

5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, and the default continues after Beneficiary gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement. then Beneficiary may:

a. declare the unpaid principal balance and earned interest on the note immediately due;

b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and

c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.

TRUSTEE'S DUTIES:

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;

2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty: and

3. from the proceeds of the sale, pay, in this order;

a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;

b. to Beneficiary, the full amount of principal, interest, attorneys fees, and other charges due and unpaid,

c. any amounts required by law to be paid before payment to Grantor; and

d. the balance as provided by applicable law.

GENERAL PROVISIONS:

1 If any of the property is sold under this deed of trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so Grantor shall become a tenant at sufferance of the purchaser. subject to an action for forcible detainer.

2. Recitals in any Trustee's deed conveying the property will be presumed to be true.

3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.

5. Partial Invalidity. In the event any portion of the sums intended to be secured by this Deed of Trust cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby- In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Deed of Trust or in the Note, whether considered separately or together with other charges that are considered a part of this Deed of Trust and Note transaction, violates such law by reason of the acceleration of the indebtedness secured hereby, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Beneficiary in excess of the amounts permitted by applicable law shall be applied by Beneficiary to reduce the principal of the indebtedness evidenced by the Note, or, at Beneficiary's option, be refunded.

6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums.

7. Grantor acknowledges the applicability of the Texas Assignment of Rents Act, Chapter 64, Texas Property Code to this financing ("TARA"). If Grantor defaults in payment of the note or performance of this deed of trust, Beneficiary shall avail itself of the provisions of TARA. Beneficiary shall apply all rent and other Income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. The filing of this deed of trust constitutes a security agreement with respect to the rents and all personal property. In the event a separate Assignment of Leases and Rents agreement is executed as a part of this transaction, the separate agreement will prevail in the event of a conflict between this provision and the Assignment of Leases and Rents.

8. When the context requires, singular nouns and pronouns include the plural.

9. The term note includes all sums secured by this deed of trust.

10. This deed of trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

11. If Grantor and Maker are not the same person, the term Grantor shall include Maker.

12. Grantor represents that this deed of trust and the note are given for the following purposes:

The Note hereby secured represents and is given for the sum of $500,000.00 this day advanced and paid in cash by WeinRitter Realty, LP to the Grantor herein at its special instance and request, the receipt of which is hereby acknowledged by Grantor.

13. The Note hereby secured is not assumable. If all or any part of the real property herein described is sold, transferred, leased for a period longer than 3 years, or otherwise conveyed, including by contract of sale, without Beneficiary's prior written consent, which consent may be withheld in Beneficiary's sole discretion, then Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable.

14. Grantor agrees that in the event of any sale, voluntary, judicial, or made under the terms of this Deed of Trust, of the property herein described, the purchaser at such sale shall acquire title to all insurance policies thereon held by the Grantor, including all paid but unearned premiums on such policies and any moneys representing payment of claims under the policy, and Grantor appoints Beneficiary as its attorney-in-fact for the purpose of endorsing a draft or check received in payment of such a claim and for the purpose of applying such claim proceeds first to repairs of the insured premise and the excess, if any, to the unpaid balance of the note.

15. Nothing in the note hereby secured shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Grantor and Beneficiary are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Beneficiary for the use, forbearance. or detention of the money lent exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of the note hereby secured at the time such performance is due would involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Beneficiary shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under said note hereby secured, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Grantor and Beneficiary.

16. At closing the Grantor shall furnish a one-year, paid-up insurance policy showing WeinRitter Realty, LP, as Mortgagee. The Grantor herein agrees to furnish the

Beneficiary, on or before the date taxes are due, copies of tax receipts for taxes due on the property herein described reflecting that said taxes have been paid. Further, the Grantor herein agrees to furnish the Beneficiary up-to-date policies or renewals of policies of insurance in an amount of at least the Note, insuring all improvements upon the herein described real property against loss or damage by fire and windstorm, and any other hazard which Beneficiary may reasonably require, and naming Beneficiary in a mortgage indemnity cause. In the event Grantor fails to furnish proof of payment of taxes and/or proof of payment of insurance as set forth above, then Beneficiary may, at its sole discretion, charge Grantor the sum of $50 for its fees and costs incurred as the result of Grantor's noncompliance with this paragraph.

17. BENEFICIARY'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS: If Grantor fails to pay as same become due and payable, all taxes. assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Beneficiary may, at its option and without waiver of any other rights granted by the Note hereby secured or this Deed of Trust for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Beneficiary shall immediately become due to Beneficiary, together with interest thereon from the date on which said payments were made at the rate provided in the Note hereby secured, and all such amounts shall be added to and become a part of the indebtedness secured by this Deed of Trust.

18. It is specifically agreed and understood that the creation of a lien against the property described herein for the purpose of paying ad valorem taxes on the property shall be a default hereunder and Beneficiary may immediately commence proceedings to protect its lien position.

19. **Transfer of Tax Liens**. Grantor(s) shall not, without Beneficiary's prior written consent, borrow money from any third party to pay ad valorem (property) taxes assessed against the Property nor transfer a tax lien against the Property pursuant to Section 32.06 of the Texas Tax Code, or any successor statute- Unless Beneficiary shall give prior written consent thereto, any such authorization given by Grantor(s) shall be void and of no force or effect, and any transfer of tax lien under such authority, and/or any deed of trust executed by Grantor(s) for the benefit of the transferee of any such tax lien, shall likewise be void and of no force or effect. In order to be effective, written consent by the Beneficiary under this paragraph must be duly executed by an officer of Beneficiary and recorded prior to date of the authorization by Grantor(s) to which it relates in the real property records of each county in which the Property, or any portion thereof, is located.

20. **Notice Provision: Grantor expressly covenants and agrees that its address for all notices shall be its address as set forth on Page 1 of this document, and shall remain the address for notices unless Grantor requests IN WRITING that the notice be sent to a different address.**

21. Grantor agrees that in consideration of the loan secured by the Note herein secured and this Deed of Trust, it will at its sole cost provide an appraisal of the Property satisfactory to International Bank of Commerce, prepared by an appraiser acceptable to International Bank of Commerce and dated within the time period required by International Bank of Commerce.

22. To the extent permitted by law, Guarantor expressly waives and relinquishes all rights and remedies of surety, including but not limited to, all rights and remedies under Sections 51.003, 51.004 and 51.005 of the Texas Property Code and Chapter 34 of the Business & Commerce Code of the State of Texas.

(a) In the event an interest in any of the Mortgaged Property is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Grantor agrees as follows: notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Property Code (as the same may be amended from time to time) and to the extent permitted by law, Grantor agrees that Bank shall be entitled to seek deficiency judgment from Grantor and/or any other party obligated on the Indebtedness equal to the difference between the amount owing on the Indebtedness and the amount for which the Mortgaged Property was sold pursuant to judicial or nonjudicial foreclosure sale. Grantor expressly recognizes that this constitutes a waiver of the above-cited provisions of the Property Code which would otherwise permit Grantor and other persons against whom recovery of deficiencies is sought or Guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Mortgaged Property as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Grantor further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Mortgaged Property for purposes of calculating deficiencies owed by Grantor and/or others against whom recovery of a deficiency is sought.

(b) Alternatively, in the event the waiver provided for in Subsection (a) above is determined by a court of competent jurisdiction to be unenforceable, the following shall be the basis for the finder of fact's determination of the fair market value of the Mortgaged Property as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Property Code (as amended from time to time): (I) the Mortgaged Property shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Mortgaged Property will be repaired or improved in any manner before a resale of the Mortgaged Property after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Mortgaged Property for cash promptly (but not later than twelve [12] months) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Mortgaged Property, including without limitation, brokerage commissions, title insurance, a survey of the Mortgaged Property, tax prorations, attorneys' fees, and marketing costs; (iv) the gross fair market value of the Mortgaged Property shall be further discounted to account for any estimated holding costs associated with maintaining the Mortgaged Property pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in connection with a determination of the fair market value of the Mortgaged Property must be given by persons having at least five (5) years experience in appraising property similar to the Mortgaged Property and who have conducted and prepared a complete written appraisal of the Mortgaged Property taking into consideration the factors set forth above.

SGB DEVELOPMENT CORP.

A DELAWARE CORPORATION

BY: /s/ Paul M. Galvin
PAUL M. GALVIN
CHIEF EXECUTIE OFFICER

*
THE STATE OF NEW YORK

COUNTY OF KINGS

This instrument was acknowledged before me on the 8TH day of September, 2022, by Paul M. Galvin, Chief Executive Officer of SGB Development Corp., a Delaware corporation. on behalf of said Corporation.

/s/ Thomas Rauffenbart
NOTARY PUBLIC, STATE OF NEW YORK

THOMAS RAUFFENBART
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01RA6424750
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES NOV 8, 2025

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
/s/ Rebecca Guerraro

Rebecca Guerrero, County Clerk
Travis County, Texas
Sep 13, 2022, 12:28 PM Fee: $54.0
2022152151
Electronically Recorded

This page is intentionally added for electronic file stamp.

Exhibit 10.8

PROMISSORY NOTE

$148,300.00 Date: August ___, 2022

FOR VALUE RECEIVED, the undersigned **SGB Development Corp**, a Delaware corporation (hereinafter referred to as the "Borrower") promise to pay to the order of **Palermo Lender LLC**, a Florida limited liability company, the principal sum of **ONE HUNDRED FORTY EIGHT THOUSAND THREE HUNDRED DOLLARS and 00/100 dollars ($148,300.00)**, hereinafter referred to as the "Lender". This amount is to be paid with interest thereon at the rate of **NINE AND SEVENTY FIVE PERCENT (9.75%)** per annum, both principal and interest being payable in lawful money of the United States, such principal sum and interest payable as follows:

1. An initial payment of interest only is due at closing in the amount shown in the closing statement, and thereafter, equal monthly installments of interest at the above-specified rate shall be paid on the first day of each month in the amount of $1,204.93, commencing January l, 2023, as follows:

   Beneficiary: Palermo Financial Group, LLC

   Bank: Bank of America

   Routing #: ____________ (Electronic) / ____________ (Wire)

   Account #: ___________________

2. The entire principal sum hereof together with accrued interest if any shall be due and payable on September l, 2023.

3. The undersigned Borrower expressly acknowledges and agrees that in the event the maturity date of this Note is extended, the Borrower shall pay to Lender a fee equal to ONE percent (1%) of the principal balance of the Note remaining unpaid at the time of the extension. If that is the case, such extension shall be for six (6) months. The Borrower's obligations under this paragraph shall survive the closing, and if not already paid in full, shall survive the satisfaction of this Note.

4. If any payment of interest and/or principal is made more than five (5) days after the due date, there shall be a late charge assessed of ten percent (10%) late charge or One-Hundred Dollars ($100.00), whichever is greater, as to any late payments made hereunder. Any such late charge is not a penalty, but liquidated damages to defray administrative and related expenses due to such late payment and loss to the Lender where payments are not received in a timely manner. Said late charge shall be immediately due and payable and shall be paid by the Borrower without notice or demand by the Lender. The failure by the Lender to collect or require payment of any late charge shall in no way prejudice the right of the Lender to collect or require payment of a late charge in connection with subsequent late payments.

5. Such installments and payments shall be applied first to the Lender's costs of collection as provided elsewhere herein or in the Security Deed securing this debt, then to interest accruing under the terms of this Note and then to a reduction of the principal indebtedness, and shall be payable in lawful money of the United States. All interest due hereunder shall be computed the daily outstanding principal balance based upon a 360 day year and the actual number of days per year for the actual number of days elapsed. If the Note rate herein is eighteen percent, then interest shall be calculated based upon 365 day year (366 days for leap year).

6. Borrower may prepay this Note without penalty, provided, however, if Lender has not received six (6) months of interest, Borrower shall pay to Lender an amount equivalent to the months of interest necessary to complete six (6) months of interest, whether or not the loan is paid prior to the expiration of the said six-month period. In any case, at the time of payment in full of this Note, Borrower shall pay Lender an amount equivalent to half of ONE percent (0.50%) of the original loan amount.

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7. Any acceleration of payment of this indebtedness by the holder of this Note, pursuant to the terms hereof or pursuant to the terms of the Security Deed given to secure the same, shall be considered a prepayment of the indebtedness authorizing the holder, upon any such acceleration, and in addition to the balance of the principal and interest accrued thereon and all other amounts due under said Note and Security Deed, to the extent permitted by law, to recover an amount equal to the prepayment charge hereinabove provided, as if the indebtedness has been prepaid otherwise.

8. Time is of the essence as to each and every of the Borrower's obligations hereunder. Should a default be made in the payment of the unpaid principal balance of this Note, or in the payment of any installment of principal or interest when due or in the performance of any provision or condition contained in the Security Deed securing this Note, or in any other obligation contained in this Note or in any other instrument now or hereafter executed in connection with the indebtedness evidenced hereby, or should he Borrower or any maker, endorser, surety, guarantor or accommodating party of this Note (Borrower and each of the foregoing hereinafter collectively referred to as a "Party") make an assignment for the benefit if creditors, or should attachment or garnishment proceedings be commenced or a judgment be entered against any Party to this Note or a receiver be appointed over any property of any Party to this Note, or should any proceedings be instituted, either voluntarily or involuntarily, as to any Party to this Note under any state, federal or local bankruptcy or insolvency act, statute or ordinance, then the entire unpaid, balance of principal and accrued and unpaid interest shall become immediately due and payable at the option of the holder hereof, without notice or demand, irrespective or the maturity date specified herein, together with interest thereon at the highest rate allowable by law from the date of acceleration. The holder hereof may exercise this option to accelerate regardless of any prior forbearance. There are no conditions precedent whatsoever to the Lender exercising any of the rights or remedies granted herein. The full or partial release of any obligation of any Party, under this Note or the Security Deed securing the same, shall not serve to release or modify the obligations of any other Party.

9. The maker and endorsers of this Note further agree to waive presentment, presentment for acceptance, demand, notice, protest, notice of dishonor, and notice of nonpayment, and in the event suit shall be brought for the collection hereof, or the same has to be collected upon demand of a collection agency and/or an attorney to pay reasonable collection fees and/or attorney's fees. The Borrower agrees that in the event this Note is placed in the hands of any attorney for collection or for any action hereunder or under the Security Deed securing this Note, that a reasonable attorney's fees shall be the percent of the principal balance hereof. Said attorney's fees shall be due whether a suit be brought or not and in any proceeding arising out of the Note or the Security Deed which secures it, including, but not limited to, actions in State, Federal and Bankruptcy Courts. All parties agree that any sales and use tax imposed by any governmental authority upon any amounts due under this Note or Security Deed securing this Note or in any other instrument now or hereafter executed in connection with the indebtedness evidenced hereby shall be the responsibility of said Parties.

10. This Note is secured by a Security Deed of even date herewith and is to be construed and enforced according to the laws of the State of Georgia. Each of the undersigned expressly agrees to be bound by all of the terms, conditions and obligations contained in the said Security Deed. Upon default in the payment of principal or interest when due, the whole sum of principal and interest remaining unpaid shall, at the option of the holders, become immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of subsequent default. The holder hereof shall not be liable for or prejudiced by failure to collect or for lack of diligence in bringing suit on this Note or any renewal or extension thereof. The said Principal sum and accrued interest shall both bear interest for such time of default until repaid at the highest rate allowable under Georgia law.

11. Notwithstanding the foregoing the interest rate charged herein shall never be at any time more than the maximum rate of interest permitted by applicable law on effect from time to time. In the event that the said interest rate exceeds the maximum percentage permissible by applicable law, only the maximum percentage permissible shall then be charged, but thereafter in any interest period or periods during which the rate is less than the maximum percentage permissible by applicable law in effect from time to time, the applicable interest rate shall be increased so that Lender, its successors or assigns, may collect interest in such amount as may have been charged pursuant to the terms of this Note, but which was not charged because of the limitation imposed by law.

12. If the calculation of interest or the imposition of a change in the rate of interest after acceleration upon default or the payment of any fees or other charges which are construed to be interest under applicable law in effect from time to time, result in an effective rate of interest higher than that permitted , then such charges shall be reduced by a sum sufficient to result in an effective rate of interest no greater than the maximum effective rate of interest permitted to be paid under applicable law in effect from time to time.

13. Upon maturity of this Note, whether by acceleration or in due course interest shall be recalculated over the actual life of the loan based upon the amounts outstanding, and if the total of interest theretofore paid exceeds the amount permitted to be paid under applicable law in the effect from time to time, the excess shall be credited to principal or if such excess exceeds the principal amount due hereunder, refunded to the Borrower.

14. In the event the makers shall make any payment by check, which check shall be returned to the Lender for any reason other than improper endorsement, the maker shall be responsible for a $50.00 bank processing charge for returning said check, in addition to any late charge or penalty provided herein. Upon full payment and satisfaction of this obligation, the remaining balance due hereunder shall be paid by a cashier's check written on a local bank.

15. THE UNDERSIGNED HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT WHICH THE UNDERSIGNED MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH IHS NOTE AND ANY DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER THE UNDERSIGNED OR THE HOLDER HEREOF. IHS PROVISION IS A MATERIAL INDUCEMENT FOR THE HOLDER HEREOF TO MAKE A LOAN TO THE UNDERSIGNED IN PRINCIPAL AMOUNT HEREINBEFORE PROVIDED ABOVE.

16. NO ELECTION OF Remedies. In the event of a default, the payee hereunder shall have the separate right to sue any or all of the makers of this Note, to foreclose on the Security Deed being given as security for this Note, and to exercise any other right that the payee may have with respect to any other collateral. Each of these rights shall be independent of one another and the payee's pursuit of any one remedy shall not be deemed an election of remedies and shall not serve to limit the payee's right to pursue any other remedy.

BORROWER:

By SGB Development Corp, a Delaware corporation

/s/ Paul Galvin
Paul Galvin, as President

THIS IS TO CERTIFY THE ABOVE AND
FORECOING IS A TRUE AND ACCURATE
COPY OF THE ORIGINAL DOCUMENT

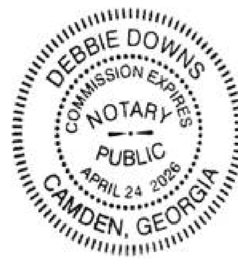
THIS 22nd DAY OF AUGUST 2022

/s/ Debbie Downs
NOTARY PUBLIC

THIS IS TO CERTIFY THE ABOVE AND
FORECOING IS A TRUE AND ACCURATE
COPY OF THE ORIGINAL DOCUMENT

THIS 22 DAY OF AUGUST 2022

/s/ Debbie Downs
NOTARY PUBLIC



Please return to:
Kinney & Hendrix, LLC
Attorneys at Law
P. O. Box 7050
St. Marys, GA 31558
File Number: 22-46925

STATE OF NEW YORK

COUNTY OF SUFFOLK

DEED TO SECURE DEBT

THIS DEED TO SECURE DEBT, made August 18, 2022, between Grantor, **SGB Development Corp., a Delaware corporation**, whose address is 5011 Gate Parkway Bldg. 100 Ste. 100, Jacksonville, FL 32256 (herein "Borrower"), and **Palermo Lender LLC**, a Florida limited liability company, whose address is 20428 NE 16 Pl., Miami, FL 33179 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of **$148,300.00**, which indebtedness is evidenced by Borrower's note of even date herewith (herein "Note"), providing for the payment of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on August 18, 2023;

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, including all renewals, extensions, and modifications, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed to Secure Debt, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to Paragraph 19 hereof (herein "Future Advances"), Borrower does hereby grant and convey to Lender and Lender's successors and assigns, with power of sale, the property described on the attached **Exhibit "A."**

TO HAVE AND TO HOLD such property unto Lender and Lender's successors and assigns forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed to Secure Debt; and all of the foregoing, together with said property are herein referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend the title to the Property against all claims and demands of all persons whomsoever,

Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed to Secure Debt.

2. Funds for Taxes and Insurance. Subject to Lender's option under Paragraphs 4 and 5 hereof, Borrower shall pay to Lender on the first day of each month, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Security Deed, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender shall make no charge for so holding and applying the Funds or verifying and compiling said assessments and bills. Lender shall not be required to pay Borrower any interest on the Funds. The Funds are pledged as additional security for the sums secured by this Deed to Secure Debt.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under Paragraph 2 hereof, then to interest payable on the Note and on Future Advances, if any, and then to the principal of the Note and to the principal of Future Advances, if any.

4. Charges: Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed to Secure Debt, and ground rents, if any, at Lender's option in the manner provided under Paragraph 2 hereof or by Borrower making payment when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payments directly, Borrower shall promptly furnish to Lender receipts evidencing such payments.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included with the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Deed to Secure Debt.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid at Lender's option in the manner provided under Paragraph 2 hereof or by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender, and Lender may make proof of loss if not made promptly by Borrower.

If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof (to the extent of the sums secured by this Deed to Secure Debt immediately prior to such sale or acquisition) resulting from damage to the Property prior to the sale or acquisition shall pass to Lender.

6. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property. If this Deed to Secure Debt is on a condominium unit, Borrower shall perform all of Borrower's obligations under the declaration of condominium or master deed, the bylaws and regulations of the condominium project and constituent documents.

7. Rents. As further security for the debt herein described, Borrower hereby sells, assigns, sets over and transfers to the Lender all of the rent which shall hereafter become due or to be paid for the use of the above described property, reserving only the right to the Borrower to collect said rents so long as there is no default in the obligations of the Borrower under this Deed to Secure Debt or in payment of the debt hereby secured. In the event of such default in said debt or any part thereof, principal or interest, or in the performance of any obligation of the Borrower under this deed, Lender may enter upon said premises and collect the rents therefrom and the Lender is hereby constituted and appointed as Borrowers agent and attorney in fact to collect such rents by any appropriate proceedings, and Lender is authorized to pay a rental or real estate agent 10% commission for collecting such rents. The net amount of rent so collected shall be applied towards the debt hereby secured.

8. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed to Secure Debt, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed to Secure Debt. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible by applicable law. Nothing contained in this Paragraph 8 shall require Lender to incur any expense or to do any act hereunder.

9. Inspection. Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for the conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender with the excess of the indebtedness, if any, paid to the Borrower. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds of principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

11. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed to Secure Debt granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend the time for payment or otherwise modify amortization of the sums secured by this security deed by reason of any demand made by the original Borrower and Borrower's successors in interest.

12. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed to Secure Debt.

13. Remedies Cumulative. All remedies provided in this Deed to Secure Debt are distinct and cumulative to any other right or remedy under this instrument or afforded by law or equity, and may be exercised concurrently, independently or successively.

14. Successors and Assigns Bound: Joint and Several Liability: Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 18 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed to Secure Debt are for convenience only and are not to be used to interpret or define the provisions hereof.

15. Notice. Any notice to Borrower provided for in this Deed to Secure Debt shall be given in person or by mailing such notice by certified mail addressed to Borrower at the address stated above. Any notice provided for in this Deed to Secure Debt shall be deemed to have been given to Borrower when given in the manner designated herein.

16. Perfection of Obligation. Borrower shall execute and deliver (and pay the costs of preparation and recording thereof) to Lender and to any subsequent holder from time to time, upon demand, any further instrument or instruments, including, but not limited to, security deeds, security agreements, financing statements, assignments and renewals and substitution notes, so as to reaffirm, to correct and to perfect the evidence of the obligation hereby secured and the legal security title of Borrower to all or any part of the premises intended to be hereby conveyed, whether now conveyed, later substituted for, or acquired subsequent to the date of this Deed to Secure Debt and extensions or modifications thereof. Borrower, upon request, made either personally or by mail, shall certify by a writing, duly acknowledged, to Lender or to any proposed assignee of this Deed to Secure Debt, the amount of principal and interest then owing on the secured indebtedness and whether or not any offsets or defenses exist against the secured indebtedness, within six days in case the request is made personally, or within ten days after the mailing of such request in case the request is made by mail.

17. Transfer of the Property: Assumption. If all or any part of the Property or any interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed to Secure Debt, (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (c) the grant of any leasehold interest of three years or less not containing an option to purchase; Lender may, at Lender's option, declare all the sums secured by this Deed to Secure Debt to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by

this Deed to Secure Debt shall be at such rate as Lender shall request.

18. Acceleration' Remedies. Upon Borrowers breach of any covenant or agreement of Borrower in this Deed to Secure Debt, including the covenants to pay when due any sums secured by this Deed to Secure Debt, Lender at Lenders option may declare all of the sums secured by this Deed to Secure Debt to be immediately due and payable without further demand and may invoke the power of sale herein granted (and Borrower appoints Lender the agent and attorney-in-fact for Borrower to exercise said power of sale) and any other remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Paragraph 18, including, but not limited to, attorney's fees in the amount of 15% of the amount due.

If Lender invokes the power of sale, Lender shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Lender, without further demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Lender may determine. Lender or Lender's designee may purchase the Property at any sale.

Lender shall deliver to the purchaser Lender's deed to the Property in fee simple and Borrower hereby appoints Lender Borrower's agent and attorney-in-fact to make such conveyance. The recitals in Lender's deed shall be prima facie evidence of the truth of the statements made therein. Borrower covenants and agrees that Lender shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable attorney's fees and costs of title evidence; (b) to all sums secured by this Deed to Secure Debt; and (c) the excess, if any, to the person or persons legally entitled thereto. The power and agency hereby granted are coupled with an interest, are irrevocable by death or otherwise and are cumulative to the remedies for collection of said indebtedness as provided by law.

If the property is sold pursuant to this Paragraph 18, Borrower, or any person holding possession of the Property through Borrower, shall immediately surrender possession of the Property to the purchaser at such sale. If possession is not surrendered, Borrower or such person shall be a tenant holding over and may be dispossessed in accordance with applicable law.

19. Future Advances. Upon request of Borrower, the original holder of the Note may make Future Advances to Borrower, prior to cancellation of this Deed to Secure Debt. Such Future Advances, with interest thereon, shall be secured by this Deed to Secure Debt when evidenced by promissory notes stating that said notes are secured hereby.

20. Waiver of Homestead. Borrower, for himself and family, hereby waives and renounces all homestead and exemption rights provided for by the Constitution and Laws of the United States or the State of Georgia, in and to the Premises as against the collection of the secured indebtedness, or any part thereof; and Borrower agrees that where, by the terms of the conveyance or the note secured hereby, a day is named or a time fixed for the payment of any sum of money or the performance of any agreement, the time stated enters into the consideration and is of the essence of the whole contract.

21. Deed to Secure Debt. This conveyance is to be construed under the existing laws of the State of Georgia as a Deed to Secure Debt passing title, and not as a mortgage, and is intended to secure the payment of all sums secured hereby.

22. Assumption Not a Novation. Lender' s acceptance of an assumption of the obligations of this Deed to Secure Debt and the Note, and any release of Borrower pursuant to Paragraph 17 hereof, shall not constitute a novation.

23. Subrogation. Lender shall be subrogated to all right, title, lien, or equity of all persons to whom it may have paid moneys in settlement of liens, charges, or in acquisition of title of or for its benefit hereunder, or for the benefit and account of Borrower at the time of making the loan evidenced by this Deed to Secure Debt, or subsequently under any of the provisions herein.

24. Names. The words "Borrower" and "Lender" whenever used herein shall include all individuals, corporations (and if a corporation, its officers, employees, agents or attorneys) and any and all other persons or entities, and the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and all those holding under either of them, and the pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the word "Note" shall also include one or more notes and the grammatical construction of sentences shall conform thereto.

25. Security Deed. This conveyance is to be construed under the existing laws of the State of Georgia as a deed passing title, and not as a mortgage, and is intended to secure the payment of all sums secured hereby. It is also the intent of the parties, as provided by O.C.G.A. S 44-14-80(a)(1), to establish for the benefit of Lender herein a perpetual or indefinite security interest in the property conveyed to secure the debt evidenced by this Deed to Secure Debt.

IN WITNESS WHEREOF, Borrower has executed and sealed this Deed to Secure Debt the year and date first above written.

SGB Development Corp

By: /s/ Paul Galvin
Paul Galvin, Its President

Signed, sealed, and delivered in
our presence, on August 19, 2022.

/s/ Kimberly Kakerbeck
Witness

/s/ Christine M. Thierry
Notary Public

My Commission Expires: 8/12/2023

Exhibit "A"

All that lot, tract or parcel of land lying and being in the City of St. Marys, 29th G.M. District, Camden County, Georgia more particularly described as follows:

All of Parcel 3, as more particularly shown and described on that certain plat of survey prepared by Jeffrey S. Foster, Georgia Registered Land Surveyor No. 3143, dated August 5, 2022, recorded in Plat Book 2022, page 93, Camden County, Georgia, records.

Together with an easement for ingress, egress, access, and utilities over, under, and through Roadway Parcel "A," Roadway Parcel "B," Dandy Street Extension, and Point Peter Road Additional Right-of-Way, as more particularly shown and described on that certain plat of survey prepared by Jeffrey S. Foster, Georgia Registered Land Surveyor No. 3143, dated August 16, 2022, recorded in Plat Book 2022, page 91, Camden County, Georgia, records. Said easement shall run with and be appurtenant to the property hereby conveyed.

Exhibit 10.9

PROMISSORY NOTE

$4,200,000.00 12/19/2021

FOR VALUE RECEIVED, the undersigned (herein "***Maker***"), promises to pay on demand to the order of SG Blocks, Inc. ("***Payee***"), the principal sum of FOUR MILLION TWO HUNDRED THOUSAND DOLLARS and 00/100 dollars ($4,200,000.00), 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 to Maker.

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 attorneys' 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:

SGB DEVELOPMENT CORP.

By: /s/ Paul M. Galvin
Paul M. Galvin,
Chief Executive Officer

Exhibit 10.10

OPERATING AGREEMENT OF
JDI-CUMBERLAND INLET, LLC

THIS OPERATING AGREEMENT (this "**Agreement**" or "**Operating Agreement**") is made and entered into as of the 24 day of June, 2021, by and between JACOBY DEVELOPMENT, INC., a Georgia corporation ("**JDI**") (hereinafter referred to as the "**Manager**"), SGB DEVELOPMENT CORP., a Delaware corporation ("**SG DEV**") (hereinafter, together with Manager, referred to individually as a "**Member**" and, collectively with any additional Members that may be admitted to the Company, as "**Members**") and JDI-CUMBERLAND INLET, LLC (the "**Company**").

RECITALS:

WHEREAS, JDI formed the Company by filing Articles of Organization with the Secretary of State of Georgia on August 11, 2020;

WHEREAS, no prior operating agreement of the Company has been entered into by JDI; and

WHEREAS, no membership interests in the Company have been issued to any person or entity prior to the date hereof; and

WHEREAS, as of the date hereof and immediately prior to the execution of this Agreement JDI is the sole member of the Company; and

WHEREAS, the Company is admitting SG DEV as a member and entering into this Agreement in connection therewith;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, Ten Dollars ($10.00) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto desire to set forth herein their respective rights, duties and responsibilities with respect to the Company and, therefore, hereby agree as follows:

ARTICLE I
DEFINITIONS

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Adjusted Capital Account." With respect to each Owner, the balance of such Owner's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Owner is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii) (d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Affiliate." With respect to any Person, (i) in the case of an individual, any Relative of such Person, (ii) any officer, director, trustee, partner, member, manager, employee or holder of fifty percent (50%) or more of any class of the voting securities of or equity interest in such Person, (iii) any corporation, partnership, limited liability company, limited liability partnership, trust or other entity controlling, controlled by or under common control with such Person.

"Articles of Organization." The Articles of Organization of JDI-CUMBERLAND INLET, LLC, as filed with the Secretary of State of the State of Georgia, as the same may be amended from time to time.

"BBA Partnership Audit Rules." Mean Sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015, including any other Code provisions with respect to the same subject matter as Sections 6221 through 6241 of the Code, and any regulations promulgated or proposed under any such Sections and any administrative guidance with respect thereto.

"**Budget.**" shall mean the annual operating budget for the Company approved by the Manager and presented to the Members.

"Capital Account." An account maintained with respect to each Owner in accordance with the following:

(i) An Owner's Capital Account shall be credited for the Owner's Capital Contributions and the Profits and items of income and gain allocated to the Owner pursuant to this Agreement, and shall be debited for distributions to the Owner pursuant to this Agreement and the Losses and items of loss and deduction allocated to the Owner pursuant to this Agreement.

(ii) In the event any Economic Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the transferred Economic Interest.

(iii) If the net amount with regard to any Owner's Capital Account is a credit, such amount shall be referred to as a positive Capital Account balance; if the net amount is a debit, a negative Capital Account balance.

The foregoing provisions and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations and shall be interpreted and applied in a manner consistent therewith.

"Capital Contribution." Any contribution by an Owner to the capital of the Company pursuant to this Operating Agreement, in cash or property, whenever made. The amount of any Capital Contribution made by an Owner other than in cash, shall be the net fair market value of the property, as determined by the Members.

"Code." The Internal Revenue Code of 1986, as may be amended from time to time. All references herein to specific sections of the Code shall be deemed to refer also to any successor provisions of succeeding law.

"Company." JDI-CUMBERLAND INLET, LLC, a Georgia limited liability company.

"Economic Interest." A Member's or Economic Interest Holder's share of one or more of the Company's Profits, Losses and rights to distributions of the Company's Net Cash Available for Distribution pursuant to this Operating Agreement and the Georgia Act, but not any right to vote on, consent to, approve or otherwise participate in any

decision of the Members.

“Economic Interest Holder.” The owner of an Economic Interest who is not a Member.

“Entity.” Any general partnership, limited liability partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

“Fiscal Year.” The Company’s fiscal year, which shall be the calendar year, unless otherwise agreed by the Members.

“Georgia Act.” The Georgia Limited Liability Company Act (O.C.G.A. §14-11-100, et seg.), as may be amended from time to time.

“Majority Interest.” Members owning 51% of the outstanding Ownership Percentages.

“Manager.” The party or parties appointed a Manager pursuant to Section 5.1 below. The Company may have more than one Manager. The initial manager shall be Jacoby Development, a Delaware limited liability company.

“Member.” Each Person who executes a counterpart of this Operating Agreement as a Member and each Person who may become a Member hereafter.

“Member Loan.” A loan made by a Member pursuant to Section 8.1(d) below.

“Membership Interest.” A Member’s entire interest in the Company, including such Member’s Economic Interest and Voting Interest.

“Net Cash Available for Distribution.” The gross cash proceeds from Company operations, less the portion thereof used to pay or establish reserves for all Company working capital purposes, and other costs or expenses incident to the ownership or operation of the Company’s business, all as determined by the Managers. “Net Cash Available for Distribution” shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established pursuant to the first sentence of this paragraph.

“Operating Agreement.” This Operating Agreement as originally executed and as may be amended from time to time in accordance with the terms hereof

“Outstanding Capital Contribution.” A Member’s total Capital Contributions less the cumulative distributions to such Member pursuant to Section 9.1(b).

“Owner.” Any Member or any Economic Interest Holder. “Owners” means, collectively, all Members and Economic Interest Holders.

“Ownership Percentage.” The Ownership Percentage of each Member as set forth on the attached Exhibit “A”. In the event all or any portion of an Economic Interest is transferred by an Owner in accordance with the provisions of this Operating Agreement, the transferee shall succeed to the Ownership Percentage of the transferor to the extent it relates and corresponds to the transferred Economic Interest. For purposes of the provisions hereof relating to actions taken or approved by Members, including voting, written consents or other approvals, Ownership Percentages held by Members shall not be taken into account.

“Person.” Any association, corporation, joint stock company, estate, general partnership, limited association, limited liability company, joint venture, limited partnership, natural person, real estate investment trust, business trust or other trust, custodian, nominee or any other individual or entity in its own or any representative capacity.

“Profits” and ”**Losses**.” For each Fiscal Year, an amount equal to the Company’s taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(l) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses in accordance herewith shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as 705(a)(2)(B) expenditures pursuant to Section 1.704-l(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Profits and Losses in accordance herewith shall be subtracted from such taxable income or loss;

(iii) In the event the Members determine to adjust the book value of Company property pursuant to Section 1.704-1(b)(2)(iv)(f) of the Regulations, the amount of such adjustment shall be added to (to the extent it results in an increase in the book value of the property) or subtracted from (to the extent it results in a decrease in the book value of the property) such taxable income or loss;

(iv) In the event any property is reflected on the books and records of the Company at an amount which differs from the property’s adjusted basis for federal income tax purposes, then Profits and Losses shall be determined with respect to items of income, gain, loss or deduction attributable to such property in accordance with Section 10.6 hereof; and

(v) Any items which are specially allocated pursuant to Sections 10.3, 10.4 and

10.6 hereof shall not be taken into account in computing Profits and Losses.

If the Company’s taxable income or taxable loss for a Fiscal Year, as adjusted in the manner provided above, is a positive amount, such amount shall be the Company’s Profit for such Fiscal Year; and if negative, such amount shall be the Company’s Loss for such Fiscal Year.

“Project” shall mean the Project Land together with the improvements developed thereon as more fully described in the Executive Summary attached hereto as Exhibit B and made a part hereof.

“Project Land.” That certain piece of real property consisting of approximately 1,268 Acres of land in the City of St. Mary’s Georgia, of which approximately 352

Acres are developable.

"Relative." Any member of the immediate family of an individual Member (parents, children, grandchildren and/or spouse), or any trust for the primary benefit of a Member, or the aforesaid members of the immediate family of such individual Member.

"**Service Provider**" means, any Person who provides services to the Company or any Person controlled by the Company, whether an Affiliate of the Managers or otherwise, as may be designated or selected from time to time as such by the Managers, in their sole and absolute discretion, and to which the Company may pay Service Provider Fees in accordance with Section 6.07(b), in each case for so long as such Person acts in such capacity.

"Treasury Regulations" or "Regulations." The Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Voting Interest" A Member's right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement or the Georgia Act. For purposes of the provisions hereof relating to actions taken or to be taken or approval by Members, only Voting Interests shall be taken into account. In the event all or any portion of an Economic Interest is transferred by an Owner in accordance with the provisions of this Operating Agreement, the transferee shall not succeed to the Voting Interest of the transferor; any transferee of an Economic Interest who has not been admitted as a Member shall have no Voting Interest.

ARTICLE II
FORMATION OF COMPANY AND INVESTMENTREPRESENTATIONS

2.1 **Formation**. On August 11, 2020 the Company was formed as a Georgia Limited Liability Company by executing and delivering the Articles of Organization to the Secretary of State of Georgia in accordance with the provisions of the Georgia Act.

2.2 **Name**. The name of the Company is **JDI-CUMBERLAND INLET, LLC**

2.3 **Principal Place of Business**. The principal place of business of the Company within the State of Georgia is 8200 Roberts Drive, Suite 200, Atlanta, Georgia 30350. The Company may locate its place(s) of business and registered office at any other place or places as the Members may deem advisable from time to time.

2.4 **Registered Agent and Registered Office**. The Company's registered agent is Jacoby Development. Inc. and its registered office is the office of its registered agent at 8200 Robert Drive, Suite 200, Atlanta, Georgia 30350. The registered agent and registered office may be changed from time to time by filing the name of the new registered agent and/or the address of the new registered office with the Secretary of State of the State of Georgia pursuant to the Georgia Act.

2.5 **Term**. The term of the Company commenced on the date the Articles of Organization were filed with the Secretary of State of the State of Georgia and shall continue until dissolved in accordance with the provisions of this Operating Agreement or the Georgia Act.

2.6 **Investment Purpose**. Each Member acknowledges that the interests in the Company, including each Member's Ownership Interest, have not been registered under the Georgia Securities Act of 1973, as amended **("Georgia Securities Act"),** any other state securities or blue sky laws or the Securities Act of 1933, as amended **("Federal Securities Act").** To the extent the interests are deemed to constitute a "security", such interests have been issued in reliance on Paragraph (13) of Section 10-5-9 of the Georgia Securities Act and the statutory exemption under the Federal Securities Act relating to transactions not involving a public offering (Section 4(2)), and each Member acknowledges that reliance on such exemptions is based in part on the representations made by such Member in this Section 2.6. The interests in the Company may not be sold or transferred except in a transaction which is exempt under the Georgia Securities Act and the Federal Securities Act, or pursuant to an effective registration under the Georgia Securities Act, the Federal Securities Act and any other applicable state securities laws. Each Member hereby represents and warrants that its interest in the Company is being acquired for investment purposes only and without the intent of participating directly or indirectly in a distribution thereof.

ARTICLE III
BUSINESS OF COMPANY

3.1 The business purpose of the Company shall be limited to:

(a) acquiring and owning the Project Land;

(b) developing the improvements on the Project Land, including a marina, towncenter, apartments and single family units, townhomes, commercial, retail and lodging buildings/structures, eco-tourism park, inclusive of camping yurts, cabins and cottages all utilizing modular structures designed, fabricated and installed by SG Echo pursuant to a Service Provider agreement substantially in the form of Exhibit C;

(c) developing, operating, improving, financing, refinancing, recapitalizing, leasing, managing, commercially exploiting and eventually selling the Project, and otherwise dealing with the Project for the benefit of the Company;

(d) engaging in all activities necessary, customary, convenient, or incidental to any of the foregoing.

ARTICLE IV
NAMES AND ADDRESSES OF MEMBERS

4.1 The names of the Members are as follows:

Jacoby Development, Inc.
SGB Development Corp.

The addresses of the Members are set forth next to their signatures below.

ARTICLE V
MANAGEMENT

5.1 **Manager; Tenure and Qualifications**. The Company initially shall have one Manager to be designated by JDI. JDI designates itself as the initial Manager (the **"Manager").** A Manager need not be a resident of the State of Georgia or a Member of the Company. A Manager of the Company may resign at any time by giving written notice to the Members. The resignation of a Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice. Unless otherwise specified in the notice thereof, the acceptance of such resignation shall not be necessary to make it effective. A Manager may be removed only by the Member that designated that Manager. If a Manager resigns or is removed, the Member that designated that Manager shall designate a successor Manager to take the place of the Manager that resigned or was removed. The resignation or removal of a Manager that is a Member shall not affect the rights of the Member, as a Member, and shall not constitute a withdrawal of the Member from the Company.

5.2 **Management**. Subject to the terms of this Agreement, including but not limited to Section 5.3, the property, business and affairs of the Company will be managed, and the conduct of its day-to-day business will be controlled by the Manager, subject to the specific delegation of responsibilities described in subsections (c) through (g) below. Except as otherwise provided hereunder, the Manager shall have all of the rights, powers and obligations of a class of managers as provided in the Act and as otherwise provided by law. Without limiting the generality of the foregoing, the Manager, after consulting with the other Members, shall have the following powers, and the Manager is authorized on behalf of the Company to do or cause to be done the following:

(i) to acquire the Project Land, including arranging the financing therefor;

(ii) to supervise and manage the Project, including arranging the financing therefor;

(iii) to supervise the property, business and affairs of the Company and hire, on behalf of the Company, such employees, consultants, professionals or other personnel as may be necessary or desirable in connection therewith, provided that such actions are in accordance with the Budget, from time to time;

(iv) to cause the Company to enter into such Service Provider Agreements with a general contractor for the Project that may provide for subcontracting to an Affiliate of the Members, provided that such general and subcontracting agreements shall be at arms-length;

(v) to make any and all filings on behalf of the Company and its Members as it shall deem necessary, including, without limitation, the filing of such documents, forms and requests for exemption as may be required pursuant to federal and state securities laws;

(vi) to make such filings with governmental and other authorities and to take any and all other actions as may be necessary to maintain the limited liability of the Members of the Company;

(vii) to establish and maintain bank accounts, including savings, checking accounts and demand deposit accounts, and cash management accounts;

(viii) to cause the Company to enter into such Service Provider Agreements with vendors or consultants, including SG DEV. or its Affiliates;

(ix) to employ accountants, legal counsel or other experts to perform services for the Company and to compensate them from Company funds;

(x) incur indebtedness or arrange financing for or on behalf of the Company, in order to pay expenses of the Company Expenses and/or to invest in the Project and fund the Company's operations; and

(xi) to take such actions that the Manager deems necessary or advisable, in its reasonable discretion and business judgment, to execute, deliver and perform the Company's rights and obligations.

5.3 **Major Decisions**. Notwithstanding Section 5.2, or any power or authority granted the Managing Member under the Act, the Manager may not make any decision, take any action, or intentionally permit occurrence of an event specified below (each, a "**Major Decision**") without first obtaining the written consent of the other Members, which consent shall not be unreasonably withheld or delayed:

(i) amend or modify this Agreement the result of which is to adversely affect and/or impair SG DEV's rights, benefits and interests hereunder;

(ii) initiate or conduct any non-budgeted or non-ordinary course expenses, capital or emergency costs in excess of $50,000 in cost per occurrence, except for (i) repairs which if not made promptly could reasonably be expected to result in material damage to the Project or harm to health, safety or welfare of occupants, guests or the public and (ii) repairs resulting from a casualty whereby the repairs are fully covered by insurance (except for normal and customary deductibles) and are substantially in accordance with the original plans and specifications for the Project, except as adjusted to comply with requirements of law and any loan documents;

(iii) cause or permit the Company or any of its respective Affiliates to engage in any activity with respect to the Company, the Project, and/or the Company Business that is not consistent with the purpose of the Company as set forth in Section 3.1;

(iv) enter into purchase and sale or other transaction agreements on behalf of the Company to make or dispose of the Project, or assets of the Company or merger or effect another form of corporate transaction;

(v) cause or permit a change to the tax or accounting methodology utilized by the Company;

(vi) modify or waive any provision of the annual Budget of the Company;

(vii) cause a distribution of property other than cash to the Members;

(viii) cause the Company to pay the Manager a fee for its services as Manager of the Company;

(ix) merge, consolidate, convert, or otherwise reorganize the Company with or into another Person, re-domesticate, or otherwise change the state or other jurisdiction where the Company is organized, or enter into any share or unit exchange (or similar transaction);

(x) hypothecate, pledge, encumber or grant any security interest in a material portion of the assets of the Company;

(xi) convert or reorganize the Company into another entity form (including a corporation) or cause the Company to be taxed as a corporation for federal income tax purposes;

(xii) except as otherwise provided in this Agreement, enter into, amend, restate, substitute, or modify, or make any other decision with respect to, any contract, agreement, transaction, or other arrangement between the Company and the Manager or any Member (or any Affiliate of a Manager or any Member), in a manner that is not pursuant to terms and conditions that are substantially the same as those that would be available on an arms-length basis with third parties other than the Manager, Member or Affiliate;

(xv) making or permitting the Company to make, any loans or advances to or guaranties for the benefit of any Person (other than a wholly owned subsidiary of the Company);

(xvi) approve of the appointment of a Manager to succeed JDI;

(xviii) make any decision to dissolve and liquidate the Company;

(xix) admit new members to or issue economic interests in the Company in accordance with Section 8.8, provided (i) the rights, privileges, benefits and equity valuation offered by the Manager are not superior to those of SG DEV hereunder and (ii) SG DEV's Membership Interest is not diluted by reason of such admission.

(xx) increase or decrease the number of Managers; and

(xxi) amend, modify or make any additional acquisitions or expand the scope of the Project.

Unless authorized to do so herein or otherwise by the Members, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been authorized by the Manager to act as an agent of the Company in accordance with the previous sentence.

5.4 **Non-Exclusive Duty**. Except as specifically provided herein, the Manager shall not be required to manage the Company as the Manager's sole and exclusive function and any the Manager may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, pursuant to this Operating Agreement or otherwise, to share or participate in such other investments or activities of a Member or a Manager or to the income or proceeds derived therefrom. No Member or Manager shall incur liability to the Company or to any of the Members as a result of engaging in any other business or ventures.

5.5 **Limitation on Liability of Manager: Indemnification**.

(a) A Manager shall not be liable to the Company or to any Member for good faith negligence or for honest mistakes of judgment or losses or liabilities due to such good faith mistakes or due to the negligence, dishonesty, unlawful acts or bad faith of any employee, broker or other agent, accountant, attorney, other professional or person employed by the Company provided that such person was selected, engaged, retained and supervised by such Manager with reasonable care. A Manager shall have no liability to the Company or to any Member for any loss suffered by the Company which arises out of any action or inaction of the Manager if, prior thereto, the Manager, in good faith, determined that such course of conduct was in, and not opposed to, the best interests of the Company and such course of conduct did not constitute willful misconduct or a material breach of this Agreement or gross negligence.

(b) A Manager, its members, managers, Members, agents, employees and representatives shall be indemnified by the Company to the fullest extent permitted by law, against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it or any of them in connection with the Company, provided that (i) such course of conduct was, in good faith, intended to be in, and not opposed to, the best interests of the Company and such liability or loss was not the result of willful misconduct, or a material breach of this Agreement or gross negligence on the part of the Manager or such person, and (ii) any such indemnification will only be recoverable from the assets of the Company and the Members shall not have any liability on account thereof. All rights to indemnification permitted herein and payment of associated expenses shall not be affected by the dissolution or other cessation of the existence of the Manager, or the withdrawal, adjudication of bankruptcy or insolvency of the Manager.

(c) Expenses incurred in defending a threatened or pending civil, administrative or criminal action, suit or proceeding against any person who may be entitled to indemnification pursuant to this Section 5.5 may be paid by the Company in advance of the final disposition of such action, suit or proceeding, if (i) the legal action relates to the performance of duties or services by such person on behalf of the Company, (ii) the legal action is initiated by a third party who is not a Member, (iii) there is a reasonable likelihood that such party will be entitled to indemnification by the Company with respect to such legal action and (iv) such person undertakes to repay the advanced funds to the Company in cases in which it is not entitled to indemnification under this Section 5.5.

(d) The term **"Manager"** as used in this Section 5.5 shall include any additional or substitute Manager.

5.6 **Books and Records; Reporting**. The Managers shall, at the expense of the Company, keep, or cause to be kept, accurate, full and complete books of accounts showing assets, liabilities, income, operations, transactions, and the financial condition of the Company on the cash basis of accounting; and any Member shall have access thereto at any reasonable time during regular business hours and each shall have the right to copy said records at his own expense. The Manager shall (i) provide the Members, no less than quarterly, written reports concerning the status of the development of the Project, including balance sheet, income statement and cash flow statement, (ii) provide annual financial statements, the truthfulness and accuracy of which shall be verified under oath by a principal officer of the Manager, and (iii) cooperate with SG DEV's auditors in connection with their audit of SG DEV and its affiliates.

5.7 **Federal Income Tax Elections**. All elections required or permitted to be made by the Company under the Code shall be made by the Tax Matters Member (as that term is hereinafter defined). For all purposes permitted or required by the Code, the Members constitute and appoint Advantage as "tax matters partner" pursuant to Section 6231(a)(7) of the Code (the **"Tax Matters Member"),** or if Advantage is no longer a Member, then such other Member as shall be elected by the vote of the Members owning a Majority Interest shall be the Tax Matters Member. The provisions on limitations of liability of the Members and indemnification set forth in this Article V hereof shall be fully applicable to the Tax Matters Member in its capacity as such. The Tax Matters Member may resign at any time by giving written notice to the Company and each of the other Members. Upon the resignation of the Tax Matters Member, a new Tax Matters Member may be elected by the vote of Members holding a Majority Interest. Effective as

of January 1, 2018, or if later, the date that the BBA Partnership Audit Rules are first applicable to the Company, the Tax Matters Member is hereby designated the "partnership representative" as defined in Section 6223 of the Code, as amended by the Bi-partisan Budget Act of 2015 (the **"Partnership Representative").** The Partnership Representative is authorized and required to represent the Company (at the Company's expense) in all disputes, controversies or proceedings with the Internal Revenue Service, and, in its sole discretion, is authorized to make any available election with respect to the BBA Partnership Audit Rules and take any action it deems necessary or appropriate to comply with the requirements of the Code and to conduct the Company's affairs with respect to the BBA Partnership Audit Rules. Each Member and former Member will cooperate fully with the Partnership Representative with respect to any such disputes, controversies or proceedings with the Internal Revenue Service, including providing the Partnership Representative with any information reasonably requested to comply with and make elections under the BBA Partnership Audit Rules.

ARTICLE VI
RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 **Limitation of Members' Liability**. Each Member's liability shall be limited as set forth in this Operating Agreement, the Georgia Act and other applicable law.

6.2 **No Liability for Company Obligations**. No Member will have any personal liability for any debts or losses of the Company beyond his or its respective Capital Contributions.

6.3 **List of Members**. Upon the written request of any Member, the Company shall provide a list showing the names, addresses, Membership Interest and Economic Interest of all Members and any other information required to be provided to Members by the Georgia Act.

6.4 **Priority and Return of Capital**. Except as may be expressly provided in Article IX, no Member or Economic Interest Holder shall have priority over any other Member or Economic Interest Holder, either as to the return of Capital Contributions or as to Profits, Losses or distributions. This Section shall not apply to loans (as distinguished from Capital Contributions) which a Member makes to the Company.

6.5 **Transactions Between the Company and Members**. Notwithstanding that it may constitute a conflict of interest, any Member and/or Manager and their respective Affiliates may engage in any transaction with the Company so long as such transaction is not expressly prohibited by this Agreement and so long as the terms and conditions of such transaction, on an overall basis, are fair and reasonable to the Company and are at least as favorable to the Company as those that are generally available from persons capable of similarly performing them.

ARTICLE VII
MEETINGS OF MEMBERS

7.1 **Meetings**. Meetings of the Members for any purpose, unless otherwise prescribed by the Georgia Act, may be called by any Member. Written notice to each Member entitled to vote at such meeting, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) nor more than fifty (50) days before the date of the meeting in the manner designated for notices pursuant to Section 16.14 hereof.

7.2 **Meeting Without Notice; Meeting by Telephone**. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice. At such meeting, any lawful action may be taken. Members may also meet by video or telephonic conference call provided the requisite notice is given or waived.

7.3 **Place of Meetings**. The Persons calling any meeting may designate any place mutually agreed by all Members, or if they cannot agree, then any place within Metropolitan Atlanta, Georgia, or any place within thirty (30) miles of the Project, as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal executive office of the Company in the State of Georgia.

ARTICLE VIII
CAPITAL CONTRIBUTIONS, LOANS, LOAN GUARANTIES, AND ADDITIONAL MEMBERS

8.1 **Capital; Percentage Interests; Capital Accounts**.

(a) Initial Capital Contributions. JDI has already made a Capital Contributions to the Company in the amount of five hundred thousand dollars ($500,000). For its Capital Contribution to the Company, SG DEV shall pay into the Company the sum of three million dollars ($3,000,000), the proceeds of which shall be used to acquire the Project Land by and in the name of the Company, provided further that SG DEV's Capital Contribution shall not be due until it completes due diligence concerning the Property no later than June 29, 2021.

(b) Exhibit "A" sets forth the Ownership Percentages of each Member in the Company. The Ownership Percentage of each Member in the Company may be evidenced by a certificate issued by the Company to each respective Member in such form as shall be approved by the Manager.

A Capital Account shall be maintained by the Manager for each Member in accordance with the requirements of Treas. Reg. §1.704-1(b)(2)(iv). In furtherance thereof, Capital Accounts shall be (i) debited for distributions to the Members pursuant to Sections 7, 8 and 15 hereof and for allocations of losses and deductions in accordance with Section 6 hereof, (ii) credited for the cash contributions by the Members pursuant to this Section 5 and allocations of profits and gain pursuant to Section 6 hereof.

(c) Additional Capital Contributions; Third Party Loans.

(i) No Member shall have any obligation to contribute any capital to the Company.

(ii) In the event Manager determines that the Company requires funds, the Manager shall cause the Company to attempt to borrow the necessary additional capital on a non-recourse basis, from banks or institutional lenders, upon such terms and at such rates as are commercially reasonable at that time (a "**Loan**"). Each Member shall cooperate in the Company's attempts to obtain any Loan.

(d) Loans by Members. In the event the Company is unable to borrow any necessary additional capital from third parties as described in Section 8.1(c) above, any Member shall have the right, but not the obligation, to loan such additional capital to the Company on terms set forth herein below (hereinafter a "Member **Loan**"). If more than one Member elects to make any such Member Loan to the Company, the Members shall coordinate such Member Loans so that the Member Loans shall be made only in proportion to the respective percentage interest in the Company of the Members making such Member Loans. If any Member(s) shall make any Member Loan(s) to the Company or advance money on its behalf as described hereinabove, the amount of any such Member Loan(s) or advance(s) shall not be treated as a Capital Contribution but

shall be a debt due from the Company. Any such Member Loan(s) of additional capital to the Company by a Member shall bear interest at the "Prime Rate" listed in the "Money Rates" column in The Wall Street Journal (or such other comparable rate as may be reasonably designated by the Manager, if such "Prime Rate" is not ascertainable) plus four percent (4%) and such Member Loan and interest shall be repayable by the Company out of Cash Flow and net proceeds as set forth in Section 8.3 below. Upon the request of any Member, the Company shall execute a promissory note evidencing any Member Loan made by such Member pursuant to the terms of this Section 8.1(d).

8.2 **Allocations/Tax Matters**.

(a) Allocation of Profits and Losses. Unless otherwise agreed, profits and losses shall, for income tax purposes, be allocated to the Members pro rata in accordance with their respective percentage interests.

(b) Tax Matter Partner. Manager shall be the tax matters partner for the Company.

(c) Tax Elections. Manager shall have the right to make tax elections for the Company, including an election pursuant to Section 754 of the Internal Revenue Code of 1986.

8.3. Cash Flow. At such times as it deems appropriate, but no less often than quarterly, the Manager shall distribute the "Cash Flow" (as hereinafter defined) of the Company as follows:

(a) First, to the Members pro rata and in proportion to any Member Loans made by the Members pursuant to Section 5 above, to repay any accrued but unpaid interest under such Member Loans;

(b) Next, pro rata and in proportion to any Member Loans made by the Members pursuant to Section 5 above, to repay any unpaid principal under any such Member Loans;

(c) Next, to the Members pro rata to their respective Ownership Percentage interests in the Company.

For purposes of this Agreement, the "Cash Flow" of the Company shall be the gross cash receipts for the applicable accounting period from all sources, other than capital contributions of the Members, less gross cash expenditures of the Company for such period determined in accordance with sound cash method principles consistently applied, and less cash on hand of the Company as of the end of such period in such reserves or additions to reserves reasonably deemed necessary or appropriate by the Manager to meet the obligations of the Company.

8.4 Sales Proceeds and Refinancing Proceeds. The net proceeds received by the Company from any sale, financing or refinancing by the Company (less any reserves reasonably deemed necessary or appropriate by the Manager to meet the obligations of the Company) shall be distributed in accordance with this Section 8.4 promptly following receipt thereof by the Company. For purposes of this Agreement, condemnation proceeds and casualty or hazard insurance proceeds (to the extent not used for rebuilding) shall be deemed sales proceeds. Such proceeds shall be distributed in the following order and priority:

(a) First, to the Members pro rata and in proportion to any Member Loans made by the Members pursuant to Section 8.1(d) above, to repay any accrued but unpaid interest under such Member Loans;

(b) Next, pro rata and in proportion to any Member Loans made by the Members pursuant to Section 8.1(d) above, to repay any unpaid principal under any such Member Loans;

(c) Next, to the Members as a return of capital, pro rata in accordance with their capital contributions to the Company, to the extent such capital has not already been repaid out of distribution(s) under this Section;

(d) all remaining proceeds shall be distributed to the Members pro rata in accordance with their respective Ownership Percentage interests in the Company.

8.5 Rules Governing Capital. Except as otherwise expressly provided in this Operating Agreement or as required by law:

(a) no Owner may withdraw any Capital Contribution from the Company;

(b) no Owner shall be required to make Loans to the Company;

(c) neither a Loan by an Owner to the Company nor its repayment by the Company shall have any effect on any Owner's Capital Account or Economic Interest except as provided by Section 8.2(e) above; and

(d) notwithstanding the nature of any Owner's Capital Contribution, such Owner has only the right to demand and receive cash in return for such Capital Contribution.

8.6. Right of First Refusal. If JDI receives a good faith, bona fide written offer from an unaffiliated third party to purchase all or any portion of the Project, which offer JDI intends to accept (an "**Offer**"), JDI shall first offer to SG DEV at the same price and upon substantially the same terms as are contained in the Offer. JDI's offer to SG DEV shall be in writing and shall be accompanied by a copy of the Offer. SG DEV shall have thirty (30) calendar days after receipt of such offer from JDI (the "**ROFR Offer Period**") within which to accept the offer. If SG DEV fails to accept or affirmatively rejects the offer to purchase all or any portion of the Project within the Company Offer Period, JDI then shall offer to sell all or any portion of the Project which are not to be purchased by SG DEV.

8.7 Forced Sale. At any time following the funding from SG DEV of its capital contribution through and including the second anniversary of the execution hereof, JDI shall have the right at its discretion to purchase the interest of SG DEV, by (i) returning to SG DEV its $3,000,000 capital contribution and (ii) providing an Annual Internal Rate of Return (IRR) of forty (40%) Percent (i.e. $1,200,000 per year). Provided SG DEV has funded its capital contribution, at any time after second anniversary of the execution hereof, JDI shall have the right at its discretion to purchase the interest of SG DEV by (i) returning to SG DEV its $3,000,000 capital contribution and (ii) providing an Annual Internal Rate of Return (IRR) of thirty-two and one-half (32.5%) Percent (i.e. $975,000 per year). The exercise by JDI of the buyout right set forth in this Section 8.7 shall in no way impair or affect SG DEV's rights and interests in and to the Service Provider agreement with the Company, all of which shall remain in full force and effect.

8.8 Purchase of Membership Interest. At the closing of the purchase and sale of a Member's Membership Interest in the Company pursuant to the Section 8.7 above (the day of such closing is hereinafter referred to as the **"Closing Date"),** the purchasing Member shall pay the entire purchase price for such Membership Interest in accordance with the terms of the Section above and the selling Member shall duly execute and deliver all documents that may be necessary or desirable, in the reasonable opinion of the purchasing Member and its counsel, to effect the transfer of the selling Member's entire Membership Interest in the Company to the purchasing Member. Such Membership Interest in the Company shall be conveyed to the purchasing Member by the selling Member free and clear of all liens and encumbrances, whatsoever, other than those affecting the Project, and the purchasing Member shall accept such Membership Interest subject to the selling Member's share, if any, of all liabilities and obligations of the Company as of the Closing Date, and shall assume and agree to pay and perform and indemnify and hold the selling Member wholly harmless from all liabilities and obligations of the Company as of the Closing Date with respect to which, and to the extent the selling Member is personally liable. The purchasing Member, as a condition to the selling Member's obligation to consummate the sale of its Membership Interest in the Company to the purchasing Member, shall release of the selling Member and any affiliated guarantor from any and all liabilities and obligations of the Company for which the selling Member or such guarantor is personally liable. Notwithstanding anything to the contrary set forth in this Section, the selling Member and any affiliated guarantor shall not be released from, and shall have continuing liability for, all liabilities and obligations to the Company arising out of the selling Member's fraud, bad faith, willful misconduct or gross negligence.

8.9 **Additional Members**. Subject to Section 5.3(xix) hereof, the Manager may at any time and from time to time cause the Company to issue additional Membership Interests for such consideration, and upon such terms and conditions, and to such Persons, as the Manager shall determine, including but not limited to any new or existing Members (including the Manager). Except as otherwise provided in this Agreement, any issuances of Membership Interests pursuant to this Section 8.9 may be in one or more classes (either new or existing classes) for such consideration and on such terms and conditions as the Manager in its discretion determines to be in the best interests of the Company, which classes of Membership Interests may have such designations, preferences, and relative, participating, optional or other special rights as shall be fixed by the Manager.

ARTICLE IX
DISTRIBUTIONS TO OWNERS

9.1 **Net Cash Available for Distribution**. Except as otherwise provided in Article XIV hereof, the Manager shall distribute, at such times it reasonably deems appropriate, Net Cash Available for Distribution to the Members in the following order of priority:

(a) First, if any Member Loans have been made to the Company pursuant to Section 8.1 above or if a Member or an Affiliate of a Member has made any payments to a third party lender pursuant to the guarantee or endorsement of any debt of the Company **("Guarantee Payments")** or if a Member has directly paid or advanced funds to a third party on behalf of the Company, which payments or advances are approved by the Manager **("Advances"),** then to such Member(s) in the amount of each such Member Loan or Guarantee Payment or Advance, applied first to the payment of accrued but unpaid interest on such Member Loan(s) or Guarantee Payment(s) or Advance(s) (with interest on any such Guarantee Payment or Advance being accrued at the rate set forth in Section 8.3 for Member Loans) and, after such interest has been paid in full, applied to the principal amount thereof (for purposes of this 9.l(a), only Member Loan(s) or Guarantee Payment(s) or Advance(s) made after the date of this Operating Agreement, if any, shall be considered). Notwithstanding anything to the contrary set forth herein, under no circumstances shall either Guarantee Payments or Advances be deemed to include the Certificate of Deposit (as defined below);

(b) Next, to the Members in the amount of their Outstanding Capital

(c) Any remaining Net Cash Available for Distribution shall be distributed to the Members pro rata in accordance with their respective Ownership Percentages.

9.2 **Limitation Upon Distributions**. No distribution shall be made to the Owners if prohibited by O.C.G.A. §14-11-407.

9.3 **Interest On and Return of Capital Contributions**. No Owner shall be entitled to interest on its Capital Contribution or to the return of its Capital Contribution, except as otherwise specifically provided for herein.

9.4 **Withholding**.

(a) The Company shall withhold and pay over to the Internal Revenue Service or other applicable taxing authority all taxes or withholdings, and all interest, penalties, additions to tax, and similar liabilities in connection therewith or attributable thereto (hereinafter **"Withheld Taxes**") to the extent that the Tax Matters Member determines that such withholding and/or payment is required by the Code or any other law, rule, or regulation, including, without limitation, Sections 1441, 1442, 1445, or 1446 of the Code and Section 48-7-129 of the Official Code of Georgia Annotated. The Tax Matters Member shall determine in good faith to which Member such Withheld Taxes are attributable. All amounts withheld pursuant to this Section 9.4 with respect to any allocation, payment or distribution to any Member shall be considered a loan **("Withholding Loan")** by the Company to such Member. The borrowing Member shall repay such Withholding Loan within ten Business Days after the Tax Matters Member delivers a written demand therefor, together with interest from the date such loan was made until the date of repayment thereof at a rate per annum equal to the lesser of (i) the maximum rate permitted by law, and (ii) the "Prime Rate" (as defined in Section 8.3 above). In addition to any rights of the Company to enforce its right to receive payment of the Withholding Loan, plus any accrued interest thereon, the Company may deduct from any distribution to be made to a borrowing Member or any amount available for distribution to a borrowing Member an amount not greater than the outstanding balance of any Withholding Loan, plus any accrued interest thereon, as a payment in total or partial satisfaction thereo£ . In the event that the Company deducts the amount of the Withholding Loan plus any accrued interest thereon from any actual distribution or amount otherwise available to be distributed, the amount so deducted shall be treated as an actual distribution to the borrowing Member for all purposes of this Operating Agreement.

(b) If an amount payable to the Company is reduced because the Person paying that amount withholds and/or pays over to the Internal Revenue Service or other applicable taxing authority any amount as a result of the status of a Member, the Tax Matters Member shall make such adjustments to the amounts distributed and allocated among the Members as it determines fair and equitable. (For example, if a portion of interest income earned by the Company is withheld by the payor and paid over to the Internal Revenue Service because a particular Member is a non-U.S. Person, the Manager might include such withheld and paid over amount in computing amounts available for distribution to the Members pursuant to Article IX and treat such withheld and paid over amount as if that amount were distributed to the Member in satisfaction of whose tax liability such amount was withheld and paid over.

ARTICLE X
ALLOCATIONS OF PROFITS AND LOSSES

10.1 **Profits**. After giving effect to the special allocations set forth in Sections 10.3 and 10.4 hereof, Profits for any Fiscal Year shall be allocated to the Owners in accordance with their respective Ownership Percentages.

10.2 **Losses**. After giving effect to the special allocations set forth in Sections 10.3 and 10.4 hereof, Losses for any Fiscal Year shall be allocated to the Owners in the following order and priority:

(a) Except as provided in Subsection 10.2(b) hereof, Losses for any Fiscal Year shall be allocated to the Owners in accordance with their respective Ownership Percentages.

(b) Notwithstanding anything in this Agreement to the contrary, no loss or item of deduction shall be allocated to an Owner if such allocation would cause such Owner to have a negative Adjusted Capital Accounts as of the last day of the Fiscal Year or other period to which such allocation relates. Any amounts not allocated to an Owner pursuant to the limitations set forth in this Subsection 10.2(b) shall be allocated to the other Owners to the extent possible without violating the limitations set forth in this Subsection 10.2(b), and any amounts remaining to be allocated shall be allocated among the Owners in accordance with their respective Ownership Percentages.

10.3 **Special Allocations**. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback; Qualified Income Offset. Items of Company income and gain shall be allocated to the Owners in an amount sufficient to satisfy the "minimum gain chargeback" requirements of Sections 1.704-2(f) and 1.704-2(i)(4) of the Regulations and the "qualified income offset" requirement of Section 1.704-1(b)(2)(ii)(g)(3) of the Regulations.

(b) Partner Nonrecourse Deductions. "Partner nonrecourse deductions" (within the meaning of Section 1.704-2(i) of the Regulations) shall be allocated to the Owner who bears the economic risk of loss associated with such deductions, in accordance with Section 1.704-2(i) of the Regulations.

(c) Nonrecourse Deductions. "Nonrecourse Deductions" (within the meaning of Section 1.704-2(b)(1) and 1.704-2(c) of the Regulations) shall be allocated among the Owners in accordance with their respective Ownership Percentages.

(d) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Sections 734(b) or 743(b) of the Code is required, pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations, to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Owners in accordance with the requirements of Section 1.704-1(b)(2)(iv)(m) of the Regulations.

(e) Cancellation of Debt Income. To the extent the Company incurs income as a result of the cancellation of debt or the revision of debt terms, then the entire amount of income associated with such cancellation or revision shall be allocated to those Members that were Members when the debt was incurred by the Company, and not affect any Members that were admitted as Members subsequent to the time such debt was incurred by the Company.

(f) Charitable Contributions. To the extent the Company participates in a charitable contribution of its assets to a public charity, the federal income tax deduction associated with that contribution shall be fully allocated pro rata based on the Membership percentage interests.

(g) Losses. To the extent the Company incurs Losses, such Losses shall be fully allocated to SG DEV up to an amount equal to SG DEV's capital contribution, and thereafter pro rata based on the Ownership Percentage interests.

10.4 **Curative Allocations**. The allocations set forth in Subsection 10.2(b) and Subsections 10.3(a) through (d) hereof (the **"Regulatory Allocations")** are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 10.4. Therefore, notwithstanding any other provision of this Article X (other than the Regulatory Allocations), the Members shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Owner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Owner would have had if the Regulatory Allocations were not part of the Operating Agreement and all Company items were allocated pursuant to Section 10.1 and Section 10.2(a). In exercising its discretion under this Section 10.4, the Members shall take into account future Regulatory Allocations under Subsections 10.3(a) that, although not yet made, are likely to offset other Regulatory Allocations made under Subsections 10.3(b) and 10.3(c).

10.5 **Other Allocation Rules**.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Members using any permissible method under Code Section 706 and the Regulations thereunder.

(b) All allocations to the Owners pursuant to this Article X, except as otherwise provided, shall be divided among them in proportion to their Ownership Percentages.

(c) The Members are aware of the income tax consequences of the allocations made by this Article X and hereby agree to be bound by the provisions of this Article X in reporting their shares of Company income and loss for income tax purposes.

10.6 **Tax/Book Differences**. In the event that any Company property is reflected in the Company's books and records, pursuant to Sections 1.704-1(b)(2)(iv)(d) or (f) of the Regulations, at an amount which differs from the adjusted tax basis of such property, then allocations with respect to such property for income tax purposes shall be made in a manner which takes into consideration differences between such book value and such adjusted tax basis in the manner provided in Section 704(c) of the Code, the Regulations promulgated thereunder and Section 1.704-1(b)(2)(iv)(f)(4) of the Regulations, which amounts shall not affect, or in any way be taken into account in computing, any Owner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement. Any allocations with respect to any such property for purposes of maintaining the Owners' Capital Accounts, and the determination of Profits and Losses, shall be made by reference to the book value of such property, and not its adjusted tax basis, all in accordance with Section 1.704-1(b)(2)(iv)(g) of the Regulations.

Any elections or other decisions relating to allocations governed by this Section 10.6 shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement.

10.7 **Allocation of Nonrecourse Liabilities**. The "excess nonrecourse liabilities" of the Company (within the meaning of Section 1.752-3(a)(3) of the Regulations) shall be shared by the Owners in accordance with their respective Ownership Percentages.

ARTICLE XI
BOOKS AND RECORDS

11.1 **Fiscal Year**. The Company's Fiscal Year shall be the calendar year, unless otherwise agreed by the Members.

11.2 **Records, Audits and Reports**. At the expense of the Company, the Manager shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known address of each Member and Economic Interest Holder;

(b) Copies of such records as would enable a Member to determine the relative voting rights, if any, of the Members;

(c) A copy of the Articles of Organization of the Company and all amendments;

(d) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;

(e) Copies of this Operating Agreement, together with any amendments thereto;

(f) Copies of any financial statements of the Company for the three most recent years;

(g) Copies of any bank statements of the Company for the three most recent years; and

(h) Copies of any and all material agreements to which the Company is a party or otherwise bound or affected by.

11.3 Tax Returns. At the expense of the Company, the Tax Matters Member shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. The Company shall provide each Member with such information as is required for such Member to file his individual tax returns. Copies of all such returns, or pertinent information therefrom, shall be furnished to each Member.

11.4 Quarterly Reports. No less than quarterly the Manager shall provide the Members with a report on the (i) status of the Project, (ii) the financial condition and affairs of the Company (balance sheet, income statement, cash flow, etc.), and (iii) whether there are any actual or threatened litigations involving the Company.

ARTICLE XII
VOLUNTARY TRANSFERS OF INTERESTS

12.1 **General Prohibition**. Except as otherwise set forth in this Article XII, no Member or Economic Interest Holder may assign, convey, sell, transfer, liquidate, encumber or in any way alienate (a **"Transfer")** all or any part of its Membership Interest or Economic Interest without the prior written consent of all the Members, which consent may be given or withheld in the sole discretion of each Member. Any attempt to Transfer all or any portion of a Membership Interest or Economic Interest in violation of this Section 12.1 shall be null and void and shall have no effect whatsoever.

12.2 **Affiliate and Relative Transfers**. Any Member, upon written notice to the other Members, may Transfer all or any portion of its Membership Interest in the Company to an Affiliate, a Relative, or to an estate planning vehicle for the benefit of one or more Relatives, without the written consent of the other Member(s); provided that (i) the assignor continues to control the decision-making of the Member, (ii) the transferee is not a foreign person or entity, and (iii) such Affiliate or Relative shall comply first with the provisions of Section 12.4 with respect to any Transfer of a Membership Interest in the Company. Furthermore, the Transfer of a Member's interest to Relative or Relatives following the death of Member shall not require the written consent of the other Member(s).

12.3 **Pledge of Economic Interests**. No Member may pledge or assign its Membership Interest or its Economic Interest, as collateral security for any loan without the prior written consent of all of the other Members.

12.4 **Conditions of Transfer and Assignment**. A transferee of a Membership Interest or Economic Interest permitted under this Article XII shall become a Member or an Economic Interest Holder, as the case may be, unless otherwise provided in Sections 12.2 or 12.3, only if all the Members consent in writing thereto and the following conditions have been satisfied:

(a) the transferor, its legal representative or authorized agent must have executed a written instrument of transfer of such Membership Interest or Economic Interest in form and substance satisfactory to the remaining Member;

(b) the transferee must have executed a written agreement, in form and substance satisfactory to the remaining Member, to assume all of the duties and obligations of the transferor under this Operating Agreement with respect to the transferred Membership Interest or Economic Interest, as applicable, and to be bound by and subject to all of the terms and conditions of this Operating Agreement;

(c) the transferor, its legal representative or authorized agent, and the transferee must have executed a written agreement, in form and substance satisfactory to the remaining Member, to indemnify and hold the Company and the other Members harmless from and against any loss or liability arising out of the Transfer;

(d) the transferee must have executed such other documents and instruments as the remaining Member may deem necessary or appropriate in order to consummate the admission of the transferee as a Member, if with respect to a Membership Interest;

(e) unless waived by the remaining Member, the transferee or the transferor must have paid the expenses incurred by the Company in connection with the admission of the transferee to the Company; and

(f) with respect to any transferee desiring to become a Member, the remaining Member(s) must consent to such transferee becoming a substitute Member, which consent can be given or withheld in the sole and absolute discretion of the remaining Member(s), except as otherwise provided in Section 12.2. A permitted transferee of an Economic Interest who does not become a Member shall be an Economic Interest Holder only and shall be entitled only to the transferor's Economic Interest to the extent assigned. Such transferee shall not be entitled to vote on any question regarding the Company, or on any other matter requiring the vote, consent or approval of the Members hereunder, and the Ownership Percentage associated with the transferred Economic Interest shall not be considered to be outstanding for voting purposes; and

(g) Unless waived by the remaining Member, the transferor shall deliver an opinion of counsel that the transferring Member's interest in the Company has been registered for sale under applicable state and federal securities laws or that such registration is not required.

12.5 **Successors as to Economic Rights**. References in this Operating Agreement to Members also shall be deemed to constitute a reference to Economic Interest Holders if and to the extent that the provision relates to economic rights and obligations. By way of illustration and not limitation, such provisions would include those regarding Capital Accounts, distributions, allocations, and contributions. A transferee shall succeed to the transferor's Capital Contributions and Capital Account to the extent related to the Economic Interest transferred, regardless of whether or not such transferee becomes a Member.

12.6. **Competing Activities**. Nothing in this Agreement shall be deemed to restrict in any way the freedom of any Member to conduct any business or activity whatsoever without any accountability to the Company or the Members, even if such business or activity competes with the business of the Company, provided that the Manager or its Affiliates shall not engage in a business or activity that competes with the business of the Company and that is located within 60 miles of the Project.

ARTICLE XIII
DISSOLUTION AND TERMINATION

13.1 **Dissolution**.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

(i) the written agreement of all the Members; or

(ii) the sale or other disposition of all or substantially all of the assets of the Company (except under circumstances where (x) all or a portion of the purchase price is payable after the closing of the sale or other disposition, or (y) the Company retains a material economic or ownership interest in the entity to which all or substantially all of its assets are transferred) in accordance with the terms of this Agreement; or

(iii) The entry of a decree of judicial dissolution under O.C.G.A. §14-11-603(a).

(b) Except as expressly permitted in this Operating Agreement and notwithstanding anything to the contrary in O.C.G.A. §14-11-601, a Member shall not withdraw voluntarily or take any other voluntary action which directly causes the person to cease to be Member; provided, however, that any Member who transfers its entire Membership Interest in accordance with this Agreement shall cease to be a Member.

(c) Damages for breach of Subsection 14.1(b) hereof shall be monetary damages only (and not in the form of specific performance), and such damages may be offset against any distributions by the Company to which the withdrawing member otherwise would be entitled.

13.2 **Effect of Dissolution**. Upon dissolution, the Company shall cease to carry on- its business, except as permitted by O.C.G.A. §14-11-605. Upon dissolution, the Members shall file a statement of commencement of winding up pursuant to O.C.G.A. §14-11-606 and shall publish the notice permitted by O.C.G.A.. §14-11-608.

13.3 **Winding Up, Liquidation and Distribution of Assets**.

(a) Upon dissolution, an accounting of the Company's assets, liabilities and operations shall be made by the Company's independent accountants, from the date of the last previous accounting until the date of dissolution. The Person or Persons (the **"Liquidators")** selected by the Members shall proceed immediately to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Liquidators:

(i) shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Liquidators may determine to distribute any assets to the Members in kind);

(ii) shall allocate any profit or loss resulting from such sales to the Members and Economic Interest Holders in accordance with Article X hereof;

(iii) shall discharge all liabilities of the Company, including liabilities to Members and Economic Interest Holders who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Holders for distributions, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company; and

(iv) shall distribute the remaining assets to the Owners in accordance with their respective Ownership Percentages.

If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their net fair market value, and the Capital Accounts of the Owners shall be adjusted pursuant to the provisions of this Operating Agreement to reflect such deemed sale.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Owner has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Owner shall have no obligation to make any Capital Contribution, and the negative balance of such Owner's Capital Account shall not be considered a debt owed by such Owner to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Members shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

13.4 **Certificate of Termination**. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Owners, a Certificate of Termination may be executed and filed with the Secretary of State of Georgia in accordance with O.C.G.A. §14-11-610.

13.5 **Return of Contribution Nonrecourse to Other Owners**. Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Owner shall look solely to the assets of the Company for the return of its Capital Account. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Account of one or more Owners, including, without limitation, all or any part of that Capital Account attributable to Capital Contributions, then such Owner or Owners shall have no recourse against any other Owner.

ARTICLE XIV
MISCELLANEOUS PROVISIONS

14.1 **Application of Georgia Law**. This Operating Agreement, and the application and interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Georgia.

14.2 **No Partnership Intended for Non-Tax Purposes**. The Members have formed the Company under the Georgia Act and expressly disavow any intention to form a partnership under Georgia's Uniform Partnership Act, Georgia's Uniform Limited Partnership Act or the partnership act or laws of any other state. The Members do not intend to be partners one to another or partners as to any third party.

14.3 **No Action for Partition**. No Member or Economic Interest Holder has any right to maintain any action for partition with respect to the property of the Company.

14.4 **Further Assurances**. The Members each agree to cooperate, and to execute and deliver in a timely fashion any and all additional documents, designations, powers of attorney and other instruments necessary to effectuate the purposes of the Company and this Operating Agreement or to comply with any applicable laws, rules or regulations.

14.5 **Construction**. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

14.6 **Headings**. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

14.7 **Waivers**. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

14.8 **Rights and Remedies Cumulative**. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

14.9 **Severability**. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

14.10 **Successors and Assigns**. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

14.11 **Creditors**. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

14.12 **Counterparts**. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. The exchange of signature pages by facsimile or Portable Document Format (PDF) transmission shall constitute effective delivery of such signature pages and may be used in lieu of the original signature pages for all purposes. Signatures transmitted by facsimile or Portable Document Format (PDF) shall be deemed to be original signatures for all purposes.

14.13 **Withholding Certificates**. In order to comply with Section 1446 of the Code and the applicable Treasury Regulations thereunder each Member shall provide to the Company a properly executed withholding certificate (e.g. W-8BEN, W-8IMY, W-9) certifying their status as a U.S. Person or non-U.S. person. Failure by any Member to provide such withholding certificate shall authorize the Manager to withhold from such Member the amount required to be withheld under Section 1446 of the Code and the Treasury Regulations thereunder in the event of the allocation to such Member of "effectively connected taxable income" as defined in the Code and the Treasury Regulations thereunder.

14.14 **Notices**. Any notice, election or other communication provided for or required by this Operating Agreement shall be in writing and shall be deemed to have been received (i) when delivered by hand or by email, or (ii) on the third calendar day following its deposit in the United States Mail, certified or registered, return receipt requested, postage prepaid, or (iii) on the day after deposit with a national overnight courier service, properly addressed to the person to whom such notice is intended to be given at the addresses provided by the Members:

Any Member shall have the right to change its designated address by delivery of notice of such change to the other Members in accordance with this Section 16.14. Any such change shall be effective ten (10) days after receipt by the addressee.

14.15 **Modifications**. No change or modification of this Operating Agreement nor any waiver of any term or condition hereof shall be valid or binding upon the Members, unless such change, modification or waiver shall be in writing and signed by all of the Members.

14.16 **Arbitration**. Any dispute, controversy or claim arising out of or in connection with, or relating to, this Operating Agreement or any breach or alleged breach hereof, upon the request of any party involved, shall be submitted to, and settled by, arbitration within Fulton County, State of Georgia, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any time or at any other place or under any other form of arbitration mutually acceptable to the parties so involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration; provided, however, that each party shall pay for and bear the cost of its own experts, evidence and counsel's fees; and provided further, however, that in the discretion of the arbitrator, any award may include the cost of a party's counsel if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic.

14.17 **Time**. TIME IS OF THE ESSENCE OF THIS OPERATING AGREEMENT, AND TO ANY PAYMENTS, ALLOCATIONS, AND DISTRIBUTIONS SPECIFIED UNDER THIS OPERATING AGREEMENT.

14.18 **Recitals**. The recitals to this Agreement are incorporated in, and made a part of, this Agreement.

[Signatures set forth on following page]

IN WITNESS WHEREOF, the parties have entered into this Operating Agreement as of the day first above set forth.

MEMBERS:

JACOBY DEVELOPMENT, INC., a Georgia corporation

By: /s/ James F. Jacoby
Name: James F. Jacoby
Title: President

Address: 8200 Roberts Drive, Suite 200
Atlanta, GA 30350

SGB DEVELOPMENT CORP., a Delaware corporation

By: /s/ Paul Galvin
Name: Paul Galvin
Title: Chief Executive Officer

Address: 195 Montague Street 14th Floor
Brooklyn Heights, NY 11201

EXHIBIT “A”

OWNERSHIP PERCENTAGES

Member	Ownership Percentage
Jacoby Development, Inc.	90%
SG Development Corp.	10%
Total:	100%

EXHIBIT “B”

LEGAL DESCRIPTION OF PROJECT LAND

EXHIBIT “C”

SERVICE PROVIDER AGREEMENT BETWEEN THE COMPANY AND SG ECHO LLC

See Exhibit 10.2 on the Current Report on Form 8-K

AMENDED AND RESTATED OPERATING AGREEMENT
OF
NORMAN BERRY II OWNERS, LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT OF Norman Berry II Owners, LLC (the "Company") is made and entered into as of the 31 st day of May, 2021 ("Effective Date") by and between SG Development Corp. ("SGB"), a Delaware corporation, and CMC Development Group LLC ("CMC"), a Georgia limited liability company.

WITNESSETH:

WHEREAS, CMC formed the Company by filing Articles of Organization with the Secretary of State of Georgia on August 16, 2018;

WHEREAS, in connection with the formation of the Company, CMC entered into a single member operating agreement of the Company dated August 16, 2018 (the **"Original Operating Agreement")** and became the sole member of the Company pursuant thereto;

WHEREAS, pursuant to a certain Purchase Sale Agreement for Vacant Land dated June 20, 2018, entered into between the Company and FAC Services, Inc. (the "PSA") the Company secured the right to purchase the Project Land (defined herein) for $390,000, as more fully set forth in the PSA attached hereto as Exhibit "B" and made a part hereof;

WHEREAS, simultaneous with the execution of this Agreement, CMC and SGB and the Company are entering into a Limited Liability Company Membership Interest Acquisition Agreement pursuant to which SGB is acquiring an interest in the Company, on the terms set forth therein and herein, and the Company is admitting SGB as a member and amending and restating the Original Operating Agreement in connection therewith;

WHEREAS, by their execution of this Agreement, as hereinafter set forth, the parties to this Agreement hereby amend and restate in its entirety the provisions of the Original Operating Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, Ten Dollars ($10.00) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto desire to set forth herein their respective rights, duties and responsibilities with respect to the Company and, therefore, hereby agree as follows:

ARTICLE I
DEFINITIONS

The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Adjusted Capital Account." With respect to each Owner, the balance of such Owner's Capital Account as of the end of the relevant Fiscal Year or other period, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which such Owner is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

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(ii) Debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii) (d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

"Affiliate." With respect to any Person, (i) in the case of an individual, any Relative of such Person, (ii) any officer, director, trustee, partner, member, manager, employee or holder of fifty percent (50%) or more of any class of the voting securities of or equity interest in such Person, any corporation, partnership, limited liability company, limited liability partnership, trust or other entity controlling, controlled by or under common control with such Person.

"Articles of Organization." The Articles of Organization of , as filed with the Secretary of State of the State of Georgia, as the same may be amended from time to time.

"BBA Partnership Audit Rules." Mean Sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015, including any other Code provisions with respect to the same subject matter as Sections 6221 through 6241 of the Code, and any regulations promulgated or proposed under any such Sections and any administrative guidance with respect thereto.

"Capital Account." An account maintained with respect to each Owner in accordance with the following:

(i) An Owner's Capital Account shall be credited for the Owner's Capital Contributions and the Profits and items of income and gain allocated to the Owner pursuant to this Agreement, and shall be debited for distributions to the Owner pursuant to this Agreement and the Losses and items of loss and deduction allocated to the Owner pursuant to this Agreement.

(ii) In the event any Economic Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the transferred Economic Interest.

(iii) If the net amount with regard to any Owner's Capital Account is a credit, such amount shall be referred to as a positive Capital Account balance; if the net amount is a debit, a negative Capital Account balance.

The foregoing provisions and other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations and shall be interpreted and applied in a manner consistent therewith.

"Capital Contribution." Any contribution by an Owner to the capital of the Company pursuant to this Operating Agreement, in cash or property, whenever made. The amount of any Capital Contribution made by an Owner other than in cash, shall be the net fair market value of the property, as determined by the Members.

"Code." The Internal Revenue Code of 1986, as may be amended from time to time. All references herein to specific sections of the Code shall be deemed to refer also to any successor provisions of succeeding law.

"Company." Norman Berry II Owners, LLC, a Georgia limited liability company.

"Construction Loan." A loan in an amount to be determined by the Budget to be made to the Company by a reputable bank or mortgage lender to finance the Project, including any and all extensions, modifications, and re-financings thereof.

"Economic Interest." A Member's or Economic Interest Holder's share of one or more of the Company's Profits, Losses and rights to distributions of the Company's Net Cash Available for Distribution pursuant to this Operating Agreement and the Georgia Act, but not any right to vote on, consent to, approve or otherwise participate in any decision of the Members.

"Economic Interest Holder." The owner of an Economic Interest who is not a Member.

"Entity." Any general partnership, limited liability partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any foreign trust or foreign business organization.

"Fiscal Year." The Company's fiscal year, which shall be the calendar year, unless otherwise agreed by the Members.

"Georgia Act." The Georgia Limited Liability Company Act (O.C.G.A. §14-11-100, et seg.), as may be amended from time to time.

"Majority Interest." Members owning 51% of the outstanding Ownership Percentages.

"Manager." The party or parties appointed a Manager pursuant to Section 5.1 below. The Company may have more than one Manager. The Company hereby designates **SGB**, acting by and through its Chief Executive Officer Paul Galvin, and CMC, acting through its manager Gregory Kourakos, as the initial Managers of the Company to serve unless and until resignation or removal as provided for in this Agreement, and said Managers hereby accept and agree to be bound by the terms and conditions of this Agreement. The Managers may also be a Member, or an affiliate of a Member, of the Company.

"Member." Each Person who executes a counterpart of this Operating Agreement as Member and each Person who may become a Member hereafter.

"Member Loan." A loan made by a Member pursuant to Section 8.3 below.

"Membership Interest." A Member's entire interest in the Company, including such Member's Economic Interest and Voting Interest.

"Net Cash Available for Distribution." The gross cash proceeds from Company operations, less the portion thereof used to pay or establish reserves for all Company working capital purposes, and other costs or expenses incident to the ownership or operation of the Company's business, all as determined by the Managers. "Net Cash Available for Distribution" shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established pursuant to the first sentence of this paragraph.

"Non-Routine Decisions" shall include but not be limited to decisions concerning or effecting the following:

(i) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in related multiple transactions, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;

(ii) The merger of the Company with another limited liability company, limited partnership, corporation or general partnership or other Person, or formation of a joint venture or similar arrangement;

(iii) The establishment of different classes of Members;

(iv) The confession of a judgment against the Company or commencement of a legal action or proceeding, provided, however, that if the action or proceeding is against a Manager, the consent of said Manager is not required;

(v) The filing of a Bankruptcy petition on behalf of the Company;

(vi) Amending the Articles or this Agreement;

(vii) Authorizing, reserving, issuing, conveying, assigning or offering any type or class of Membership Interests or take in Capital Contributions;

(viii) Redeeming, purchasing or acquiring Membership Interests in the Company;

(ix) Causing the Company to incur indebtedness or enter into any obligation (whether in a single transaction or a series of related transactions) in excess of $**10,000** or any such transaction or agreement that grants a lien or security interest in any of the Company's property or assets.

(x) Appointing and/or removing Officers and/or Directors of the Company;

(xi) Admitting additional Members to the Company;

(xii) Making any material change to the general nature of the Company's business;

(xiii) Making any election or determination, including but not limited to making distributions to Members;

(xiv) Consenting to the transfer or assignment of a Member's Membership Interests as provided for in this Agreement;

(xv) Dissolving the Company or winding up of the Company's affairs;

(xvi) Adopting any profit sharing, bonus, equity or benefit plan, including "phantom equity" or other similar plans;

(xvii) Increasing the number of Managers;

(xviii) Hiring senior level employees or other officership positions.

(xix) materially changing the Company's business.

(xx) paying or reimbursing expenses incurred in defending a threatened or pending civil, administrative or criminal action, suit or proceeding against any person who may be entitled to indemnification pursuant to Section 5.4 below.

"Operating Agreement." This Amended and Restated Operating Agreement as originally executed and as may be amended from time to time in accordance with the terms hereof

"Outstanding Capital Contribution." A Member's total Capital Contributions less the cumulative distributions to such Member pursuant to Section 9.1(b).

"Owner." Any Member or any Economic Interest Holder. "Owners" means, collectively, all Members and Economic Interest Holders.

"Ownership Percentage." The Ownership Percentage of each Member as set forth on the attachedExhibit "A". In the event all or any portion of an Economic Interest is transferred by an Owner in accordance with the provisions of this Operating Agreement, the transferee shall succeed to the Ownership Percentage of the transferor to the extent it relates and corresponds to the transferred Economic Interest. For purposes of the provisions hereof relating to actions taken or approved by Members, including voting, written consents or other approvals, Ownership Percentages held by Members shall not be taken into account.

"Person." Any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such 'Person' where the context so permits.

"**Preferred Return Balance**" means, with respect to SGB, the amount of additional distributions (if any) that such SGB would need to receive under Section 9.1 on such date in order to produce a ten percent (10%) per annum return on SGB's unreturned Capital Contributions, which return will, for the avoidance of doubt, (a) only accrue from the date on which such Capital Contributions were actually contributed to the Company until the date on which such Capital Contributions are returned to SGB, and (b) compound annually.

"Profits" and "**Losses**." For each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(l) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses in accordance herewith shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as 705(a)(2)(B) expenditures pursuant to Section 1.704-l(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Profits and Losses in accordance herewith shall be subtracted from such taxable income or loss;

(iii) In the event the Members determine to adjust the book value of Company property pursuant to Section 1.704-1(b)(2)(iv)(f) of the Regulations, the amount of such adjustment shall be added to (to the extent it results in an increase in the book value of the property) or subtracted from (to the extent it results in a decrease in the book value of the property) such taxable income or loss;

(iv) In the event any property is reflected on the books and records of the Company at an amount which differs from the property's adjusted basis for federal income tax purposes, then Profits and Losses shall be determined with respect to items of income, gain, loss or deduction attributable to such property in accordance with Section 10.6 hereof; and

(v) Any items which are specially allocated pursuant to Sections 10.3, 10.4 and 10.6 hereof shall not be taken into account in computing Profits and Losses.

If the Company's taxable income or taxable loss for a Fiscal Year, as adjusted in the manner provided above, is a positive amount, such amount shall be the Company's Profit for such Fiscal Year; and if negative, such amount shall be the Company's Loss for such Fiscal Year.

"Project" shall mean the Project Land together with the improvements developed thereon, to wit, a 132-unit residential apartment complex known as "Norman Berry Village."

"Project Land." That certain piece of real property consisting of approximately 7.12 acres of land located at, East Point Georgia, as more fully described in the PSA.

"Relative." Any member of the immediate family of an individual Member (parents, children, grandchildren and/or spouse), or any trust for the primary benefit of a Member, or the aforesaid members of the immediate family of such individual Member.

"Treasury Regulations" or "Regulations." The Federal Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Voting Interest." A Member's right to participate in the management of the business and affairs of the Company, including the right to vote on, consent to, or

otherwise participate in any decision or action of or by the Members granted pursuant to this Operating Agreement or the Georgia Act. For purposes of the provisions hereof relating to actions taken or to be taken or approval by Members, only Voting Interests shall be taken into account. In the event all or any portion of an Economic Interest is transferred by an Owner in accordance with the provisions of this Operating Agreement, the transferee shall not succeed to the Voting Interest of the transferor; any transferee of an Economic Interest who has not been admitted as a Member shall have no Voting Interest.

ARTICLE III
BUSINESS OF COMPANY

3.1 The business of the Company shall be limited to:

(a) owning the Project Land;

(b) developing the improvements on the Project Land, including residential apartments, all utilizing modular steel structures designed, fabricated and installed by SGB pursuant to a Service Provider agreement substantially in the form of Exhibit D;

(c) developing, operating, improving, financing, refinancing, recapitalizing, leasing, managing and eventually selling the Project, and otherwise dealing with the Project for the benefit of the Company;

(d) engaging in all activities necessary, customary, convenient, or incidental to any of the foregoing.

ARTICLE IV
NAMES AND ADDRESSES OF MEMBERS

4.1 The names of the Members are as follows:

CMC Development
Group LLC SGB
Development Corp.

The addresses of the Members are set forth next to their signatures below.

ARTICLE V
MANAGEMENT

5.1 Manager; Tenure and Qualifications. The Company initially shall have two Managers, one designated by CMC and one designated by SGB; CMC designates Shaun M. Belle (the **"CMC Manager")** and SGB designates Paul Galvin, to serve as the initial Managers. A Manager need not be a resident of the State of Georgia or a Member of the Company. A Manager of the Company may resign at any time by giving written notice to the Members. The resignation of a Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice. Unless otherwise specified in the notice thereof, the acceptance of such resignation shall not be necessary to make it effective. A Manager may be removed only by the Member that designated that Manager. If a Manager resigns or is removed, the Member that designated that Manager shall designate a successor Manager to take the place of the Manager that resigned or was removed. The resignation or removal of a Manager that is a Member shall not affect the rights of the Member, as a Member, and shall not constitute a withdrawal of the Member from the Company.

5.2 Management. The day-to-day business and affairs of the Company shall be managed by the CMC Manager. Other than the administration of the day-to-day business and affairs of the Company all **Non-Routine Decisions** shall require the approval of Members owning a Majority Interest. Each Manager shall have full and complete authority, power and discretion to implement all decisions made by Members owning a Majority Interest. Each Manager shall act in a manner the Manager determines, in good faith, to be in the best interests of the Company and with the care an ordinary person in a like position would exercise under similar circumstances. Without limiting the generality of the foregoing, but subject to obtaining the approval of Members owning a Majority Interest, each Manager shall have the power and authority, on behalf of the Company:

(a) to implement all decisions made by Members owning a Majority Interest,

(b) Company funds;

to establish bank, deposit and other accounts of the Company and to invest

(c) to execute on behalf of the Company all instruments and documents, including, without limitation: any and all agreements, contracts, documents, certifications, and instruments necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(d) to employ accountants, legal counsel or other experts to perform services for the Company and to compensate them from Company funds; and

(e) employ a construction manager or general contractor to manage the Project.

(f) to do and perform all other acts as may be necessary or appropriate for the conduct of the Company's business.

Unless authorized to do so herein or otherwise by the Members, no attorney-in-fact, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable pecuniarily for any purpose. No Member shall have any power or authority to bind the Company unless the Member has been authorized by the Members to act as an agent of the Company in accordance with the previous sentence.

5.3 Non-Exclusive Duty. Except as specifically provided herein, no Member or Manager shall be required to manage the Company as the Member's or Manager's sole and exclusive function and any Member or Manager may have other business interests and may engage in other activities in addition to those relating to the Company. Neither the Company nor any Member shall have any right, pursuant to this Operating Agreement or otherwise, to share or participate in such other investments or activities of a Member or a Manager or to the income or proceeds derived therefrom. No Member or Manager shall incur liability to the Company or to any of the Members as a result of engaging in any other business or ventures.

5.4 Limitation on Liability of Manager: Indemnification.

(a) A Manager shall not be liable to the Company or to any Member for good faith negligence or for honest mistakes of judgment or losses or liabilities due to such good faith mistakes or due to the negligence, dishonesty, unlawful acts or bad faith of any employee, broker or other agent, accountant, attorney, other professional or person employed by the Company provided that such person was selected, engaged, retained and supervised by such Manager with reasonable care. A Manager shall have no liability to the Company or to any Member for any loss suffered by the Company which arises out of any action or inaction of the Manager if, prior thereto, the Manager, in good faith, determined that such course of conduct was in, and not opposed to, the best interests of the Company and such course of conduct did not constitute willful misconduct or a material breach of this Agreement or gross negligence or a breach of the duty of loyalty.

(b) A Manager, its members, managers, Members, agents, employees and representatives shall be indemnified by the Company to the fullest extent permitted by law, against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it or any of them in connection with the Company, provided that (i) such course of conduct was, in good faith, intended to be in, and not opposed to, the best interests of the Company and such liability or loss was not the result of willful misconduct, or a material breach of this Agreement or gross negligence on the part of the Manager or such person or a breach of the duty of loyalty, and (ii) any such indemnification will only be recoverable from the assets of the Company and the Members shall not have any liability on account thereof. All rights to indemnification permitted herein and payment of associated expenses shall not be affected by the dissolution or other cessation of the existence of the Manager, or the withdrawal, adjudication of bankruptcy or insolvency of the Manager.

(c) Expenses incurred in defending a threatened or pending civil, administrative or criminal action, suit or proceeding against any person who may be entitled to indemnification pursuant to this Section 5.4 may be paid by the Company in advance of the final disposition of such action, suit or proceeding, if (i) the legal action relates to the performance of duties or services by such person on behalf of the Company, (ii) the legal action is initiated by a third party who is not a Member, (iii) there is a reasonable likelihood that such party will be entitled to indemnification by the Company with respect to such legal action and (iv) such person undertakes to repay the advanced funds to the Company in cases in which it is not entitled to indemnification under this Section 5.5.

(d) The term **"Manager"** as used m this Section 5.4 shall include any additional or substitute Manager.

5.6 Books and Records; Reporting. The Managers shall, at the expense of the Company, keep, or cause to be kept, accurate, full and complete books of accounts showing assets, liabilities, income, operations, transactions, and the financial condition of the Company on the cash basis of accounting; and any Member shall have access thereto at any reasonable time during regular business hours and each shall have the right to copy said records at his own expense.

5.7 Federal Income Tax Elections. All elections required or permitted to be made by the Company under the Code shall be made by the Tax Matters Member (as that term is hereinafter defined). For all purposes permitted or required by the Code, the Members constitute and appoint SGB as "tax matters representative" pursuant to Section 6231(a)(7) of the Code (the **"Tax Matters Member"),** or if SGB is no longer a Member, then such other Member as shall be elected by the vote of the Members owning a Majority Interest shall be the Tax Matters Member. The provisions on limitations of liability of the Members and indemnification set forth in this Article V hereof shall be fully applicable to the Tax Matters Member in its capacity as such. The Tax Matters Member may resign at any time by giving written notice to the Company and each of the other Members. Upon the resignation of the Tax Matters Member, a new Tax Matters Member may be elected by the vote of Members holding a Majority Interest. Effective as of January 1, 2018, or if later, the date that the BBA Partnership Audit Rules are first applicable to the Company, the Tax Matters Member is hereby designated the "partnership representative" as defined in Section 6223 of the Code, as amended by the Bi-partisan Budget Act of 2015 (the **"Partnership Representative").** The Partnership Representative is authorized and required to represent the Company (at the Company's expense) in all disputes, controversies or proceedings with the Internal Revenue Service, and, in its sole discretion, is authorized to make any available election with respect to the BBA Partnership Audit Rules and take any action it deems necessary or appropriate to comply with the requirements of the Code and to conduct the Company's affairs with respect to the BBA Partnership Audit Rules. Each Member and former Member will cooperate fully with the Partnership Representative with respect to any such disputes, controversies or proceedings with the Internal Revenue Service, including providing the Partnership Representative with any information reasonably requested to comply with and make elections under the BBA Partnership Audit Rules.

5.8 **Developer Fee**. Any fee earned by CMC in connection with the acquisition and development of the Project Land and the Project, collectively, shall be split as follows: 75% to CMC, and 25% to SGB.

ARTICLE VI
RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 Limitation of Members' Liability. Each Member's liability shall be limited as set forth in this Operating Agreement, the Georgia Act and other applicable law.

6.2 No Liability for Company Obligations. No Member will have any personal liability for any debts or losses of the Company beyond his or its respective Capital Contributions.

6.3 List of Members. Upon the written request of any Member, the Company shall provide a list showing the names, addresses, Membership Interest and Economic Interest of all Members and any other information required to be provided to Members by the Georgia Act.

6.4 Priority and Return of Capital. Except as may be expressly provided in Article IX, no Member or Economic Interest Holder shall have priority over any other Member or Economic Interest Holder, either as to the return of Capital Contributions or as to Profits, Losses or distributions. This Section shall not apply to loans (as distinguished from Capital Contributions) which a Member makes to the Company.

ARTICLE VII
MEETINGS OF MEMBERS

7.1 Meetings. Meetings of the Members for any purpose, unless otherwise prescribed by the Georgia Act, may be called by any Member. Written notice to each Member entitled to vote at such meeting, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting in the manner designated for notices pursuant to Section 16.14 hereof.

7.2 Meeting Without Notice; Meeting by Telephone. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice. At such meeting, any lawful action may be taken. Members also may meet by conference telephone call if all Members can hear one another on such call and the requisite notice is given or waived.

7.3 Place of Meetings. The Persons calling any meeting may designate any place mutually agreed by all Members, or if they cannot agree, then any place within Metropolitan Atlanta, Georgia, or Metropolitan Little Rock, Arkansas, or any place within ten (10) miles of the Project, as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal executive office of the Company in the State of Georgia.

ARTICLE VIII
CAPITAL CONTRIBUTIONS, LOANS, AND LOAN GUARANTIES

8.1 Initial Capital Contributions. CMC has already made a Capital Contribution to the Company in the amount of One Hundred Thousand dollars ($100,000). For its Capital Contribution to the Company, SGB shall pay the Company the sum of Six Hundred Thousand Dollars ($600,000), the proceeds of which shall be used to acquire the Project Land and pay for initial development costs, including architecture and engineering drawings. It is contemplated that the Construction Loan will provide adequate capital for the operation of the Company and the repayment of SGB's capital contribution. Accordingly, neither Member shall be required to make any Capital Contribution except as expressly provided in this Section 8.1.

8.2 Additional Capital Contributions; Third Party Loans.

(a) No Member will be required to make any additional Capital Contributions other than as set forth in Section 8.1 above. No Member may voluntarily make any additional Capital Contributions. The Company may borrow funds from Members or affiliates of Members provided such loans shall be on commercially reasonable terms.

8.3 Member Loans. If a Member makes any Member Loan(s) to the Company or advances money on its behalf as described hereinabove, the amount of any such Member Loan(s) or advance(s) shall not be treated as a Capital Contribution but shall be a debt due from the Company until conversion to Capital a described in Section 8.2(e) above. Any such Member Loan(s) to the Company by a Member shall bear interest at the greater of (i) fifteen percent (15%) per annum; or the "Prime Rate" listed in the "Money Rates" column in The Wall Street Journal (or such other comparable rate as may be reasonably designated by the Members, if such "Prime Rate" is not ascertainable) plus four percent (4%) and such Loan and interest shall be repayable by the Company out of "Net Cash Available for Distribution" as set forth in Article IX below. Upon the request of the loaning Member, the Company shall execute a promissory note evidencing any Loan made by such Member pursuant to the terms of this Section 8.3.

8.4 Rules Governing Capital. Except as otherwise expressly provided in this Operating Agreement or as required by law:

(a) no Owner may withdraw any Capital Contribution from the Company;

(b) no Owner shall be required to make Loans to the Company;

(c) neither a Loan by an Owner to the Company nor its repayment by the Company shall have any effect on any Owner's Capital Account or Economic Interest except as provided by Section 8.2(e) above; and

(d) notwithstanding the nature of any Owner's Capital Contribution, such Owner has only the right to demand and receive cash in return for such Capital Contribution.

ARTICLE IX
DISTRIBUTIONS TO OWNERS

9.1 Net Cash Available for Distribution. Except as otherwise provided in Article XIV hereof the Managers shall distribute, at such times they reasonably deem appropriate, Net Cash Available for Distribution to the Members in the following order of priority:

(a) First, if any Member Loans have been made to the Company pursuant to Section 8.3 above or if a Member or an Affiliate of a Member has made any payments to a third party lender pursuant to the guarantee or endorsement of any debt of the Company **("Guarantee Payments")** or if a Member has directly paid or advanced funds to a third party on behalf of the Company, which payments or advances are approved by the Members owning a Majority Interest **("Advances"),** then to such Member(s) in the amount of each such Member Loan or Guarantee Payment or Advance, applied first to the payment of accrued but unpaid interest on such Member Loan(s) or Guarantee Payment(s) or Advance(s) (with interest on any such Guarantee Payment or Advance being accrued at the rate set forth in Section 8.3 for Member Loans) and, after such interest has been paid in full, applied to the principal amount thereof (for purposes of this 9.l(a), only Member Loan(s) or Guarantee Payment(s) or Advance(s) made after the date of this Operating Agreement, if any, shall be considered). Notwithstanding anything to the contrary set forth herein, under no circumstances shall either Guarantee Payments or Advances be deemed to include the Certificate of Deposit (as defined below);

(b) Next, 100% to SGB until the SGB's Preferred Return Balance is reduced to zero;

(c) Next, to the Members in the amount of their Outstanding Capital Contributions;

(d) Any remaining Net Cash Available for Distribution shall be distributed to the Members pro rata in accordance with their respective Ownership Percentages.

9.2 Limitation Upon Distributions. No distribution shall be made to the Owners if prohibited by O.C.G.A. §14-11-407.

9.3 Interest On and Return of Capital Contributions. No Owner shall be entitled to interest on its Capital Contribution or to the return of its Capital Contribution, except as otherwise specifically provided for herein.

9.4 Withholding.

(a) The Company shall withhold and pay over to the Internal Revenue Service or other applicable taxing authority all taxes or withholdings, and all interest,

penalties, additions to tax, and similar liabilities in connection therewith or attributable thereto (hereinafter **"Withheld** Taxes") to the extent that the Tax Matters Member determines that such withholding and/or payment is required by the Code or any other law, rule, or regulation, including, without limitation, Sections 1441, 1442, 1445, or 1446 of the Code and Section 48-7-129 of the Official Code of Georgia Annotated. The Tax Matters Member shall determine in good faith to which Member such Withheld Taxes are attributable. All amounts withheld pursuant to this Section 9.4 with respect to any allocation, payment or distribution to any Member shall be considered a loan **("Withholding Loan")** by the Company to such Member. The borrowing Member shall repay such Withholding Loan within ten Business Days after the Tax Matters Member delivers a written demand therefor, together with interest from the date such loan was made until the date of repayment thereof at a rate per annum equal to the lesser of (i) the maximum rate permitted by law, and (ii) the "Prime Rate" (as defined in Section 8.3 above). In addition to any rights of the Company to enforce its right to receive payment of the Withholding Loan, plus any accrued interest thereon, the Company may deduct from any distribution to be made to a borrowing Member or any amount available for distribution to a borrowing Member an amount not greater than the outstanding balance of any Withholding Loan, plus any accrued interest thereon, as a payment in total or partial satisfaction thereof£ In the event that the Company deducts the amount of the Withholding Loan plus any accrued interest thereon from any actual distribution or amount otherwise available to be distributed, the amount so deducted shall be treated as an actual distribution to the borrowing Member for all purposes of this Operating Agreement.

(b) If an amount payable to the Company is reduced because the Person paying that amount withholds and/or pays over to the Internal Revenue Service or other applicable taxing authority any amount as a result of the status of a Member, the Tax Matters Member shall make such adjustments to the amounts distributed and allocated among the Members as it determines fair and equitable. (For example, if a portion of interest income earned by the Company is withheld by the payor and paid over to the Internal Revenue Service because a particular Member is a non-U.S. Person, the Manager might include such withheld and paid over amount in computing amounts available for distribution to the Members pursuant to Article IX and treat such withheld and paid over amount as if that amount were distributed to the Member in satisfaction of whose tax liability such amount was withheld and paid over.

ARTICLE X
ALLOCATIONS OF PROFITS AND LOSSES

10.1 Profits. After giving effect to the special allocations set forth in Sections 10.3 and 10.4 hereof, Profits for any Fiscal Year shall be allocated to the Owners in accordance with their respective Ownership Percentages.

10.2 Losses. After giving effect to the special allocations set forth in Sections 10.3 and 10.4 hereof, Losses for any Fiscal Year shall be allocated to the Owners in the following order and priority:

(a) Except as provided in Subsection 10.2(b) hereof, Losses for any Fiscal Year shall be allocated to the Owners in accordance with their respective Ownership Percentages.

(b) Notwithstanding anything in this Agreement to the contrary, no loss or item of deduction shall be allocated to an Owner if such allocation would cause such Owner to have a negative Adjusted Capital Accounts as of the last day of the Fiscal Year or other period to which such allocation relates. Any amounts not allocated to an Owner pursuant to the limitations set forth in this Subsection 10.2(b) shall be allocated to the other Owners to the extent possible without violating the limitations set forth in this Subsection 10.2(b), and any amounts remaining to be allocated shall be allocated among the Owners in accordance with their respective Ownership Percentages.

10.3 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback; Qualified Income Offset. Items of Company income and gain shall be allocated to the Owners in an amount sufficient to satisfy the "minimum gain chargeback" requirements of Sections 1.704-2(f) and 1.704-2(i)(4) of the Regulations and the "qualified income offset" requirement of Section 1.704-1(b)(2)(ii)(g)(3) of the Regulations.

(b) Partner Nonrecourse Deductions. "Partner nonrecourse deductions" (within the meaning of Section 1.704-2(i) of the Regulations) shall be allocated to the Owner who bears the economic risk of loss associated with such deductions, in accordance with Section 1.704-2(i) of the Regulations.

(c) Nonrecourse Deductions. "Nonrecourse Deductions" (within the meaning of Section 1.704-2(b)(1) and 1.704-2(c) of the Regulations) shall be allocated among the Owners in accordance with their respective Ownership Percentages.

(d) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Sections 734(b) or 743(b) of the Code is required, pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations, to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Owners in accordance with the requirements of Section 1.704-1(b)(2)(iv)(m) of the Regulations.

(e) Cancellation of Debt Income. To the extent the Company incurs income as a result of the cancellation of debt or the revision of debt terms, then the entire amount of income associated with such cancellation or revision shall be allocated to those Members that were Members when the debt was incurred by the Company, and not affect any Members that were admitted as Members subsequent to the time such debt was incurred by the Company.

10.4 Curative Allocations. The allocations set forth in Subsection 10.2(b) and Subsections 10.3(a) through (d) hereof (the **"Regulatory Allocations")** are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss, or deduction pursuant to this Section 10.4. Therefore, notwithstanding any other provision of this Article X (other than the Regulatory Allocations), the Members shall make such offsetting special allocations of Company income, gain, loss, or deduction in whatever manner it determines appropriate so that, after such offsetting allocations are made, each Owner's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Owner would have had if the Regulatory Allocations were not part of the Operating Agreement and all Company items were allocated pursuant to Section 10.1 and Section 10.2(a). In exercising its discretion under this Section 10.4, the Members shall take into account future Regulatory Allocations under Subsections 10.3(a) that, although not yet made, are likely to offset other Regulatory Allocations made under Subsections 10.3(b) and 10.3(c).

10.5 Other Allocation Rules.

(a) For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Members using any permissible method under Code Section 706 and the Regulations thereunder.

(b) All allocations to the Owners pursuant to this Article X, except as otherwise provided, shall be divided among them in proportion to their Ownership Percentages.

(c) The Members are aware of the income tax consequences of the allocations made by this Article X and hereby agree to be bound by the provisions of this Article X in reporting their shares of Company income and loss for income tax purposes.

10.6 Tax/Book Differences. In the event that any Company property is reflected in the Company's books and records, pursuant to Sections 1.704-1(b)(2)(iv)(d) or (f) of the Regulations, at an amount which differs from the adjusted tax basis of such property, then allocations with respect to such property for income tax purposes shall be made in a manner which takes into consideration differences between such book value and such adjusted tax basis in the manner provided in Section 704(c) of the Code, the Regulations promulgated thereunder and Section 1.704-1(b)(2)(iv)(f)(4) of the Regulations, which amounts shall not affect, or in any way be taken into account in computing, any Owner's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement. Any allocations with respect to any such property for purposes of maintaining the Owners' Capital Accounts, and the determination of Profits and Losses, shall be made by reference to the book value of such property, and not its adjusted tax basis, all in accordance with Section 1.704- 1(b)(2)(iv)(g) of the Regulations.

Any elections or other decisions relating to allocations governed by this Section 10.6 shall be made by the Members in any manner that reasonably reflects the purpose and intention of this Agreement.

10.7 Allocation of Nonrecourse Liabilities. The "excess nonrecourse liabilities" of the Company (within the meaning of Section 1.752-3(a)(3) of the Regulations) shall be shared by the Owners in accordance with their respective Ownership Percentages.

ARTICLE XI
BOOKS AND RECORDS

11.1 Fiscal Year. The Company's Fiscal Year shall be the calendar year, unless otherwise agreed by the Members.

11.2 Records, Audits and Reports. At the expense of the Company, the Managers shall maintain records and accounts of all operations and expenditures of the Company. The Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known address of each Member and Economic Interest Holder;

(b) Copies of such records as would enable a Member to determine the relative voting rights, if any, of the Members;

(c) A copy of the Articles of Organization of the Company and all amendments thereto;

(d) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three most recent years;

(e) Copies of this Operating Agreement, together with any amendments thereto; and

(f) Copies of any financial statements of the Company for the three most recent years.

11.3 Tax Returns. At the expense of the Company, the Tax Matters Member shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. The Company shall provide each Member with such information as is required for such Member to file his individual tax returns. Copies of all such returns, or pertinent information therefrom, shall be furnished to each Member.

ARTICLE XII
VOLUNTARY TRANSFERS OF INTERESTS/FORCED SALE

12.1 General Prohibition. Except as otherwise set forth in this Article XII, no Member or Economic Interest Holder may assign, convey, sell, transfer, liquidate, encumber or in any way alienate (a **"Transfer")** all or any part of its Membership Interest or Economic Interest without the prior written consent of all the Members, which consent may be given or withheld in the sole discretion of each Member. Any attempt to Transfer all or any portion of a Membership Interest or Economic Interest in violation of this Section 12.1 shall be null and void and shall have no effect whatsoever.

12.2 Affiliate and Relative Transfers. Any Member, upon written notice to the other Members, may Transfer all or any portion of its Membership Interest in the Company to an Affiliate, a Relative, or to an estate planning vehicle for the benefit of one or more Relatives, without the written consent of the other Member(s); provided that (i) the assignor continues to control the decision-making of the Member, (ii) the transferee is not a foreign person or entity, and such Affiliate or Relative shall comply first with the provisions of Section 12.4 with respect to any Transfer of a Membership Interest in the Company. Furthermore, the Transfer of a Member's interest to Relative or Relatives following the death of Member shall not require the written consent of the other Member(s).

12.3 Pledge of Economic Interests. No Member may pledge or assign its Membership Interest or its Economic Interest, as collateral security for any loan without the prior written consent of all of the other Members.

12.4 Conditions of Transfer and Assignment. A transferee of a Membership Interest or Economic Interest permitted under this Article XII shall become a Member or an Economic Interest Holder, as the case may be, unless otherwise provided in Sections 12.2 or 12.3, only if all the Members consent in writing thereto and the following conditions have been satisfied:

(a) the transferor, its legal representative or authorized agent must have executed a written instrument of transfer of such Membership Interest or Economic Interest in form and substance satisfactory to the remaining Member;

(b) the transferee must have executed a written agreement, in form and substance satisfactory to the remaining Member, to assume all of the duties and obligations of the transferor under this Operating Agreement with respect to the transferred Membership Interest or Economic Interest, as applicable, and to be bound by and subject to all of the terms and conditions of this Operating Agreement;

(c) the transferor, its legal representative or authorized agent, and the transferee must have executed a written agreement, in form and substance satisfactory to the remaining Member, to indemnify and hold the Company and the other Members harmless from and against any loss or liability arising out of the Transfer;

(d) the transferee must have executed such other documents and instruments as the remaining Member may deem necessary or appropriate in order to consummate the admission of the transferee as a Member, if with respect to a Membership Interest;

(e) unless waived by the remaining Member, the transferee or the transferor must have paid the expenses incurred by the Company in connection with the admission of the transferee to the Company; and

(f) with respect to any transferee desiring to become a Member, the remaining Member(s) must consent to such transferee becoming a substitute Member, which consent can be given or withheld in the sole and absolute discretion of the remaining Member(s), except as otherwise provided in Section 12.2. A permitted transferee of an Economic Interest who does not become a Member shall be an Economic Interest Holder only and shall be entitled only to the transferor's Economic Interest to the extent assigned. Such transferee shall not be entitled to vote on any question regarding the Company, or on any other matter requiring the vote, consent or approval of the Members hereunder, and the Ownership Percentage associated with the transferred Economic Interest shall not be considered to be outstanding for voting purposes; and

(g) Unless waived by the remaining Member, the transferor shall deliver an opinion of counsel that the transferring Member's interest in the Company has been registered for sale under applicable state and federal securities laws or that such registration is not required.

12.2 Successors as to Economic Rights. References in this Operating Agreement to Members also shall be deemed to constitute a reference to Economic Interest Holders if and to the extent that the provision relates to economic rights and obligations. By way of illustration and not limitation, such provisions would include those regarding Capital Accounts, distributions, allocations, and contributions. A transferee shall succeed to the transferor's Capital Contributions and Capital Account to the extent related to the Economic Interest transferred, regardless of whether or not such transferee becomes a Member.

ARTICLE XIII
ADDITIONAL MEMBERS

From the date of the formation of the Company, any Person or Entity approved by all the Members by their unanimous vote thereof may become a Member of this Company either pursuant to the issuance by the Company of a Membership Interest for such consideration as the Members, by their unanimous votes, shall determine, or as a transferee of a Member's Membership Interest, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. At the time a new Member is admitted, the Members, at their option, may close the Company books (as though the Company's tax year had ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of 706(d) of the Code and the Regulations promulgated thereunder.

ARTICLE XIV
DISSOLUTION AND TERMINATION

14.1 Dissolution.

(a) The Company shall be dissolved upon the occurrence of any of the following events:

(i) the written agreement of all the Members; or

(ii) the sale or other disposition of all or substantially all of the assets of the Company (except under circumstances where (x) all or a portion of the purchase price is payable after the closing of the sale or other disposition, or (y) the Company retains a material economic or ownership interest in the entity to which all or substantially all of its assets are transferred); or

(iii) The entry of a decree of judicial dissolution under O.C.G.A. §14-11-603.

(b) Except as expressly permitted in this Operating Agreement and notwithstanding anything to the contrary in O.C.G.A. §14-11-601, a Member shall not withdraw voluntarily or take any other voluntary action which directly causes the person to cease to be Member; provided, however, that any Member who transfers its entire Membership Interest in accordance with this Agreement shall cease to be a Member.

(c) Damages for breach of Subsection 14.1(b) hereof shall be monetary damages only (and not in the form of specific performance), and such damages may be offset against any distributions by the Company to which the withdrawing member otherwise would be entitled.

14.2 Effect of Dissolution. Upon dissolution, the Company shall cease to carry on- its business, except as permitted by O.C.G.A. §14-11-605. Upon dissolution, the Members shall file a statement of commencement of winding up pursuant to O.C.G.A. §14-11-606 and shall publish the notice permitted by O.C.G.A.. §14-11-608.

14.3 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting of the Company's assets, liabilities and operations shall be made by the Company's independent accountants, from the date of the last previous accounting until the date of dissolution. The Person or Persons (the **"Liquidators")** selected by the Members shall proceed immediately to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Liquidators:

(i) shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Liquidators may determine to distribute any assets to the Members in kind);

(ii) shall allocate any profit or loss resulting from such sales to the Members and Economic Interest Holders in accordance with Article X hereof;

(iii) shall discharge all liabilities of the Company, including liabilities to Members and Economic Interest Holders who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Holders for distributions, and establish such reserves as may be reasonably necessary to provide for contingent liabilities of the Company; and

(iv) shall distribute the remaining assets to the Owners in accordance with their respective Ownership Percentages.

If any assets of the Company are to be distributed in kind, the net fair market value of such assets as of the date of dissolution shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their net fair market value, and the Capital Accounts of the Owners shall be adjusted pursuant to the provisions of this Operating Agreement to reflect such deemed sale.

(c) Notwithstanding anything to the contrary in this Operating Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Owner has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Owner shall have no obligation to make any Capital Contribution, and the negative balance of such Owner's Capital Account shall not be considered a debt owed by such Owner to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Members shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

14.4 Certificate of Termination. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Owners, a Certificate of Termination may be executed and filed with the Secretary of State of Georgia in accordance with O.C.G.A. §14-11-610.

14.5 Return of Contribution Nonrecourse to Other Owners Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Owner shall look solely to the assets of the Company for the return of its Capital Account. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Account of one or more Owners, including, without limitation, all or any part of that Capital Account attributable to Capital Contributions, then such Owner or Owners shall have no recourse against any other Owner.

ARTICLE XV
COMPENSATION AND FEES

15.1 Member Compensation. Except as expressly provided herein, no Member shall receive any salary or other compensation for services provided to the Company.

15.2 Affiliate Compensation. Affiliates of the Members may provide services to the Company provided those services are on commercially reasonably terms and approved by all of the Members.

ARTICLE XVI
MISCELLANEOUS PROVISIONS

16.1 Application of Georgia Law. This Operating Agreement, and the application and interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Georgia.

16.2 No Partnership Intended for Non-Tax Purposes. The Members have formed the Company under the Georgia Act and expressly disavow any intention to form a partnership under Georgia's Uniform Partnership Act, Georgia's Uniform Limited Partnership Act or the partnership act or laws of any other state. The Members do not intend to be partners one to another or partners as to any third party.

16.3 No Action for Partition. No Member or Economic Interest Holder has any right to maintain any action for partition with respect to the property of the Company.

16.4 Further Assurances. The Members each agree to cooperate, and to execute and deliver in a timely fashion any and all additional documents, designations, powers of attorney and other instruments necessary to effectuate the purposes of the Company and this Operating Agreement or to comply with any applicable laws, rules or regulations.

16.5 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

16.6 Headings. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

16.7 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

16.8 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

16.9 Severability. If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

16.10 Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

16.11 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

16.12 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. The exchange of signature pages by facsimile or Portable Document Format (PDF) transmission shall constitute effective delivery of such signature pages and may be used in lieu of the original signature pages for all purposes. Signatures transmitted by facsimile or Portable Document Format (PDF) shall be deemed to be original signatures for all purposes.

16.13 Withholding Certificates. In order to comply with Section 1446 of the Code and the applicable Treasury Regulations thereunder each Member shall provide to the Company a properly executed withholding certificate (e.g. W-8BEN, W-8IMY, W-9) certifying their status as a U.S. Person or non-U.S. person. Failure by any Member to provide such withholding certificate shall authorize the Manager to withhold from such Member the amount required to be withheld under Section 1446 of the Code and the Treasury Regulations thereunder in the event of the allocation to such Member of "effectively connected taxable income" as defined in the Code and the Treasury Regulations thereunder.

16.14 Notices. Any notice, election or other communication provided for or required by this Operating Agreement shall be in writing and shall be deemed to have been received (i) when delivered by hand or by email, or (ii) on the third calendar day following its deposit in the United States Mail, certified or registered, return receipt requested, postage prepaid, or (iii) on the day after deposit with a national overnight courier service, properly addressed to the person to whom such notice is intended to be given at the addresses provided by the Members:

Any Member shall have the right to change its designated address by delivery of notice of such change to the other Members in accordance with this Section 16.14. Any such change shall be effective ten (10) days after receipt by the addressee.

16.15 Modifications. No change or modification of this Operating Agreement nor any waiver of any term or condition hereof shall be valid or binding upon the Members, unless such change, modification or waiver shall be in writing and signed by all of the Members.

16.16 Arbitration. Any dispute, controversy or claim arising out of or in connection with, or relating to, this Operating Agreement or any breach or alleged breach hereof, upon the request of any party involved, shall be submitted to, and settled by, arbitration within Fulton County, State of Georgia, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any time or at any other place or under any other form of arbitration mutually acceptable to the parties so involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration; provided, however, that each party shall pay for and bear the cost of its own experts, evidence and counsel's fees; and provided further, however, that in the discretion of the arbitrator, any award may include the cost of a party's counsel if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic.

16.19 Time. TIME IS OF THE ESSENCE OF THIS OPERATING AGREEMENT, AND TO ANY PAYMENTS, ALLOCATIONS, AND DISTRIBUTIONS SPECIFIED UNDER THIS OPERATING AGREEMENT.

[SIGNATURE PAGE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have entered into this Operating Agreement as of the day first above set forth.

MEMBERS:

CMC DEVELOPMENT GROUP, LLC, a Georgia limited liability company

By: /s/ Shaun M. Belle
Shaun M. Belle
Its: Manager

SGB DEVELOPMENT CORP., a Delaware Corp.

By: /s/ Paul Galvin
Paul Galvin
Its: Chief Executive Officer

EXHIBIT "A"

Ownership Percentages

Member	Ownership Percentages
SGB Development Corp.	50.00%
CMC Development Group LLC	50.00%
	100.00%

Exhibit 10.12

EMPLOYMENT AGREEMENT

This AGREEMENT made as of February 3, 2023 (the "Effective Date"), by and between SAFE AND GREEN DEVELOPMENT CORPORATION, having its principal office at 5011 Gate Parkway, Building 100, Suite 100, Jacksonville, Florida 32256 (hereinafter referred to as the "Company"), and David Villarreal, an individual living in Idaho (hereinafter referred to as "Executive").

W I T N E S S E T H

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, pursuant to the terms and conditions hereof;

NOW THEREFORE, in consideration of the premises and of the mutual promises herein contained, the parties hereto agree as follows:

1. EMPLOYMENT. The Company hereby employs Executive, and Executive hereby agrees to be employed by the Company, subject to the terms and conditions hereinafter set forth.

2. TERM. Executive's employment shall commence as of the Effective Date and unless earlier terminated as provided herein, the initial term of this Agreement will be for a period of two (2) years, commencing on the date of this Agreement (the "Initial Term"); provided that thereafter this Agreement will be extended for additional one (1) year periods unless, no later than sixty (60) days prior to the expiration of the Initial Term or any such one (1) year extension period, as the case may be, either the Company or Executive provides notice to the other of its intent to terminate this Agreement upon the completion of the Initial Term or any such one (1) year extension period (the period of Executive's employment by the Company under this Agreement will be referred to as the "Term").

3. DUTIES. The Executive shall perform such duties and functions as the President and Chief Executive Officer of the Company as are determined from time to time by the Company's Board of Directors (the "Board"). In the performance of his duties, Executive shall comply with the policies of and be subject to the reasonable direction of the Board. The Executive agrees to devote his entire working time, attention and energies to the performance of the business of the Company and of any of its subsidiaries or affiliates by which he may be employed; and Executive shall not, directly or indirectly, alone or as a member of any partnership, or as an officer, director or employee of any other corporation, partnership or other organization, be actively engaged in or concerned with any other duties or pursuits which interfere with the performance of his duties hereunder, or which, even if non-interfering, may be inimical to or contrary to the best interests of the Company. Executive's services shall be performed remotely from his offices in Pocatello, Idaho and Los Angeles, California.

4. COMPENSATION. As compensation for the services to be rendered by Executive hereunder, the Company agrees to pay or cause to be paid to Executive, and Executive agrees to accept, an annual salary of Three Hundred Thousand Dollars ($300,000) payable in bi-weekly installments on the 15th and last day of each month, commencing on February 15, 2023. Subject to Board approval, the Executive shall also be entitled to receive, and the Company shall issue to Executive, a restricted stock grant of ("RSUs") under the Company's Stock Incentive Plan (the "Plan") as and when adopted, for six hundred fifty thousand shares (650,000) shares of the Company's common stock, vesting fifty percent (50%) upon issuance, with the balance vesting quarterly on a pro-rata basis over the next eighteen (18) months of continuous service.

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5. ADDITIONAL COMPENSATION. The Executive shall be eligible to receive a target annual performance cash bonus of up to 25% of Executive's then-base Salary ("Annual Target Bonus") payable in cash and/or equity, as determined by the Board. Executive's Annual Target Bonus is not guaranteed and will be based on the Company's performance and/or Executive's individual performance as determined by the Compensation Committee of the Board (the "Committee") in its sole discretion. The actual payout for this award will be calculated based solely on achievement against performance measures approved by the Committee. Each year, specific targets will be approved by the Committee in the year's first quarter and communicated to Executive following such approval. Performance against these goals will be assessed after year end, with payout made no later than March 15 of the year following the year in respect of which the bonus was earned, subject to Executive's continued employment through the payment date. In addition, during the Term of this Agreement, the Board, in its sole discretion, may award additional compensation to Executive other than as specifically provided by this Agreement.

6. EMPLOYEE BENEFITS. Effective upon Executive's hiring and during the period Executive is employed hereunder, Executive shall be permitted to participate in all group health, hospitalization and disability insurance programs, pension plans and similar benefits that are now or may become available to similarly situated executives of the Company. During the period Executive is employed hereunder, Executive shall be entitled to vacations in accordance with the vacation policy of the Company but in no instance less than three (3) weeks during the first year of employment.

7. REIMBURSEMENT OF EXPENSES. During the period Executive is employed hereunder, the Company shall reimburse Executive for reasonable and necessary out-of-pocket expenses advanced or expended by Executive or incurred by him for or on behalf of the Company in connection with his duties hereunder in accordance with its customary policies and practices; provided, however, that Executive shall not expend or incur any such monthly expenses, individually or in the aggregate, in excess of One Thousand Five Hundred Dollars ($1,500.00) without the approval of the Company.

8. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION.

(a) The Executive's employment hereunder may be terminated at any time upon written notice by the Company, upon the occurrence of any of the following events:

(i) the death of Executive;

(ii) the disability of Executive (as defined in paragraph (b)); or

(iii) the determination that there is cause (as hereinafter defined) for such termination upon ten (10) days' prior written notice to Executive.

(b) For purposes hereof, the term "disability" shall mean the inability of Executive, due to illness, accident or any other physical or mental incapacity, to perform the normal functions of his job for a period of three (3) consecutive months or for a total of six (6) months (whether or not consecutive) in any twelve (12) month period during the term of this Agreement.

(c) For purposes hereof, "cause" shall mean and be limited to (i) Executive's conviction (which, through lapse of time or otherwise, is not subject to appeal) of any crime or offense involving money or other property of the Company or its subsidiaries or which constitutes a felony in the jurisdiction involved; (ii) Executive's performance of any act or his failure to act, for which if he were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries, or which would constitute a felony in the jurisdiction involved would have occurred, (iii) Executive's material breach of any of the representations, warranties or covenants set forth in this Agreement, or (iv) Executive's continuing, repeated, willful failure or refusal to perform, his duties required by this Agreement, provided that Executive shall have first received written notice from the Company stating with specificity the nature of such failure and refusal and affording Executive an opportunity, as soon as practicable, to correct the acts or omissions complained of. Whether or not "cause" shall exist in each case shall be determined by the Board of Directors of the Company in its sole discretion.

(d) The Executive's employment hereunder, may also be terminated by the Company at any time upon thirty (30) days prior written notice, without cause.

(e) In the event that the Executive's employment is terminated for cause, Executive will be entitled to only his accrued salary and vacation time through the termination date and nothing more. In the event the Executive's employment is terminated by the Company for any reason other than cause, Executive shall receive severance equal to one (1) year's salary and benefits. These severance benefits will include payment of COBRA health insurance, term life insurance, accelerated vesting of RSU's at the discretion of the Committee, and the receipt of any earned bonus compensation from projects and performance goals as well as accrued vacation time.

9. REPRESENTATIONS AND AGREEMENTS OF EXECUTIVE . The Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts, restrictive covenants or other restrictions preventing the performance of his duties hereunder.

10. NON-COMPETITION.

(a) Executive agrees that if his employment is terminated for any reason or if he leaves the employ of the Company for any reason, for a period of one (1) year from the date of such termination of employment, he will not directly or indirectly, as owner, partner, joint venture, stockholder, employee, broker, agent, principal, trustee, corporate officer or director, licensor or in any capacity whatsoever engage in, become financially interested in, be employed by, render consulting services to, or have any connection with, any business which is competitive with the business activities of the Company or its subsidiaries ("Competitive Business"), in any geographic area where, during the time of his employment, the business of the Company or any of its subsidiaries is being or had been conducted in any manner whatsoever, or hire or attempt to hire for any Competitive Business any employee of the Company or any subsidiary thereof, or solicit, call on or induce others to solicit or call on, directly or indirectly, any customers or prospective customers of the Company for the purpose of inducing them to purchase or lease a product or service which may compete with any product or service of the Company; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent of any class of stock or securities of such company. This Executive will be allowed to seek employment in construction management real estate development and/or the mortgage finance industry immediately upon termination.

(b) If any portion of the restrictions set forth in paragraph (a) should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected.

(c) The Executive declares that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the business of the Company. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of either said territorial or time limitation to such area or period which said court shall have deemed reasonable.

(d) The existence of any claim or cause of action by Executive against the Company or any subsidiary other than under this Agreement shall not constitute a defense to the enforcement by the Company or any subsidiary of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

11. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) The Executive shall not, during the term of this Agreement, and at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known, to any person, firm or corporation, any confidential information acquired by him during the course of or as an incident to his employment hereunder, relating to the Company or any of its subsidiaries, the directors of the Company or its subsidiaries, any client of the Company or any of its subsidiaries, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary information, trade secrets, know-how, market studies and forecasts, competitive analyses, the substance of agreements with clients and others, client lists and any other documents embodying such confidential information.

(b) All information and documents relating to the Company, its affiliates as hereinabove described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use his best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof, then in Executive's possession or control shall be returned and left with the Company.

12. RIGHT TO INJUNCTION. The Executive recognizes that the services to be rendered by him hereunder are of a special, unique, unusual, extraordinary and intellectual character involving skill of the highest order and giving them peculiar value, the loss of which cannot be adequately compensated for in damages. In the event of a breach of this Agreement by Executive, the Company shall be entitled to injunctive relief or any other legal or equitable remedies. Executive agrees that the Company may recover by appropriate action the amount of the actual damage caused the Company by any failure, refusal or neglect of Executive to perform his agreements, representations and warranties herein contained. The remedies provided in this Agreement shall be deemed cumulative and the exercise of one shall not preclude the exercise of any other remedy at law or in equity for the same event or any other event.

13. AMENDMENT OR ALTERATION . No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

14. GOVERNING LAW. All matters concerning the validity, construction, interpretation and performance under this Agreement shall be governed by the laws of the State of Florida, without giving effect to any conflict of laws principles thereunder.

15. SEVERABILITY. The holding of any provision of this Agreement to be illegal, invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

16. NOTICES. Any notice hereunder by either party to the other shall be given in writing by personal delivery or by registered mail, return receipt requested, addressed, if to the Company, to the attention of the Company's Chairman of the Board of Directors at the Company's principal offices or to such other address as the Company may designate in writing to Executive, and if to Executive, to his most recent home address on file with the Company. Notice shall be deemed given, if by personal delivery, on the date of such delivery or, if by registered mail, on the date shown on the applicable return receipt.

17. WAIVER OR BREACH. It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by that same party.

18. ENTIRE AGREEMENT AND BINDING EFFECT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributees, successors and assigns.

19. ASSIGNMENT. This Agreement may not be transferred or assigned by either party without the prior written consent of the other party.

20. SURVIVAL. The termination of Executive's employment hereunder shall not affect the enforceability of Sections 10 and 11 hereof.

21. FURTHER ASSURANCES. The parties agree to execute and deliver all such further instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement.

22. HEADINGS. The Section headings appearing in this Agreement are for purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together, shall constitute one instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

SAFE AND GREEN DEVELOPMENT CORPORATION	**EXECUTIVE:**
By: Paul Galvin	/s/ David Villarreal
Name: Paul Galvin	David Villarreal
Title: Executive Chairman & CEO	

Exhibit 99.1

_____, 2023

Dear Safe & Green Holdings Corp. Stockholder:

In December 2022, we announced our plan to separate into two separate publicly traded companies. To implement the separation, we will distribute 30% of the outstanding shares of common stock of Safe and Green Development Corporation ("SG DevCo") to our stockholders on a pro rata basis as a distribution.

Each stockholder of Safe & Green Holdings Corp. ("SG Holdings") as of_____, 2023, the record date for the distribution, will receive ________shares of SG DevCo common stock for every ____ shares of SG Holdings common stock held as of the close of business on the record date. SG DevCo common stock will be issued in book-entry form only, which means that no physical share certificates will be issued. You do not need to take any action to receive shares of SG DevCo to which you are entitled as a SG Holdings stockholder, and you do not need to pay any consideration or surrender or exchange your SG Holdings common stock. Following the consummation of the distribution, you will own common stock in both SG Holdings and SG DevCo.

The separation of SG DevCo from SG Holdings and the distribution of SG DevCo common stock is intended, among other things, to enable the management of the two companies to pursue opportunities for long-term growth and profitability unique to each company's business and to allow each business to more effectively implement its own distinct capital structure and capital allocation strategies. SG Holdings is expected to continue developing, designing and fabricating modular structures. SG DevCo will focus on real estate development.

The SG Holdings Board of Directors believes that, following the spin-off, the combined value of SG Holdings' common stock and SG DevCo's common stock could, over time and assuming similar market conditions, be greater than the value of SG Holdings' common stock had the spin-off not occurred. With two separate public companies having distinct business models and investment characteristics, investors will have the opportunity to value each against distinct sets of peers and investment metrics. This has the potential to increase the overall valuation of the companies, thus unlocking stockholder value.

We encourage you to read the attached information statement, which is being provided to all SG Holdings stockholders that held shares on the record date for the distribution. The information statement describes the distribution in respect of SG DevCo in detail, material tax consequences and contains important business and financial information about SG DevCo. The included financial statements of SG DevCo are prepared from SG Holdings' historical accounting records and contain certain allocations of SG Holdings' costs as required, and we encourage you to read them together with the pro forma financial information included in the attached information statement.

We believe the separation provides tremendous opportunities for our businesses, as we work to continue to build long-term value. We appreciate your continuing support of SG Holdings.

Sincerely,

Paul M. Galvin
Chief Executive Officer and Interim
Chief Financial Officer
Safe & Green Holdings Corp.

_____, 2023

Dear Future Safe and Green Development Corporation Stockholder:

On behalf of Safe and Green Development Corporation ("SG DevCo") it is my great privilege to welcome you as a future stockholder of our company. Following our separation from Safe & Green Holdings Corp. ("SG Holdings"), we will operate as a separate publicly traded company.

SG DevCo is a real estate developer which has been and intends on continuing to engage primarily in the acquisition, development, management, sale and leasing of green single or multi-family projects nationally. We plan to construct many of the developments using modular structures constructed by SG Holdings. In addition to these development projects, we intend to build strategically placed manufacturing facilities. We expect to begin to break ground on several projects in 2023.

The separation will create two companies with more focused, aligned businesses, which will allow each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its business and the industries in which it operates and serves. We believe that each company will benefit from the investment community's ability to value its businesses independently within the context of its particular industry with the anticipation that, over time, the aggregate market value of the companies will be higher, assuming the same market conditions, than if SG Holdings were to remain under its current configuration.

We invite you to learn more about our company by reading the enclosed information statement, which details our strategy and plans for near and long-term growth to generate value for our stockholders. We are excited about our future as a separate company, and we look forward to your support as a Safe and Green Development Corporation stockholder as we begin this new and exciting chapter.

Sincerely,

David Villarreal
Chief Executive Officer
Safe and Green Development Corporation

Information contained herein is subject to completion or amendment. A registration statement on Form 10 relating to these securities has been filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Preliminary and Subject to Completion, dated February 6, 2022

INFORMATION STATEMENT

Safe and Green Development Corporation

This information statement is being furnished in connection with the distribution by Safe & Green Holdings Corp. (“SG Holdings”), to its stockholders of 30% of the outstanding shares of common stock of Safe and Green Development Corporation (“SG DevCo”), a wholly owned subsidiary of SG Holdings, that holds the assets and liabilities associated with SG Holdings’ real estate development business.

We expect to apply to have our common stock listed on the Nasdaq Capital Market as of the effective date of the distribution of our common stock to the stockholders of SG Holdings. For every [ ] shares of common stock of SG Holdings held of record by you as of the close of business on [ ] 2023, the record date for the distribution, you will receive [ ] shares of our common stock. The distribution will generally be taxable to stockholders for U.S. federal income tax purposes. See “Material U.S. Federal Income Tax Consequences.” The distribution is expected to be completed on or about [ ], 2023, the distribution date. Immediately after SG Holdings completes the distribution, we will be a separate publicly traded company.

No vote or other action is required by you to receive shares of our common stock. You will not be required to pay anything for the new shares or to surrender any of your shares of SG Holdings common stock. We are not asking you for a proxy, and you should not send us a proxy or your share certificates.

There currently is no trading market for our common stock. Assuming the Nasdaq Capital Market authorizes our common stock for listing, we anticipate that a limited market, commonly known as a “when-issued” trading market, for our common stock will commence on or shortly before the record date for the distribution and will continue until the distribution of our common stock to SG Holdings stockholders. We expect the “regular-way” trading of our common stock will begin on the first trading day following the completion of the distribution.

We are an “emerging growth company” as defined under the federal securities laws and, as such, have elected to comply with certain reduced public company reporting requirements. See “Business—Emerging Growth Company.” In addition, we will be a “controlled company” within the meaning of the corporate governance rules of the Nasdaq Stock Market due to SG Holding’s anticipated 70% ownership interest in us following the completion of the Separation and Distribution.

In reviewing this information statement, you should carefully consider the matters described under the caption “Risk Factors” beginning on page 13.

Neither the Securities and Exchange Commission, nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is [ ] 2023.

This information statement was first made available to SG Holdings stockholders on or about [ ] 2023.

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ABOUT THIS INFORMATION STATEMENT

This information statement forms part of a registration statement on Form 10 (File No. 001- 41581) filed with the Securities and Exchange Commission ("SEC"), with respect to the shares of our common stock to be distributed to SG Holdings stockholders in connection with the separation of SG Holdings and SG DevCo.

We and SG Holdings have supplied all information contained in this information statement relating to our respective companies. We and SG Holdings have not authorized anyone to provide you with information other than the information that is contained in this information statement. We and SG Holdings take no responsibility for, and can provide no assurances as to the reliability of, any other information that others may give you. This information statement is dated [ ] , 2023, and you should not assume that the information contained in this information statement is accurate as of any date other than such date.

Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement about SG Holdings assumes the completion of all of the transactions referred to in this information statement in connection with the separation of SG Holdings and SG DevCo.

Unless otherwise indicated or as the context otherwise requires, all references in this information statement to the following terms will have the meanings set forth below:

- "SG DevCo," "we," "us," "our," "our Company," and "the Company" means Safe and Green Development Corporation;
- "SG Holdings" means Safe & Green Holdings Corp. and, when appropriate in the context, also includes the subsidiaries of this entity;
- "Distribution" means the distribution of 30% of the shares of our common stock, which are owned by SG Holdings, to stockholders of SG Holdings;
- "Distribution Date" means the date on which the Distribution is completed, which is expected to be on or about [ ] , 2023;
- "Separation" means the separation of the Spin-Off Business from SG Holdings to SG DevCo;
- "Nasdaq" means the Nasdaq Capital Market;
- "Spin-Off Business" means SG Holdings' real estate development business currently conducted by SG DevCo, including the operations, properties, services, and activities of such business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this information statement that are not purely historical are forward-looking statements. All statements other than statements of historical facts contained or incorporated herein by reference in this information statement, including statements regarding our future operating results, future financial position, business strategy, objectives, goals, plans, prospects, markets, and plans and objectives for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipates," "believes," "estimates," "expects," "intends," "targets," "contemplates," "projects," "predicts," "may," "might," "plan," "will," "would," "should," "could," "may," "can," "potential," "continue," "objective," or the negative of those terms, or similar expressions intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. Specific forward-looking statements in this information statement, include statements regarding our strategies, outlook, business and prospects; and statements regarding potential share gains. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although each of SG Holdings and SG DevCo believes that the expectations reflected in any forward-looking statements it makes are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to:

- Our limited operating history makes it difficult for us to evaluate our future business prospects.
- Our auditors have expressed substantial doubt about our ability to continue as a going concern.
- Our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth or investments effectively.
- The long-term sustainability of our operations as well as future growth depends in part upon our ability to acquire land parcels suitable for residential projects at reasonable prices.
- We operate in a highly competitive market for investment opportunities, and we may be unable to identify and complete acquisitions of real property assets.
- Our property portfolio has a high concentration of properties located in certain states.
- There can be no assurance that the properties in our development pipeline will be completed in accordance with the anticipated timing or cost.
- Our insurance coverage on our properties may be inadequate to cover any losses we may incur and our insurance costs may increase.
- Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks.
- We rely on third-party suppliers and long supply chains, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains, our ability to timely and efficiently access raw materials that meet our standards for quality could be adversely affected.

- The construction of manufacturing facilities involves significant risks.

- Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results.
- Legislative, regulatory, accounting or tax rules, and any changes to them or actions brought to enforce them, could adversely affect us.
- Our business, results of operations, cash flows and financial condition are greatly affected by the performance of the real estate industry.
- Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for housing and, as a result, could have a material adverse effect on us.
- Fluctuations in real estate values may require us to write-down the book value of our real estate assets.
- We may be required to take write-downs or write-offs, restructuring, and impairment or other charges that could have a significant negative effect on our financial condition, results of operations, and our stock price, which could cause you to lose some or all of your investment.
- Inflation could adversely affect our business and financial results.
- We could be impacted by our investments through joint ventures, which involve risks not present in investments in which we are the sole owner.
- Risks associated with our land and lot inventories could adversely affect our business or financial results.
- We may not be able to sell our real property assets when we desire.
- Access to financing sources may not be available on favorable terms, or at all, which could adversely affect our ability to maximize our returns.
- The COVID-19 pandemic, or the future outbreak of any other highly infectious or contagious diseases, could materially and adversely impact our performance, financial condition, results of operations and cash flows.
- We have no recent history of operating as an independent company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.
- Following the Separation and Distribution, our financial profile will change, and we will be a smaller, less diversified company than SG Holdings prior to the Separation.
- We may not achieve some or all of the expected benefits of the Separation and Distribution.
- SG Holdings' plan to separate into two publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense.
- Until the Distribution occurs, SG Holdings' Board of Directors has sole and absolute discretion to change the terms of the Separation and Distribution in ways which may be unfavorable to us.
- We may have indemnification liabilities to SG Holdings under the separation and distribution agreement.
- After the Distribution, 70% of our common stock will be owned by a single stockholder, and it may therefore be able to substantially control our management and affairs.

- After the Distribution, we will be a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, will qualify for, and could rely on, exemptions from certain corporate governance requirements. You may not have the same protections afforded to stockholders of companies that are subject to such requirements.
- We currently do not intend to pay dividends on our common stock. Consequently, our stockholders' ability to achieve a return on their investment will depend on appreciation in the price of our common stock.
- We cannot be certain that an active trading market for our common stock will develop or be sustained after the Distribution and, following the Distribution, our stock price may fluctuate significantly.
- The combined post-Separation value of SG Holdings and SG DevCo shares may not equal or exceed the pre-Separation value of SG Holdings shares.
- We may issue shares of preferred or common stock in the future, which could dilute your percentage ownership of the Company.
- Anti-takeover provisions could enable SG DevCo to resist a takeover attempt by a third party and limit the power of our stockholders.

There can be no assurance that the Separation, Distribution or any other transaction described above will in fact be consummated in the manner described or at all. The above list of factors is not exhaustive or necessarily in order of importance. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, see the discussions under "Risk Factors" in this information statement. Any forward-looking statement speaks only as of the date on which it is made, and each of SG Holdings and SG DevCo assumes no obligation to update or revise such statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

QUESTIONS AND ANSWERS ABOUT THE SEPARATION AND DISTRIBTION

Please see "The Separation and Distribution" for a more detailed description of the matters summarized below.

Why am I receiving this document?

You are receiving this document because you are a SG Holdings stockholder as of the close of business on the record date and, as such, will be entitled to receive shares of our common stock upon completion of the transactions described in this information statement. This document will help you understand how the Separation and Distribution will affect your post-separation ownership in SG Holdings and SG DevCo.

How will SG Holdings accomplish the Separation of the Spin-Off Business?

The Separation will be implemented by SG Holdings distributing 30% the outstanding shares of common stock of SG DevCo to SG Holdings' stockholders on a pro rata basis.

Why is SG Holdings separating the Spin-Off Business from its current business operations?

The separation of SG DevCo from SG Holdings and the distribution of SG DevCo common stock is intended, among other things, to enable the management of the two companies to pursue opportunities for long-term growth and profitability unique to each company's business and to allow each business to more effectively implement its own distinct capital structure and capital allocation strategies.

The SG Holdings Board of Directors believes that, following the spin-off, the combined value of SG Holdings' common stock and SG DevCo's common stock could, over time and assuming similar market conditions, be greater than the value of SG Holdings' common stock had the spin-off not occurred. As a combined company, SG Holdings has no exact peers, which, the SG Holdings Board of Directors believes, causes the market to undervalue the combined company. With two separate public companies having distinct business models and investment characteristics, investors will have the opportunity to value each against distinct sets of peers and investment metrics. This has the potential to increase the overall valuation of the companies, thus unlocking stockholder value. The increased market value of the common stock of each company should provide additional flexibility for each company to pursue its business strategy. For additional information, see "The Separation and Distribution — Reasons for the Separation."

What is the record date for the Distribution?

The record date for the Distribution will be [ ] , 2023.

When will the Distribution occur?

The Distribution is expected to occur on or around [ ], 2023.

What do I have to do to participate in the Distribution?

Stockholders of SG Holdings as of the record date for the Distribution will not be required to take any action to receive SG DevCo common stock in the Distribution, but you are urged to read this entire information statement carefully. No stockholder approval of the Distribution is required. You are not being asked for a proxy. You do not need to pay any consideration, exchange or surrender your existing shares of SG Holdings common stock or take any other action to receive your shares of SG DevCo common stock. Please do not send in your SG Holdings stock certificates. The Distribution will not affect the number of outstanding shares of SG Holdings common stock or any rights of SG Holdings stockholders, although it will affect the market value of each outstanding share of SG Holdings common stock.

What will I receive in the Distribution?

In connection with the Distribution, you will be entitled to receive [ ] shares of our common stock for every [ ] shares of SG Holdings common stock held by you as of the close of business on the record date as well as a cash payment in lieu of any fractional shares, as discussed herein.

As a SG Holdings stockholder as of the record date, how will shares of common stock be distributed to me?

At the effective time of the Distribution, we will instruct our transfer agent and distribution agent to make book-entry credits for the shares of our common stock that you are entitled to receive as a stockholder of SG Holdings as of the close of business on the record date. Since shares of our common stock will be in uncertificated book-entry form, you will receive share ownership statements in place of physical share certificates.

What if I hold my shares through a broker, bank, or other nominee?

SG Holdings stockholders that hold their shares through a broker, bank, or other nominee will have their bank, brokerage, or other account credited with our common stock. For additional information, those stockholders should contact their broker or bank directly.

How will fractional shares be treated in the Distribution?

You will not receive fractional shares of our common stock in connection with the Distribution. Fractional shares that SG Holdings stockholders would otherwise have been entitled to receive will be aggregated and sold in the public market by the distribution agent. The net cash proceeds of these sales will be distributed pro rata (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts paid in lieu of fractional shares.

What are the conditions to the Separation and Distribution?

The Separation and Distribution is subject to the satisfaction or waiver of the following conditions, among other conditions described in this information statement:

- The SEC will have declared effective our registration statement on Form 10, of which this information statement is a part, under the Exchange Act; and no stop order suspending the effectiveness of our registration statement on Form 10 will be in effect.
- This information statement having been made available to SG Holdings' stockholders.
- Nasdaq will have approved the listing of SG DevCo common stock, subject to official notice of issuance.

- No events or developments shall have occurred or exist that, in the sole and absolute judgment of the SG Holdings Board of Directors, make it inadvisable to effect the Distribution or would result in the Distribution and related transactions not being in the best interest of SG Holdings or its stockholders.

SG Holdings and SG DevCo cannot assure you that any or all of these conditions will be met, or that the Separation and Distribution will be consummated even if all of the conditions are met. SG Holdings can decline at any time to go forward with the Separation and Distribution. In addition, SG Holdings may waive any of the conditions to the Distribution. To the extent that the SG Holdings Board of Directors determines that any modifications by SG Holdings, including any waivers of any conditions to the Distribution, materially change the terms of the Distribution, SG Holdings will notify SG Holdings stockholders in a manner reasonably calculated to inform them about the modifications as may be required by law, by publishing a press release, filing a current report on Form 8-K and/or circulating a supplement to this information statement. For a complete discussion of all of the conditions to the distribution, see "The Separation and Distribution — Conditions to the Distribution."

What are the U.S. federal income tax consequences to me of the Distribution?

The receipt by you of shares of SG DevCo common stock in the Distribution and cash received in lieu of any fractional shares sold on your behalf will generally be a taxable distribution in an amount equal to the sum of the fair market value of such SG DevCo common stock and the amount of such cash you receive, which will be treated as a taxable dividend to the extent of your ratable share of SG Holdings' current and accumulated earnings and profits. The amount by which the sum of the fair market value of such SG DevCo common stock and such cash you receive exceeds your ratable share of SG Holdings' current and accumulated earnings and profits will be treated first as a non-taxable return of capital to the extent of (and in reduction of) your tax basis in shares of SG Holdings common stock (but not below zero) and then as capital gain.

You should consult your own tax advisor as to the particular consequences of the Distribution to you as well as your receipt of cash in lieu of fractional shares, including the applicability and effect of any U.S. federal, state and local tax laws, as well as any non-U.S. tax laws. For more information regarding the material U.S. federal income tax consequences of the Distribution, see the section entitled "Material U.S. Federal Income Tax Consequences."

How will I determine the tax basis I will have in the SG DevCo shares I receive in connection with the Distribution?

Your tax basis in the shares of SG DevCo common stock received generally will equal the fair market value of such shares on the Distribution Date. For a more detailed discussion see "Material U.S. Federal Income Tax Consequences."

Can SG Holdings decide to cancel the Separation and Distribution even if all the conditions have been met?

Yes. SG Holdings has the right to terminate, or modify the terms of, the Separation and Distribution at any time prior to the Distribution Date, even if all of the conditions to the Separation and Distribution are satisfied.

What if I want to sell my SG Holdings common stock or my SG DevCo common stock?

You should consult with your financial advisors, such as your stockbroker, bank or tax advisor. If you sell your shares of SG Holdings common stock in the "regular-way" market after the record date and before the Distribution Date, you also will be selling your right to receive shares of SG DevCo common stock in connection with the Distribution.

What is "regular-way" and "ex-distribution" trading of SG Holdings common stock?

Beginning on or shortly before the record date for the Distribution and continuing up to and through the Distribution Date, we expect that there will be two markets in SG Holdings common stock: a "regular-way" market and an "ex-distribution" market. SG Holdings common stock that trades in the "regular-way" market will trade with an entitlement to shares of SG DevCo common stock distributed pursuant to the Distribution. Shares that trade in the "ex-distribution" market will trade without an entitlement to SG DevCo common stock distributed pursuant to the Distribution. If you decide to sell any shares of SG Holdings common stock before the Distribution Date, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your SG Holdings common stock with or without your entitlement to SG DevCo common stock pursuant to the Distribution. See "The Separation and Distribution — Trading Between the Record Date and the Distribution Date" on page 31 of this information statement for a discussion of selling SG Holdings common stock on or before the Distribution Date.

How will SG Holdings' common stock and SG DevCo's common stock trade after the Distribution?

There is currently no public market for our common stock. We plan to apply to have our common stock listed on Nasdaq under the ticker symbol "SGD." SG Holdings common stock will continue to trade on Nasdaq under the ticker symbol "SGBX." SG DevCo anticipates that trading in shares of its common stock will begin on a "when-issued" basis on or shortly before the record date for the distribution and will continue up to and through the Distribution Date, and that "regular-way" trading in SG DevCo common stock will begin on the first trading day following the completion of the Distribution. If trading begins on a "when-issued" basis, you may purchase or sell SG DevCo common stock up to and through the Distribution Date, but your transaction will not settle until after the Distribution Date. SG DevCo cannot predict the trading prices for its common stock before, on or after the Distribution Date.

Do I have appraisal rights?

No. SG Holdings stockholders do not have any appraisal rights in connection with the Separation and Distribution.

Does SG DevCo intend to pay cash dividends on its common stock?

No. We do not currently intend to pay cash dividends on our common stock. See "Dividend Policy."

Will the Separation and Distribution affect the trading price of my SG Holdings stock?

The trading price of shares of SG Holdings common stock immediately following the consummation of the Separation and Distribution may be expected to be lower than immediately prior to that time because the trading price will no longer reflect the value of the Spin-Off Business (except to the extent of the shares of our common stock retained by SG Holdings as described herein). There can be no assurance that, following the Separation and Distribution, the combined trading prices of the SG Holdings common stock and our common stock will equal or exceed what the trading price of SG Holdings common stock would have been in the absence of the Separation and Distribution. It is possible that after the Separation and Distribution, our and SG Holdings' combined equity value will be less than SG Holdings' equity value before the Separation and Distribution.

What will the relationship between SG Holdings and SG DevCo be following the Separation and Distribution?

In connection with the Separation and Distribution, we will enter into a separation and distribution agreement and several other agreements with SG Holdings to provide a framework for our relationship with SG Holdings after the Separation and Distribution. These agreements will provide for the allocation between SG Holdings and SG DevCo of the assets, employees, liabilities and obligations (including, among others, investments, property, employee benefits and tax-related assets and liabilities) of SG Holdings and its subsidiaries attributable to periods prior to, at and after the Separation and will govern the relationship between us and SG Holdings subsequent to the completion of the Separation. In addition to the separation and distribution agreement, the other principal agreements to be entered into with SG Holdings include a tax matters agreement and a shared services agreement. See "The Separation and Distribution—Agreements with SG Holdings."

Who is the Distribution Agent, Transfer Agent, and Registrar for SG DevCo?

American Stock Transfer and Trust Company, LLC will be the distribution agent for SG DevCo common stock and the transfer agent and registrar for SG DevCo common stock. For questions relating to the transfer or mechanics of the stock distribution, you should contact:

American Stock Transfer and Trust Company, LLC
6201 15th Avenue
Brooklyn, New York 11219

Tel: [   ]

Who can I contact for more information?

If you have any questions relating to SG Holdings, you should contact:

Safe & Green Holdings Corp.
990 Biscayne Blvd
#501, Office 12,
Miami FL 33132
Tel: (646) 240-4235
Attn: Paul Galvin, CEO and Interim CFO[   ]

After the Separation, if you have questions relating to SG DevCo, you should contact:

Safe and Green Development Corporation
990 Biscayne Blvd
#501, Office 12,
Miami FL 33132
Tel: (904) 496-0027
Attn: David Villarreal, President & CEO   ]

INFORMATION STATEMENT SUMMARY

This summary highlights information contained in this information statement relating to us and shares of our common stock being distributed by SG Holdings in connection with the Distribution. This summary may not contain all details concerning the Separation, Distribution or other information that may be important to you. To better understand the Separation, Distribution and our business and financial position, you should carefully review this entire information statement, including the risk factors, the material tax consequences discussion, our historical financial statements, our unaudited pro forma financial statements, and the respective notes to those historical and pro forma financial statements.

Our historical financial statements have been prepared on a "carve-out" basis to reflect the operations, financial condition, and cash flows of the Spin-Off Business during all periods shown. Our unaudited pro forma financial statements adjust our historical financial statements to give effect to our Separation from SG Holdings and our anticipated post-Separation capital structure.

Our Company

We were formed in 2021 for the purpose of real property development utilizing SG Holdings' proprietary technologies and SG Holdings' manufacturing facilities Our current business focus is primarily on the direct acquisition and indirect investment in properties nationally that will be further developed in the future into green single or multi-family projects. To date, we have not generated any revenue and our activities have consisted solely of the acquisition of three properties and an investment in two entities that have acquired two properties to be further developed; however we have not yet commenced any development activities. We are focused on increasing our presence in markets with favorable job formation and a favorable demand/supply ratio for multifamily housing. We intend to construct many of the planned developments using modules built by SG Echo, LLC, a subsidiary of SG Holdings ("SG Echo"). In addition to these development projects, we intend, subject to our ability to raise sufficient capital, to build additional, strategically placed manufacturing facilities that will be sold or leased to third parties as well as leased to SG Holdings. We intend to build manufacturing sites for lease to SG Echo near our project sites in order to take advantage of cost savings for transportation of modules from SG Echo to our sites . Our business model is flexible and we anticipate developing properties on our own and also through joint ventures in which we partner with third-party equity investors or other developers.

We intend to develop the properties that we own from the proceeds of future financings, both at the corporate and project level, and / or sale proceeds from properties that are sold. However, our ability to develop any properties will be subject to our ability to raise capital either through the sale of equity or by incurring debt. We have forecasted to invest approximately $1.6 million over the course of the next 12 months to start the development of three different projects, subject to our ability to raise additional capital.

The projects we intend to develop over the next 12 months are:

- Finley Street Apartments (165 Units), the first phase of our Cumberland Inlet Site
- St Mary's Industrial, a 120,000 SF Manufacturing Facility to be leased by SG Echo
- Magnolia Gardens I (100 Units), the first phase of our McLean Mixed Use Site

Summary of Risk Factors

An investment in our Company is subject to a number of risks, including risks relating to our business, risks related to the Separation and Distribution and risks related to our common stock. Set forth below is a high-level summary of some, but not all, of these risks. Please read the information in the section entitled "Risk Factors" of this information

statement, for a more thorough description of these and other risks.

Risks Related to Our Business

- Our limited operating history makes it difficult for us to evaluate our future business prospects.
- Our auditors have expressed substantial doubt about our ability to continue as a going concern.
- Our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth or investments effectively.
- The long-term sustainability of our operations as well as future growth depends in part upon our ability to acquire land parcels suitable for residential projects at reasonable prices.
- We operate in a highly competitive market for investment opportunities, and we may be unable to identify and complete acquisitions of real property assets.
- Our property portfolio has a high concentration of properties located in certain states.
- There can be no assurance that the properties in our development pipeline will be completed in accordance with the anticipated timing or cost.

- Our insurance coverage on our properties may be inadequate to cover any losses we may incur and our insurance costs may increase.
- Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks.
- We rely on third-party suppliers and long supply chains, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains, our ability to timely and efficiently access raw materials that meet our standards for quality could be adversely affected.
- The construction of manufacturing facilities involves significant risks.
- Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results.
- Legislative, regulatory, accounting or tax rules, and any changes to them or actions brought to enforce them, could adversely affect us.
- Our business, results of operations, cash flows and financial condition are greatly affected by the performance of the real estate industry.
- Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for housing and, as a result, could have a material adverse effect on us.
- Fluctuations in real estate values may require us to write-down the book value of our real estate assets.
- We may be required to take write-downs or write-offs, restructuring, and impairment or other charges that could have a significant negative effect on our financial condition, results of operations, and our stock price, which could cause you to lose some or all of your investment.
- Inflation could adversely affect our business and financial results.
- We could be impacted by our investments through joint ventures, which involve risks not present in investments in which we are the sole owner.
- Risks associated with our land and lot inventories could adversely affect our business or financial results.
- We may not be able to sell our real property assets when we desire.
- Access to financing sources may not be available on favorable terms, or at all, which could adversely affect our ability to maximize our returns.
- The COVID-19 pandemic, or the future outbreak of any other highly infectious or contagious diseases, could materially and adversely impact our performance, financial condition, results of operations and cash flows.

Risks Related to the Separation and Distribution

- We have no recent history of operating as an independent company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.
- Following the Separation and Distribution, our financial profile will change, and we will be a smaller, less diversified company than SG Holdings prior to the Separation.
- We may not achieve some or all of the expected benefits of the Separation and Distribution.
- SG Holdings' plan to separate into two publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense.
- Until the Distribution occurs, SG Holdings' Board of Directors has sole and absolute discretion to change the terms of the Separation and Distribution in ways which may be unfavorable to us.
- We may have indemnification liabilities to SG Holdings under the separation and distribution agreement.
- After the Distribution, 70% of our common stock will be owned by a single stockholder, and it may therefore be able to substantially control our management and affairs.
- After the Distribution, we will be a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, will qualify for, and could rely on, exemptions from certain corporate governance requirements. You may not have the same protections afforded to stockholders of companies that are subject to such requirements.

Risks Related to Our Common Stock

- We currently do not intend to pay dividends on our common stock. Consequently, our stockholders' ability to achieve a return on their investment will depend on appreciation in the price of our common stock.
- We cannot be certain that an active trading market for our common stock will develop or be sustained after the Distribution and, following the Distribution, our stock price may fluctuate significantly.
- The combined post-Separation value of SG Holdings and SG DevCo shares may not equal or exceed the pre-Separation value of SG Holdings shares.
- We may issue shares of preferred or common stock in the future, which could dilute your percentage ownership of the Company.
- Anti-takeover provisions could enable SG DevCo to resist a takeover attempt by a third party and limit the power of our stockholders.

The Separation and Distribution

In December 2022, we announced our plan to separate into two publicly traded companies. The Separation will occur through a pro rata distribution to SG Holdings' stockholders of 30% of the outstanding shares of common stock of SG DevCo. In connection with the Distribution, each SG Holdings stockholder will receive [ ] shares of SG DevCo common stock for every [ ] shares of SG Holdings common stock held as of the close of business on [ ], 2023, the record date for the Distribution.

SG DevCo's Post-Separation Relationship with SG Holdings

After the Distribution, SG Holdings and SG DevCo will be separate companies with separate management teams and separate boards of directors. Prior to the Distribution, SG Holdings and SG DevCo will enter into a separation and distribution agreement. In connection with the Separation, we will also enter into various other agreements to provide a framework for our relationship with SG Holdings after the Separation, including a tax matters agreement and a shared services agreement. These agreements will provide for the allocation between SG Holdings and SG DevCo of the assets, employees, liabilities and obligations (including, among others, investments, property, employee benefits and tax-related assets and liabilities) of SG Holdings and its subsidiaries attributable to periods prior to, at and after the Separation and will govern the relationship between us and SG Holdings subsequent to the completion of the Separation. For additional information regarding the separation agreement and other transaction agreements, see "The Separation and Distribution—Agreements with SG Holdings."

Reasons for the Separation

SG Holdings previously announced that it was proceeding with a plan to spin-off its real estate development business. We are currently a wholly owned subsidiary of SG Holdings and expect to hold all of the assets, subject to any related liabilities, associated with the Spin-Off Business. Following a strategic review, it was determined that separating the Spin-Off Business from SG Holdings' current business operations would be in the best interests of SG Holdings and its stockholders and that the Separation would create two companies with attributes that best position each company for long-term success, including the following:

- ***Distinct Focus.*** Each company will benefit from a distinct strategic and management focus on its specific operational and growth priorities. SG Holdings is expected to continue developing, designing and fabricating modular structures. SG DevCo will focus on real estate development. Because each company will have a smaller portfolio of businesses, management of each company is expected to be able to better allocate time and resources to identifying and executing operational and growth strategies.
- ***Allocation of Financial Resources and Separate Capital Structures***. The Separation will permit each company to allocate its financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities. The Separation will also allow each business to more effectively pursue its own distinct capital structures and capital allocation strategies.
- ***Targeted Investment Opportunity***. The Separation will create two companies with more focused, aligned businesses, which will allow each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its businesses and the industries in which it operates and serves, and will facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities.
- ***Employee Incentives, Recruitment and Retention***. The Separation will allow each company to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with specific growth objectives, financial goals and business performance. In addition, the Separation will allow incentive structures and targets at each company to be better aligned with each underlying business. Similarly, recruitment and retention will be enhanced by more consistent talent requirements across the businesses, allowing both recruiters and applicants greater clarity and understanding of talent needs and opportunities associated with the core business activities, principles and risks of each company.
- ***Direct Access to Capital Markets***. Each company will have its own equity structure that should afford it direct access to the capital markets and allow it to capitalize on its unique growth opportunities appropriate to its business.
- ***Incremental Stockholder Value***. We believe that each company will benefit from the investment community's ability to value its businesses independently within the context of its particular industry with the anticipation that, over time, the aggregate market value of the companies will be higher, assuming the same market conditions, than if SG Holdings were to remain under its current configuration.

Neither we, nor SG Holdings, can assure you that, following the Separation, any of the benefits described above or otherwise in this information statement will be realized to the extent anticipated or at all. For more information, see "Risk Factors."

Regulatory Approvals and Appraisal Rights

We must complete the necessary registration under the federal securities laws of our common stock to be issued in connection with the Distribution. We must also complete the applicable listing requirements on Nasdaq for such shares. Other than these requirements, we do not believe that any other material governmental or regulatory filings or approvals will be necessary to consummate the Distribution.

SG Holdings stockholders will not have any appraisal rights in connection with the Separation and Distribution.

Corporate Information

We were incorporated in Delaware in February 2021. We maintain our principal executive offices at 5011 Gate Parkway, Building 100, Suite 100, Jacksonville, FL 32256. Our telephone number is (904) 496-0027. Our website will be located at www. [ ] and we expect to launch it prior the Distribution. Our website and the information contained therein or connected thereto are not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to SG Holdings stockholders who will receive shares of SG DevCo common stock in the Distribution. It is not, and is not to be construed as, an inducement or encouragement to buy or sell any of SG DevCo's securities. The information contained in this information statement is believed by SG DevCo to be accurate as of the date set forth on its cover. Changes may occur after that date, and neither SG Holdings nor SG DevCo will update the information except as may be required in the normal course of their respective disclosure obligations and practices.

RISK FACTORS

You should carefully consider the following risks and other information in this information statement in evaluating SG DevCo and SG DevCo common stock. Any of the following risks and uncertainties could materially adversely affect our business, financial condition or results of operations. The risks and uncertainties described in this information statement are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business, financial condition and results of operations.

Risks Related to Our Business Generally

Our limited operating history makes it difficult for us to evaluate our future business prospects.

We were incorporated in February 2021. We cannot assure you that we will be able to operate our business successfully or profitably or find additional suitable investments. There can be no assurance that we will be able to generate sufficient revenue from operations to pay our operating expenses. The results of our operations and the execution on our business plan depends on the availability of additional land parcels, the performance of our currently held properties, competition, the ability to obtain building permits, the availability of adequate equity and debt financing, and conditions in the financial markets and economic conditions.

You should consider our business and prospects in light of the risks and significant challenges we face as a new entrant into our industry. If we fail to adequately address any or all of these risks and challenges, our business, prospects, financial condition, results of operations, and cash flows may be materially and adversely affected.

Our auditors have expressed substantial doubt about our ability to continue as a going concern.

We have never generated any revenue and have incurred significant net losses in each year since inception. For the three months ended September 30, 2022 and 2021, we incurred net losses of $488,955 and $192,932 and for the nine months ended September 30, 2022 we incurred a net loss of $1,486,922 as compared to a net loss of $309, 753 for the period from February 17, 2021 through September 30, 2021. We expect to incur increasing losses in the future when we commence development of the properties we own . We cannot offer any assurance as to our future financial results. Also, we cannot provide any assurances that we will be able to secure additional funding from public or private offerings on terms acceptable to us, or at all, if, and when needed. Our inability to achieve profitability from our current operating plans or to raise capital to cover any potential shortfall would have a material adverse effect on our ability to meet our obligations as they become due. If we are not able to secure additional funding, if, and when needed, we would be forced to curtail our operations or take other action in order to continue to operate. We currently do not have any cash or cash equivalents on hand and since inception, we have been funded by SG Holdings and have relied solely on SG Holdings to fund operations. These and other factors raise substantial doubt about our ability to continue as a going concern. If we are unable to meet our obligations and are forced to curtail or cease our business operations, our stockholders could suffer a complete loss of any investment made in our securities. Our independent registered public accounting firm has indicated in their audit report for the year ending December 31, 2021 that there is substantial doubt about our ability to continue as a going concern.

Our business strategy includes growth plans. Our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth or investments effectively.

Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in significant growth stages of development. We cannot assure you that we will be able to successfully develop any of our properties or that we will have access to additional development opportunities. Failure to manage potential transactions to successful conclusions, or failure more generally to manage our growth effectively, could have a material adverse effect on our business, future prospects, financial condition or results of operations and could adversely affect our ability to successfully implement our business strategy.

The long-term sustainability of our operations as well as future growth depends in part upon our ability to acquire land parcels suitable for residential projects at reasonable prices.

The long-term sustainability of our operations, as well as future growth, depends in large part on the price at which we are able to obtain suitable land parcels for development or homebuilding operations. Our ability to acquire land parcels for various residential projects may be adversely affected by changes in the general availability of land parcels, the willingness of land sellers to sell land parcels at reasonable prices, competition for available land parcels, availability of financing to acquire land parcels, zoning, regulations that limit housing density, the ability to obtain building permits, environmental requirements and other market conditions and regulatory requirements. If suitable lots or land at reasonable prices become less available, the number of units we may be able to build and sell could be reduced, and the cost of land could be increased substantially, which could adversely impact us. As competition for suitable land increases, the cost of undeveloped lots and the cost of developing owned land could also rise and the availability of suitable land at acceptable prices may decline, which could adversely impact us. The availability of suitable land assets could also affect the success of our land acquisition strategy, which may impact our ability to maintain or increase the number of our active communities, as well as to sustain and grow our revenues and margins, and achieve or maintain profitability. Additionally, developing undeveloped land is capital intensive and time consuming and we may develop land based upon forecasts and assumptions that prove to be inaccurate, resulting in projects that are not economically viable.

We operate in a highly competitive market for investment opportunities, and we may be unable to identify and complete acquisitions of real property assets.

The housing industry is highly competitive, and we face competition from many sources, including from other housing communities both in the immediate vicinity and the geographic market where our properties are and will be located. Furthermore, housing communities we invest in compete, or will compete, with numerous housing alternatives

in attracting residents, including owner occupied single and multifamily homes available to rent or purchase. Increased competition may prevent us from acquiring attractive land parcels or make such acquisitions more expensive, hinder our market share expansion, or lead to pricing pressures that may adversely impact our margins and revenues. Competitors may independently develop land and construct housing units that are superior or substantially similar to our products and because they are or may be significantly larger, have a longer operating history, and have greater resources or lower cost of capital than us, may be able to compete more effectively in one or more of the markets in which we operate or plan to operate.

We will also compete with public and private funds, commercial and investment banks, commercial financing companies and public and private REITs to make certain of the investments that we plan to make. Many of such competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, allowing them to pay higher consideration, consider a wider variety of investments and establish more effective relationships than us.

These competitive conditions could adversely affect our ability to make investments. Moreover, our ability to close transactions will be subject to our ability to access financing within stipulated contractual time frames, and there is no assurance that we will have access to such financing on terms that are favorable to us, if at all.

Our property portfolio has a high concentration of properties located in certain states.

To date, our properties are located in Georgia, Texas and Oklahoma. Certain of our properties are located in areas that may experience catastrophic weather and other natural events from time to time, including hurricanes or other severe weather, flooding fires, snow or ice storms, windstorms or earthquakes. These adverse weather and natural events could cause substantial damages or losses to our properties which could exceed our insurance coverage. In the event of a loss in excess of insured limits, we could lose our capital invested in the affected property, as well as anticipated future revenue from that property. We could also continue to be obligated to repay any mortgage indebtedness or other obligations related to the property. Any such loss could materially and adversely affect our business and our financial condition and results of operations.

To the extent that significant changes in the climate occur, we may experience extreme weather and changes in precipitation and temperature and rising sea levels, all of which may result in physical damage to or a decrease in demand for properties located in these areas or affected by these conditions. Should the impact of climate change be material in nature, including destruction of our properties, or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. In addition, changes in federal and state legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties or to protect them from the consequence of climate change.

There can be no assurance that the properties in our development pipeline will be completed in accordance with the anticipated timing or cost.

The development of the projects in our pipeline is subject to numerous risks, many of which are outside of our control, including:

- inability to obtain entitlements;
- inability to obtain financing on acceptable terms;
- default by any of the contractors we engage to construct our projects;
- site accidents; and
- failure to secure tenants or residents in the anticipated time frame, on acceptable terms, or at all.

We can provide no assurances that we will complete any of the projects in our development pipeline on the anticipated schedule or within the budget, or that, once completed, these properties will achieve the results that we expect. If the development of these projects is not completed in accordance with our anticipated timing or cost, or the properties fail to achieve the financial results we expect, it could have a material adverse effect on our business, financial condition, results of operations and cash flows and ability to repay our debt, including project-related debt.

Our insurance coverage on our properties may be inadequate to cover any losses we may incur and our insurance costs may increase.

We maintain insurance on our properties. However, there are certain types of losses, generally of a catastrophic nature, such as floods or acts of war or terrorism that may be uninsurable or not economical to insure. Further, insurance companies often increase premiums, require higher deductibles, reduce limits, restrict coverage, and refuse to insure certain types of risks, which may result in increased costs or adversely affect our business. We use our discretion when determining amounts, coverage limits and deductibles, for insurance, based on retaining an acceptable level of risk at a reasonable cost. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of our lost investment. In addition, we may become liable for injuries and accidents at our properties that are underinsured. A significant uninsured loss or increase in insurance costs could materially and adversely affect our business, liquidity, financial condition and results of operations.

Our operating results may be negatively affected by potential development and construction delays and resultant increased costs and risks.

We have acquired properties upon which we will construct improvements. In connection with our development activities, we are subject to uncertainties associated with re-zoning for development, environmental concerns of governmental entities or community groups and our contractor's or partner's ability to build in conformity with plans, specifications, budgeted costs, and timetables. Performance also may be affected or delayed by conditions beyond our control. We may incur additional risks when we make periodic progress payments or other advances to builders before they complete construction. If a builder or development partner fails to perform, we may resort to legal action to rescind the purchase or the construction contract or to compel performance, but there can be no assurance any legal action would be successful. These and other factors can result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects. We also must rely on rental income and expense projections and estimates of the fair market value of property upon completion of construction when agreeing upon a price at the time we acquire the property. If our projections are inaccurate, we may pay too much for a property, and our return on our investment could suffer.

We rely on third-party suppliers and long supply chains, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains, our ability to timely and efficiently access raw materials that meet our standards for quality could be adversely affected.

Our ability to identify and develop relationships with qualified suppliers who can satisfy our standards for quality and our need to access products and supplies in a timely and efficient manner will be a significant challenge. We may be required to replace a supplier if their products do not meet our quality or safety standards. In addition, our suppliers

could discontinue selling products at any time for reasons that may or may not be in our control or the suppliers' control. Our operating results and inventory levels could suffer if we are unable to promptly replace a supplier who is unwilling or unable to satisfy our requirements with a supplier providing similar products. Our suppliers' ability to deliver products may also be affected by financing constraints caused by credit market conditions, which could negatively impact our revenue and costs, at least until alternate sources of supply are arranged.

The construction of manufacturing facilities involves significant risks.

We have limited experience constructing manufacturing facilities and doing so is a complex and lengthy undertaking that requires sophisticated, multi-disciplinary planning and precise execution. The construction of manufacturing facilities is subject to a number of risks. In particular, the construction costs may materially exceed budgeted amounts, which could adversely affect our results of operations and financial condition. For example, we may suffer construction delays or cost overruns as a result of a variety of factors, such as labor and material shortages, defects in materials and workmanship, adverse weather conditions, transportation constraints, construction change orders, site changes, labor issues and other unforeseen difficulties, any of which could delay or prevent the completion of our planned facilities. While our goal is to negotiate contracts with engineering, procurement and construction firms that minimize risk, any delays or cost overruns we encounter may result in the renegotiation of our construction contracts, which could increase our costs.

In addition, the construction of manufacturing facilities may be subject to the receipt of approvals and permits from various regulatory agencies. Such agencies may not approve the projects in a timely manner or may impose restrictions or conditions on a production facility that could potentially prevent construction from proceeding, lengthen its expected completion schedule and/or increase its anticipated cost. If construction costs are higher than we anticipate, we may be unable to achieve our expected investment return, which could adversely affect our business and results of operations.

Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results.

We are subject to various federal, state and local laws and regulations that (a) regulate certain activities and operations that may have environmental or health and safety effects, such as the management, generation, release or disposal of regulated materials, substances or wastes, (b) impose liability for the costs of cleaning up, and damages to natural resources from, past spills, waste disposals on and off-site, or other releases of hazardous materials or regulated substances, and (c) regulate workplace safety. Compliance with these laws and regulations could increase our operational costs. Violation of these laws may subject us to significant fines, penalties or disposal costs, which could negatively impact our results of operations, financial position and cash flows. Under various federal, state and local environmental laws, a current or previous owner or operator of currently or formerly owned, leased or operated real property may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or in such property. The costs of removal or remediation could be substantial. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Accordingly, we may incur significant costs to defend against claims of liability, to comply with environmental regulatory requirements, to remediate any contaminated property, or to pay personal injury claims.

Moreover, environmental laws also may impose liens on property or other restrictions on the manner in which property may be used or businesses may be operated, and these restrictions may require substantial expenditures or prevent us or our lessees from operating such properties. Compliance with new or more stringent laws or regulations or stricter interpretation of existing laws may require us to incur material expenditures. Future laws, ordinances or regulations or the discovery of currently unknown conditions or non-compliances may impose material liability under environmental laws.

Legislative, regulatory, accounting or tax rules, and any changes to them or actions brought to enforce them, could adversely affect us.

We are subject to a wide range of legislative, regulatory, accounting and tax rules. The costs and efforts of compliance with these laws, or of defending against actions brought to enforce them, could adversely affect us. In addition, if there are changes to the laws, regulations or administrative decisions and actions that affect us, we may have to incur significant expenses in order to comply, or we may have to restrict or change our operations.

We have invested, and expect to continue to invest, in real property assets which are subject to laws and regulations relating to the protection of the environment and human health and safety. These laws and regulations generally govern wastewater discharges, noise levels, air emissions, the operation and removal of underground and above-ground storage tanks, the use, storage, treatment, transportation and disposal of solid and hazardous materials and the remediation of contamination associated with disposals. Environmental laws and regulations may impose joint and several liabilities on tenants, owners or operators for the costs to investigate and remediate contaminated properties, regardless of fault or whether the acts causing the contamination were legal. This liability could be substantial. In addition, the presence of hazardous substances, or the failure to properly remediate these substances, could adversely affect our ability to sell, rent or pledge an affected property as collateral for future borrowings. We intend to take commercially reasonable steps when we can to protect ourselves from the risks of environmental law liability; however, we may not obtain independent third-party environmental assessments for every property we acquire. In addition, any such assessments that we do obtain may not reveal all environmental liabilities, or whether a prior owner of a property created a material environmental condition not known to us. In addition, there are various local, state and federal fire, health, safety and similar regulations with which we may be required to comply, and that may subject us to liability in the form of fines or damages. In all events, the existing condition of land when we buy it, operations in the vicinity of our properties or activities of unrelated third parties could all affect our properties in ways that lead to costs being imposed on us.

Any material expenditures, fines, damages or forced changes to our business or strategy resulting from any of the above could adversely affect our financial condition and results of operations.

Our business, results of operations, cash flows and financial condition are greatly affected by the performance of the real estate industry.

The U.S. real estate industry is highly cyclical and is affected by global, national and local economic conditions, general employment and income levels, availability of financing, interest rates, and consumer confidence and spending. Other factors impacting real estate businesses include over-building, changes in traffic patterns, changes in demographic conditions, changes in tenant and buyer preferences and changes in government requirements, including tax law changes. These factors are outside of our control and may have a material adverse effect on our business, profits and the timing and amounts of our cash flows.

Our industry is cyclical and adverse changes in general and local economic conditions could reduce the demand for housing and, as a result, could have a material adverse effect on us.

Our business can be substantially affected by adverse changes in general economic or business conditions that are outside of our control, including changes in short-term and long-term interest rates; employment levels and job and personal income growth; housing demand from population growth, household formation and other demographic changes, among other factors; availability and pricing of mortgage financing for homebuyers; consumer confidence generally and the confidence of potential homebuyers in particular; consumer spending; financial system and credit market stability; private party and government mortgage loan programs (including changes in FHA, USDA, VA, Fannie Mae and Freddie Mac conforming mortgage loan limits, credit risk/mortgage loan insurance premiums and/or other fees, down payment requirements and underwriting standards), and federal and state regulation, oversight and legal action regarding lending, appraisal, foreclosure and short sale practices; federal and state personal income tax rates and provisions, including provisions for the deduction of mortgage loan interest payments, real estate taxes and other expenses; supply of and prices for available new or resale multifamily units; interest of financial institutions or other businesses in purchases; and real estate taxes. Adverse changes in these conditions may affect our business nationally or may be more prevalent or concentrated in particular submarkets in which we operate. Inclement weather, natural disasters (such as earthquakes, hurricanes, tornadoes, floods, prolonged periods of precipitation, droughts, and fires), other calamities and other environmental conditions can delay the delivery of our units and/or increase our costs. Civil unrest or acts of terrorism can also have a negative effect on our business. If the housing industry experiences a significant or sustained downturn, it

would materially adversely affect our business and results of operations in future years. The potential difficulties described above can cause demand and prices for our units to fall or cause us to take longer and incur more costs to develop the land and build our units. We may not be able to recover these increased costs by raising prices because of market conditions.

Fluctuations in real estate values may require us to write-down the book value of our real estate assets.

The housing and land development industries are subject to significant variability and fluctuations in real estate values. As a result, we may be required to write-down the book value of our real estate assets in accordance with GAAP, and some of those write-downs could be material. Any material write-downs of assets could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations. In addition, valuations of real estate properties do not necessarily represent the price at which a willing buyer would purchase such property; therefore, there can be no assurance that we would realize the values underlying estimated valuations of our properties if we were to sell such properties.

We may be required to take write-downs or write-offs, restructuring, and impairment or other charges that could have a significant negative effect on our financial condition, results of operations, and our stock price, which could cause you to lose some or all of your investment.

Factors outside of our business and outside of our control may arise. As a result of these factors, we may be forced to write down or write off assets, restructure operations, or incur impairment or other charges that could result in losses. Further, unexpected risks may arise, and previously known risks may materialize in a manner not consistent with our risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. Accordingly, our securities could suffer a reduction in value.

Inflation could adversely affect our business and financial results.

Inflation could adversely affect our business and financial results by increasing the costs of land, raw materials and labor needed to operate our business. If our markets have an oversupply of housing, relative to demand, we may be unable to offset any such increases in costs with corresponding higher sales prices for our units or buildings. Inflation may also accompany higher interest rates, which could adversely impact potential customers' ability to obtain financing on favorable terms, thereby further decreasing demand. If we are unable to raise the prices of our units or buildings to offset the increasing costs of our operations, our margins could decrease. Furthermore, if we need to lower the price of our units to meet demand, the value of our land inventory may decrease. Inflation may also raise our costs of capital and decrease our purchasing power, making it more difficult to maintain sufficient funds to operate our business.

We could be impacted by our investments through joint ventures, which involve risks not present in investments in which we are the sole owner.

We have and may continue to fund development projects through the use of joint ventures. Joint ventures involve risks including, but not limited to, the possibility that the other joint venture partners may possess the ability to take or force action contrary to our interests or withhold consent contrary to our requests, have business goals which are or become inconsistent with ours, or default on their financial obligations to the joint venture, which may require us to fulfill the joint venture's financial obligations as a legal or practical matter. We and our joint venture partners may each have the right to initiate a buy-sell arrangement, which could cause us to sell our interest, or acquire a joint venture partner's interest, at a time when we otherwise would not have entered into such a transaction. In addition, a sale or transfer by us to a third party of our interests in the joint venture may be subject to consent rights or rights of first refusal in favor of our partners which would restrict our ability to dispose of our interest in the joint venture. Each joint venture agreement is individually negotiated, and our ability to operate, finance, or dispose of a joint venture project in our sole discretion is limited to varying degrees depending on the terms of the applicable joint venture agreement.

Risks associated with our land and lot inventories could adversely affect our business or financial results.

Risks inherent in controlling, purchasing, holding, and developing land are substantial. The risks inherent in purchasing and developing land parcels increase as consumer demand for housing decreases and the holding period increases. As a result, we may buy and develop land parcels on which housing units cannot be profitably built and sold. In certain circumstances, a grant of entitlements or development agreement with respect to a particular parcel of land may include restrictions on the transfer of such entitlements to a buyer of such land, which could negatively impact the price of such entitled land by restricting our ability to sell it for its full entitled value. In addition, inventory carrying costs can be significant and can result in reduced margins or losses in a poorly performing community or market. The time and investment required for development may adversely impact our business. In the event of significant changes in economic or market conditions, we may have to sell units or buildings at significantly lower margins or at a loss, if we are able to sell them at all. Additionally, deteriorating market conditions could cause us to record significant inventory impairment charges. The recording of a significant inventory impairment could negatively affect our reported earnings per share and negatively impact the market perception of our business.

Our quarterly results may fluctuate.

We could experience fluctuations in our quarterly operating results due to a number of factors, including variations in the returns on our current and future investments, the interest rates payable on any outstanding debt, the level of our expenses, the levels and timing of the recognition of our realized and unrealized gains and losses, the seasonal nature of travel if the community is a vacation destination, the degree to which we encounter competition in our markets and other business, market and general economic conditions. Consequently, our results of operations for any current or historical period should not be relied upon as being indicative of performance in any future period.

We may not be able to sell our real property assets when we desire.

Investments in real property are relatively illiquid compared to other investments. Accordingly, we may not be able to sell real property assets when we desire or at prices acceptable to us. This could substantially reduce the funds available for satisfying our obligations, including any debt obligations.

Access to financing sources may not be available on favorable terms, or at all, which could adversely affect our ability to maximize our returns.

Our access to third-party sources of financing will depend, in part, on:

- general market conditions;
- the market's perception of our growth potential;
- with respect to acquisition and/or development financing, the market's perception of the value of the land parcels to be acquired and/or developed;

- our current debt levels;
- our current and expected future earnings;
- our cash flow; and
- the market price per share of our common stock.

The global credit and equity markets and the overall economy can be extremely volatile, which could have a number of adverse effects on our operations and capital requirements. For the past decade, the domestic financial markets have experienced a high degree of volatility, uncertainty and, during certain periods, tightening of liquidity in both the high yield debt and equity capital markets, resulting in certain periods where new capital has been both more difficult and more expensive to access. If we are unable to access the credit markets, we could be required to defer or eliminate important business strategies and growth opportunities in the future. In addition, if there is volatility and weakness in the capital and credit markets, potential lenders may be unwilling or unable to provide us with financing that is attractive to us or may increase collateral requirements or may charge us prohibitively high fees in order to obtain financing. Consequently, our ability to access the credit market in order to attract financing on reasonable terms may be adversely affected. Investment returns on our assets and our ability to make acquisitions could be adversely affected by our inability to secure additional financing on reasonable terms, if at all. Depending on market conditions at the relevant time, we may have to rely more heavily on additional equity financings or on less efficient forms of debt financing that require a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities and other purposes. We may not have access to such equity or debt capital on favorable terms at the desired times, or at all.

The COVID-19 pandemic, or the future outbreak of any other highly infectious or contagious diseases, could materially and adversely impact our performance, financial condition, results of operations and cash flows.

Throughout 2021 and to date, the COVID-19 pandemic has severely impacted global economic activity and caused significant volatility and negative pressure in financial markets. COVID-19 (or a future pandemic) could have material and adverse effects on our performance, financial condition, results of operations and cash flows due to, among other factors:

- a complete or partial closure of, or other operational issues at, one or more of our properties resulting from government actions;
- difficulty accessing equity and debt capital on attractive terms, or at all, and a severe disruption and instability in the global financial markets
- difficulty obtaining capital necessary to fund business operations;
- delays in construction at our properties may adversely impact our ability to commence operations and generate revenues from projects, including:
  - construction moratoriums by local, state or federal government authorities;
  - delays by applicable governmental authorities in providing the necessary authorizations to commence construction;
  - reductions in construction team sizes to effectuate social distancing and other requirements;
  - infection by one or more members of a construction team necessitating a partial or full shutdown of construction; and
  - manufacturing and supply chain disruptions for materials sourced from other geographies which may be experiencing shutdowns and shipping delays.

The extent to which COVID-19 (or a future pandemic) impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence.

Risks Related to the Separation and Distribution

We have no recent history of operating as an independent company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about SG DevCo in this information statement refers to the Spin-Off Business as operated by and integrated with SG Holdings. Our historical financial information included in this information statement is derived from SG Holdings' accounting records and is presented on a standalone basis as if the Spin-Off Business has been conducted independently from SG Holdings. Additionally, the pro forma financial information included in this information statement is derived from our historical financial information and (i) gives effect to the Separation and (ii) reflects SG DevCo's anticipated post-Separation capital structure. Accordingly, the historical and pro forma financial information does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the factors described below:

- Generally, our working capital requirements and capital for our general corporate purposes, including capital expenditures and acquisitions, have historically been satisfied as part of the corporate-wide cash management policies of SG Holdings. Following the completion of the Distribution, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may or may not be available and may be more costly.
- Prior to the Distribution, our business has been operated by SG Holdings as part of its broader corporate organization, rather than as an independent company. SG Holdings or one of its affiliates performed various corporate functions for us, such as legal, treasury, accounting, auditing, human resources, investor relations, and finance. Our historical and pro forma financial results reflect allocations of corporate expenses from SG Holdings for such functions, which may be less than the expenses we would have incurred had we operated as a separate, publicly traded company.

- Currently, our business is integrated with the other businesses of SG Holdings. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and customer relationships. While we have sought to minimize the impact on SG DevCo when separating these arrangements, there is no guarantee these arrangements will continue to capture these benefits in the future.

- After the completion of the Distribution, the cost of capital for our business may be higher than SG Holdings' cost of capital prior to the Distribution.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a company separate from SG Holdings. For additional information about the past financial performance of our business and the basis of presentation of the historical financial statements and the unaudited pro forma financial statements of our business, see "Unaudited Pro Forma Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and accompanying notes included elsewhere in this information statement.

Following the Separation, our financial profile will change, and we will be a smaller, less diversified company than SG Holdings prior to the Separation.

The Separation will result in each of SG Holdings and SG DevCo being smaller, less diversified companies with more limited businesses concentrated in their respective industries. As a result, we may be more vulnerable to changing market conditions, which could have a material adverse effect on our business, financial condition and results of operations. In addition, the diversification of our revenues, costs, and cash flows will diminish as a standalone company, such that our results of operations, cash flows, working capital and financing requirements may be subject to increased volatility and our ability to fund capital expenditures and investments may be diminished.

We may not achieve some or all of the expected benefits of the Separation and Distribution, and the Separation and Distribution may materially adversely affect our business.

We may not be able to achieve the full strategic and financial benefits expected to result from the Separation and Distribution, or such benefits may be delayed or not occur at all. The Separation and Distribution is expected to provide the following benefits, among others: (1) enabling our management to more effectively pursue its own distinct operating priorities and strategies; (2) permitting us to allocate our financial resources to meet the unique needs of our business, which will allow us to intensify our focus on our distinct strategic priorities and to more effectively pursue our own distinct capital structure and capital allocation strategies; (3) allowing us to more effectively articulate a clear investment thesis to attract a long-term investor base suited to our business and providing investors with a distinct and targeted investment opportunity; (4) creating an independent equity security tracking our underlying business, which should afford us direct access to the capital markets and facilitate our ability to consummate future acquisitions or other transactions using our common stock; and (5) permitting us to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely aligns management and employee incentives with specific business goals and objectives related to our business.

We may not achieve these and other anticipated benefits for a variety of reasons, including, among others: (1) the Separation and Distribution will demand management's time and effort, which may divert management's attention from operating and growing our business; (2) following the Separation and Distribution, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of SG Holdings because our business will be less diversified than SG Holdings' business prior to the completion of the Separation; (3) the Separation may require us to pay costs that could be substantial and material to our financial resources, including accounting, tax, legal and other professional services costs, recruiting costs, and tax costs; and (4) after the Separation and Distribution, we cannot predict the trading prices of SG DevCo common stock or know whether the combined trading prices of the SG Holdings common stock and our common stock will be less than, equal to or greater than the market value of SG Holdings common stock prior to the Separation and Distribution. If we fail to achieve some or all of the benefits expected to result from the Separation, or if such benefits are delayed, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and cash flows.

SG Holdings' plan to separate into two publicly traded companies is subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated timeline, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

In December 2022, SG Holdings announced its plan to separate into two publicly traded companies. The Separation and Distribution is subject to the satisfaction of certain conditions (or waiver by SG Holdings in its sole and absolute discretion), including final approval by SG Holdings' Board of Directors of the final terms of the Separation and Distribution. Furthermore, unanticipated developments or changes, including changes in the law, the macroeconomic environment, competitive conditions of SG Holdings' markets could delay or prevent the completion of the proposed Separation and Distribution, or cause the Separation and Distribution to occur on terms or conditions that are different or less favorable than expected.

The process of completing the proposed Separation and Distribution has been and is expected to continue to be time-consuming and involves significant costs and expenses. The costs may be significantly higher than what we currently anticipate and may not yield a discernible benefit if the Separation and Distribution is not completed or is not well executed, or the expected benefits of the Separation and Distribution are not realized.

Until the Distribution occurs, SG Holdings will have sole discretion to change the terms of the Separation and Distribution in ways that may be unfavorable to us.

Completion of the Separation and Distribution remains subject to the satisfaction or waiver of certain conditions, some of which are in the sole and absolute discretion of SG Holdings, including final approval by the Board of Directors of SG Holdings. Additionally, SG Holdings has the sole and absolute discretion to change certain terms of the Separation and Distribution, which changes could be unfavorable to us. In addition, SG Holdings may decide at any time prior to the completion of the Separation and Distribution not to proceed with the Separation and Distribution.

Our accounting and other management systems and resources may not be adequately prepared to meet the financial reporting and other requirements to which we will be subject as a standalone, publicly traded company following the Distribution.

Prior to the Distribution, we believe that our reporting and control systems have been appropriate for those of a subsidiary of a public company. However, we have not been directly subject to the reporting and other requirements of the Exchange Act. As a result of the Distribution, we will be directly subject to reporting and other obligations under the Exchange Act. These reporting and other obligations will place significant demands on our management and administrative and operational resources, including accounting resources. We may not have sufficient time following the Separation to meet these obligations by the applicable deadlines.

Moreover, to comply with these requirements, we anticipate that we will need to migrate our systems, including information technology systems, implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff. We expect to incur additional annual expenses related to these steps, and those expenses may be significant. If we are unable to implement our financial and management controls, reporting systems, information technology and procedures in a timely and effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies under the Exchange Act could be impaired. Any failure to achieve and maintain effective internal controls could result in adverse regulatory consequences and/or loss of investor confidence, which could limit SG DevCo's ability to access the global capital markets and could have a material adverse effect on our business, financial condition, results of operations, cash flows or the market price of SG DevCo securities.

In connection with the separation into two public companies, each of SG Holdings and SG DevCo will indemnify each other for certain liabilities. If we are required to pay under these indemnities to SG Holdings, our financial results could be negatively impacted. The SG Holdings indemnities may not be sufficient to hold us harmless from

the full amount of liabilities for which SG Holdings will be allocated responsibility, and SG Holdings may not be able to satisfy its indemnification obligations in the future.

Pursuant to the separation and distribution agreement and certain other agreements between SG Holdings and SG DevCo, each party will agree to indemnify the other for certain liabilities. Third parties could also seek to hold us responsible for any of the liabilities that SG Holdings has agreed to retain. Any amounts we are required to pay pursuant to these indemnification obligations and other liabilities could require us to divert cash that would otherwise have been used in furtherance of our operating business. Further, the indemnities from SG Holdings for our benefit may not be sufficient to protect us against the full amount of such liabilities, and SG Holdings may not be able to fully satisfy its indemnification obligations.

Moreover, even if we ultimately succeed in recovering from SG Holdings any amounts for which we are held liable, we may be temporarily required to bear these losses ourselves. Each of these risks could negatively affect our business, results of operations and financial condition.

The terms we will receive in our agreements with SG Holdings and its subsidiaries could be less beneficial than the terms we may have otherwise received from unaffiliated third parties.

The agreements we will enter into with SG Holdings in connection with the Separation were prepared in the context of the Separation while we were still a wholly owned subsidiary of SG Holdings. Accordingly, during the period in which the terms of those agreements were prepared, we did not have an independent Board of Directors or a management team that was independent of SG Holdings. As a result, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties. See "Certain Relationships and Related Party Transactions."

Until the Distribution occurs, the SG Holdings Board of Directors has sole and absolute discretion to change the terms of the Separation and Distribution in ways which may be unfavorable to us.

Until the Distribution occurs, SG DevCo will be a wholly-owned subsidiary of SG Holdings. Accordingly, SG Holdings will have the sole and absolute discretion to determine and change the terms of the Separation and Distribution, including the establishment of the record date for the Distribution and the Distribution Date. These changes could be unfavorable to us. In addition, the SG Holdings Board of Directors, in its sole and absolute discretion, may decide not to proceed with the Distribution at any time prior to the Distribution Date.

After the Separation and Distribution, some of our directors and officers may have actual or potential conflicts of interest because of their equity ownership in SG Holdings.

Because of their current or former positions with SG Holdings, following the Separation and Distribution, some of our directors and executive officers may own shares of SG Holdings common stock, and the individual holdings may be significant for some of these individuals compared to their total assets. This ownership may create, or may create the appearance of, conflicts of interest when these directors and officers are faced with decisions that could have different implications for SG Holdings or us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute that may arise between SG Holdings and us regarding the terms of the agreements governing the Separation and the relationship thereafter between the companies.

After the Distribution, 70% of our common stock will be owned by a single stockholder, SG Holdings, and it may therefore be able to substantially control our management and affairs.

SG Holdings currently owns 100% of our outstanding common stock and will own beneficially 70% of our outstanding common stock immediately after the consummation of the Distribution. Therefore, SG Holdings will have substantial influence over any election of our directors and our operations. This concentration of ownership could also have the effect of delaying or preventing a change in our control and might affect the market price of our common stock, even when a change in control may be in the best interest of all stockholders. Furthermore, the interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders.

After the Distribution, we will be a "controlled company" within the meaning of the Nasdaq listing standards and, as a result, will qualify for, and may rely on, exemptions from certain corporate governance requirements. You may not have the same protections afforded to stockholders of companies that are subject to such requirements.

After the Distribution, SG Holdings will control 70% of our outstanding common stock. Because of the voting power of SG Holdings, we will be considered a "controlled company" for purposes of Nasdaq requirements. As such, we are exempt from certain corporate governance requirements of Nasdaq, including the requirements that (i) a majority of the board of directors consist of independent directors, (ii) we have a Nominating and Corporate Governance Committee that is composed entirely of independent directors and (iii) we have a Compensation Committee that is composed entirely of independent directors. Following the Distribution, we may rely on some or all of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of Nasdaq's corporate governance requirements.

Risks Related to Our Common Stock

We currently do not intend to pay dividends on our common stock. Consequently, our stockholders' ability to achieve a return on their investment will depend on appreciation in the price of our common stock.

We do not expect to pay cash dividends on our common stock. Any future dividend payments are within the absolute discretion of our Board of Directors and will depend on, among other things, our results of operations, working capital requirements, capital expenditure requirements, financial condition, level of indebtedness, contractual restrictions with respect to payment of dividends, business opportunities, anticipated cash needs, provisions of applicable law and other factors that our Board of Directors may deem relevant.

We cannot be certain that an active trading market for our common stock will develop or be sustained after the Distribution and, following the Distribution, our stock price may fluctuate significantly.

A public market for our common stock does not currently exist. We anticipate that on or prior to the record date for the Distribution, trading of shares of our common stock will begin on a "when-issued" basis and will continue through the Distribution Date. However, we cannot guarantee that an active trading market will develop or be sustained for our common stock after the Distribution, nor can we predict the prices at which shares of our common stock may trade after the Distribution. Similarly, we cannot predict the effect of the Distribution on the trading prices of our common stock or whether the combined trading prices of the SG Holdings common stock and our common stock will equal or exceed what the trading price of SG Holdings common stock would have been in absence of the Separation and Distribution.

Until the market has fully evaluated our business as a standalone entity, the prices at which shares of our common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The increased volatility of our stock price following the Distribution may have a material adverse effect on our business, financial condition and results of operations. The market price of our common stock may fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;

- changes in earnings estimated by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of comparable companies;
- changes to the regulatory and legal environment under which we operate; and
- domestic and worldwide economic conditions.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our securities will depend in part on the research and reports that securities or industry analysts publish about us or our business. If only a limited number of securities or industry analysts commence coverage of our Company, the trading price for our securities would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who covers us downgrades our stock or publishes unfavorable research about our business, our stock price may decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our securities could decrease, which might cause our stock price and trading volume to decline.

As a result of becoming a public company, we will be obligated to develop and maintain proper and effective internal control over financial reporting in order to comply with Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

As a result of becoming a public company we will be subject to SEC reporting and other regulatory requirements. We will incur expenses and diversion of our management's time in its efforts to comply with Section 404 of the Sarbanes-Oxley Act regarding internal controls over financial reporting. Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm when, and if, required, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retrospective changes to our financial statements or identify other areas for further attention or improvement. If we are unable to assert that our internal controls over financial reporting are effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC.

We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and we are taking advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and are taking advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a registration statement under the Securities Act declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company, which is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

We will remain an emerging growth company until the earlier of: (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act, (b) in which we have total annual revenue of at least $1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which generally means the market value of our common equity that is held by non-affiliates exceeds $700 million as of the end of the prior fiscal year's second fiscal quarter; and (2) the date on which we have issued more than $1 billion in non-convertible debt securities during the prior three-year period. References herein to "emerging growth company" have the meaning associated with it in the JOBS Act.

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our shares of common stock held by non-affiliates did not equal or exceed $250 million as of the prior June 30, or (2) our annual revenues did not equal or exceed $100 million during such completed fiscal year and the market value of our shares of common stock held by non-affiliates did not equal or exceed $700 million as of the prior December 31.

Because we are subject to the above listed reduced reporting requirements, investors may not be able to compare us to other companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

Your percentage of ownership in SG DevCo may be diluted in the future.

In the future, your percentage ownership in SG DevCo may be diluted because of equity issuances for acquisitions, capital market transactions or otherwise, including any equity awards that we will grant to our directors, officers and employees. We anticipate that the compensation committee of our Board of Directors will grant stock-based awards to our employees after the Distribution. Such awards will have a dilutive effect on the number of SG DevCo shares outstanding, and therefore on our earnings per share, which could adversely affect the market price of our common stock. From time to time, we will issue additional stock-based awards to our employees under our employee benefits plans.

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.

Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our Board of Directors has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium to the market price, and materially adversely affect the market price and the voting and other rights of the holders of our common stock.

Provisions in our corporate charter documents and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our Board of Directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our management by making it more difficult for stockholders to replace members of our Board of Directors. Among other things, these provisions provide:

- our Board of Directors is divided into three classes, one class of which is elected each year by our stockholders with the directors in each class to serve for a three-year term;
- the authorized number of directors can be changed only by resolution of our Board of Directors;
- directors may be removed by stockholders only for cause;

- our amended and restated bylaws may be amended or repealed by our Board of Directors or by the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of our stockholders;
- stockholders may not call special meetings of the stockholders or fill vacancies on the Board of Directors;
- our board of directors will be authorized to issue, without stockholder approval, preferred stock, the rights of which will be determined at the discretion of the board of directors and that, if issued, could operate as a “poison pill” to dilute the stock ownership of a potential hostile acquirer to prevent an acquisition that our Board of Directors does not approve;
- our stockholders do not have cumulative voting rights, and therefore our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors; and
- our stockholders must comply with advance notice provisions to bring business before or nominate directors for election at a stockholder meeting.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for certain types of state actions that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees

Our amended and restated certificate of incorporation provides that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the exclusive forum for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or bylaws (as either may be amended from time to time), or (iv) any action asserting a claim governed by the internal affairs doctrine. The exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

These exclusive-forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, employees, control persons, underwriters, or agents, which may discourage lawsuits against us and our directors, employees, control persons, underwriters, or agents. Additionally, a court could determine that the exclusive forum provision is unenforceable, and our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. If a court were to find these provisions of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition, or results of operations.

THE SEPARATION AND DISTRIBUTION

General

SG Holdings intends to distribute 30% of the outstanding shares of our common stock to holders of SG Holdings common stock on a pro rata basis. SG Holdings will retain 70% of our outstanding shares of common stock following the Separation and Distribution. The Distribution of our common stock is expected to take place on [ ], 2023, the Distribution Date. On the Distribution Date, each holder of SG Holdings common stock will receive [ ] shares of our common stock for every [ ] shares of SG Holdings common stock held as of the close of business on the Record Date, as described below. You will not be required to make any payment, surrender or exchange your SG Holdings

common stock or take any other action to receive your shares of SG DevCo common stock to which you are entitled on the Distribution Date.

The Distribution of our common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions. We cannot provide any assurances that the Distribution will be completed. For a more detailed description of these conditions, see the section "The Separation—Conditions to the Distribution." We cannot provide any assurances that SG Holdings will complete the Separation and Distribution.

Reasons for the Separation

SG Holdings previously announced that it was proceeding with a plan to spin-off its real estate development business. We are currently a wholly owned subsidiary of SG Holdings and hold all of the assets and related liabilities associated with the Spin-Off Business. Following a strategic review, it was determined that separating the Spin-Off Business from SG Holdings' current business operations would be in the best interests of SG Holdings and its stockholders and that the Separation would create two companies with attributes that best position each company for long-term success, including the following:

- ***Distinct Focus.*** Each company will benefit from a distinct strategic and management focus on its specific operational and growth priorities. SG Holdings is expected to continue developing, designing and fabricating modular structures. SG DevCo will focus on real estate development. Because each company will have a smaller portfolio of businesses, management of each company is expected to be able to better allocate time and resources to identifying and executing operational and growth strategies.

- ***Allocation of Financial Resources and Separate Capital Structures***. The Separation will permit each company to allocate its financial resources to meet the unique needs of its own business, which will allow each company to intensify its focus on its distinct strategic priorities. The Separation will also allow each business to more effectively pursue its own distinct capital structure and capital allocation strategies.

- ***Targeted Investment Opportunity***. The Separation will create two companies with more focused, aligned businesses, which will allow each company to more effectively articulate a clear investment thesis to attract a long-term investor base suited to its businesses and the industries in which it operates and serves, and will facilitate each company's access to capital by providing investors with two distinct and targeted investment opportunities.

- ***Employee Incentives, Recruitment and Retention***. The Separation will allow each company to more effectively recruit, retain and motivate employees through the use of stock-based compensation that more closely reflects and aligns management and employee incentives with specific growth objectives, financial goals and business performance. In addition, the Separation will allow incentive structures and targets at each company to be better aligned with each underlying business. Similarly, recruitment and retention will be enhanced by more consistent talent requirements across the businesses, allowing both recruiters and applicants greater clarity and understanding of talent needs and opportunities associated with the core business activities, principles and risks of each company.

- ***Direct Access to Capital Markets***. Each company will have its own equity structure that should afford it direct access to the capital markets and allow it to capitalize on its unique growth opportunities appropriate to its business.

- ***Incremental Stockholder Value***. We believe that each company will benefit from the investment community's ability to value its businesses independently within the context of its particular industry with the anticipation that, over time, the aggregate market value of the companies will be higher, than if SG Holdings were to remain under its current configuration.

Neither we, nor SG Holdings, can assure you that, following the Separation, any of the benefits described above or otherwise in this information statement will be realized to the extent anticipated or at all. For more information, see "Risk Factors."

The Number of Shares You Will Receive

On the Distribution Date, you will receive [ ] shares of our common stock for every [ ] shares of SG Holdings common stock held as of the close of business on the Record Date. The Distribution will generally be taxable to stockholders for U.S. federal income tax purposes as described under "Material U.S. Federal Income Tax Consequences."

Treatment of Fractional Shares

American Stock Transfer and Trust Company, LLC, acting as the distribution agent, will not distribute any fractional shares of our common stock to SG Holdings stockholders. As soon as practicable on or after the Distribution Date, the distribution agent will, instead, aggregate fractional shares into whole shares, sell the whole shares in the open market at prevailing prices, and distribute the net cash proceeds from the sales, net of brokerage fees and commissions, transfer taxes, and other costs, and after making appropriate deductions of the amounts required to be withheld for U.S. federal income tax purposes, if any, pro rata to each stockholder that would otherwise have been entitled to receive a fractional share in connection with the Distribution. The distribution agent will determine when, how, through which broker-dealers, and at what prices to sell the aggregated fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any minimum sale price for the fractional shares or to any interest on the amounts of payments made in lieu of fractional shares. The receipt of cash in lieu of fractional shares generally will be taxable to the recipient stockholders for U.S. federal income tax purposes as described under "Material U.S. Federal Income Tax Consequences."

When and How You Will Receive the Distribution of SG DevCo Shares

SG Holdings will distribute the shares of our common stock on [ ] , 2023, the Distribution Date, to holders of record as of the close of business on the Record Date. The Distribution is expected to be completed following the Nasdaq market closing on the Distribution Date. SG Holdings' transfer agent and registrar, American Stock Transfer and Trust Company, LLC, will serve as transfer agent and registrar for our common stock and as distribution agent in connection with the Distribution.

If you own SG Holdings common stock as of the close of business on the Record Date, the shares of our common stock that you are entitled to receive in connection with the Distribution will be issued electronically, as of the Distribution Date, to your account as follows:

- ***Registered Stockholders***. If you own your shares of SG Holdings stock directly, either in book-entry form through an account at American Stock Transfer and Trust Company, LLC and/or if you hold paper stock certificates, you will receive your shares of our common stock by way of direct registration in book-entry form. Registration in book-entry form is a method of recording stock ownership when no physical paper share certificates are distributed to stockholders, as is the case in connection with the Distribution.

  On or shortly following the Distribution Date, the Distribution Agent will mail to you a direct registration account statement that reflects the number of shares of our common stock that have been registered in book-entry form in your name. Stockholders having any questions concerning the mechanics of having shares of our common stock registered in book-entry form may contact American Stock Transfer and Trust Company, LLC at the address set forth under "Questions and Answers About the Separation" in this information statement.; and

- ***Beneficial Stockholders***. Many SG Holdings stockholders hold their shares of SG Holdings common stock beneficially through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the stock in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold your SG Holdings common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account with the shares of our common stock that you are entitled to receive in connection with the Distribution. If you have any questions concerning the mechanics of having shares of common stock held in "street name," we encourage you to contact your bank or brokerage firm.

Treatment of Outstanding Equity Compensation Awards

There will be no adjustments made to outstanding unvested SG Holdings RSUs in connection with the Separation and Distribution. Outstanding unvested SG Holdings RSUs shall remain subject to the same terms and conditions after the Distribution as the terms and conditions applicable to such RSUs immediately prior to the Distribution.

Results of the Separation and Distribution

After the Separation and Distribution, we will be a separate publicly traded company. Immediately following the Separation and Distribution, we expect to have approximately [ ] shares of our common stock outstanding, based on the number of SG Holdings shares of common stock outstanding on [ ], 2023 and the number of shares to be retained by SG Holdings as described above. The actual number of shares of our common stock SG Holdings will distribute in the Distribution will depend on the actual number of shares of SG Holdings common stock outstanding on the Record Date, which will reflect any issuance of new shares or the vesting of equity awards pursuant to SG Holdings' equity plans on or prior to the Record Date. Shares of SG Holdings common stock held by SG Holdings as treasury shares will not be considered outstanding for purposes of, and will not be entitled to participate in, the Distribution. The Distribution will not affect the number of outstanding shares of SG Holding common stock or any rights of SG Holdings stockholders. However, following the Separation and Distribution, the equity value of SG Holdings will no longer reflect the value of the Spin-Off Business (except to the extent of the shares of our common stock retained by SG Holdings as described above). Although SG Holdings believes that our separation from SG Holdings offers its stockholders the greatest long-term value, there can be no assurance that the combined trading prices of the SG Holdings common stock and our common stock will equal or exceed what the trading price of SG Holdings common stock would have been in absence of the Separation and Distribution.

Regulatory Approvals

We must complete the necessary registration under the federal securities laws of our common stock to be issued in connection with the Distribution. We must also complete the applicable listing requirements on Nasdaq for such shares. Other than these requirements, we do not believe that any other material governmental or regulatory filings or approvals will be necessary to consummate the Distribution.

Appraisal Rights

No SG Holdings stockholder will have any appraisal rights in connection with the Separation and Distribution.

Listing and Trading of Our Common Stock

As of the date of this information statement, there is no public market for our common stock. We plan to apply to have our common stock listed on Nasdaq under the ticker symbol "SGD."

The shares of our common stock distributed to SG Holdings stockholders will be freely transferable, except for shares received by individuals who are our affiliates. Individuals who may be considered our affiliates after the Separation and Distribution include individuals who control, are controlled by, or are under common control with us, as those terms generally are interpreted for federal securities law purposes. These individuals may include some or all of our directors and executive officers. Individuals who are our affiliates will be permitted to sell their shares of our common stock only pursuant to an effective registration statement under the Securities Act of 1933, or the "Securities Act," or an exemption from the registration requirements of the Securities Act, such as those afforded by Section 4(a)(1) of the Securities Act or Rule 144 thereunder.

Trading Between the Record Date and the Distribution Date

Beginning on or shortly before the Record Date and continuing up to and including the Distribution Date, we expect that there will be two markets in SG Holdings common stock: a "regular-way" market and an "ex-distribution" market. Shares of SG Holdings common stock that trade on the "regular-way" market will trade with an entitlement to receive shares of our common stock in connection with the Distribution. Shares of SG Holdings common stock that trade on the "ex-distribution" market will trade without an entitlement to receive shares of our common stock in the Distribution. Therefore, if you sell shares of SG Holdings common stock on the "regular-way" market after the close of business on the Record Date and up to and including through the Distribution Date, you will be selling your right to receive shares of our common stock in connection with the Distribution. If you own shares of SG Holdings common stock as of the close of business on the Record Date and sell those shares on the "ex-distribution" market, up to and including through the Distribution Date, you will still receive the shares of our common stock that you would be entitled to receive in respect of your ownership as of the Record Date.

Furthermore, beginning on or shortly before the Record Date and continuing up to and including the Distribution Date, we expect there will be a "when-issued" market in our common stock. "When-issued" trading refers to a sale or purchase made conditionally because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for shares of our common stock that will be distributed to SG Holdings stockholders on the Distribution Date. If you own shares of SG Holdings common stock as of the close of business on the Record Date, you would be entitled to receive shares of our common stock in connection with the Distribution. You may trade this entitlement to receive shares of our common stock, without trading the shares of SG Holdings common stock you own, in the "when-issued" market. On the first trading day following the Distribution Date, we expect "when-issued" trading with respect to our common stock will end and "regular-way" trading in our common stock will begin.

Conditions to the Distribution

We expect the Distribution will be effective on [ ], 2023, the Distribution Date, provided that, among other conditions described in the separation and distribution agreement, the following conditions will have been satisfied or waived by SG Holdings in its sole discretion:

- the SG Holdings Board of Directors will have approved the Distribution and will not have abandoned the Distribution or terminated the separation and distribution agreement at any time prior to the consummation of the Distribution;

- the SEC will have declared effective our registration statement on Form 10, of which this information statement is a part, under the Exchange Act; no stop order suspending the effectiveness of our registration statement on Form 10 will be in effect; no proceedings for such purpose will be pending before or threatened by the SEC; and this information statement, or a notice of internet availability thereof, will have been mailed to the holders of SG Holdings common stock as of the Record Date;

- all actions and filings necessary or appropriate under applicable federal, state "blue sky," or foreign securities laws and the rules and regulations thereunder will have been taken and, when applicable, become effective or been accepted;

- our common stock to be delivered in connection with the Distribution will have been approved for listing on Nasdaq, subject to official notice of issuance;

- our Board of Directors, as named in this information statement, will have been duly elected, and our Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, each in substantially the form attached as exhibits to the registration statement on Form 10 of which this information statement is a part, will be in effect;

- each of the ancillary agreements contemplated by the separation and distribution agreement will have been duly executed and delivered by the parties thereto;

- no applicable law will have been adopted, promulgated, or issued, and be in effect, that prohibits the consummation of the Distribution or any of the transactions contemplated by the separation and distribution agreement;

- any material governmental approvals and consents and any material permits, registrations, and consents from third parties, in each case, necessary to effect the Distribution and to permit the operation of the real estate development business after the Distribution Date substantially as conducted as of the date of the separation and distribution agreement will have been obtained; and

- no events or developments shall have occurred or exist that, in the sole and absolute judgment of the SG Holdings Board of Directors, make it inadvisable to effect the Distribution or would result in the Distribution and related transactions not being in the best interest of SG Holdings or its stockholders.

The fulfillment of these conditions will not create any obligations on SG Holdings' part to effect the Separation, and the SG Holdings Board of Directors has reserved the right, in its sole discretion, to abandon, modify, or change the terms of the Separation, including by accelerating or delaying the timing of the consummation of all or part of the Distribution, at any time prior to the Distribution Date.

Agreements with SG Holdings

In connection with the Separation, we will enter into a separation and distribution agreement and several other agreements with SG Holdings to effect the Separation and provide a framework for our relationship with SG Holdings after the Separation. These agreements will govern the relationship between our company, on the one hand, and SG Holdings and its subsidiaries, on the other hand, subsequent to the Separation (including with respect to transition services, employee matters and tax matters).

In addition to the separation and distribution agreement (which will contain many of the key provisions related to our Separation from SG Holdings and the distribution of our shares of common stock to SG Holdings stockholders), we will also enter into a Tax Matters Agreement and a Shared Services Agreement.

The forms of the principal agreements described below have been or will be filed as exhibits to the registration statement of which this information statement forms a part. The following descriptions of these agreements are summaries of the material terms of these agreements.

Separation and Distribution Agreement

The separation and distribution agreement will govern the overall terms of the Separation and Distribution. On or prior to the Distribution Date, SG Holdings will deliver 30% of the issued and outstanding shares of our common stock to the distribution agent. On or as soon as practicable following the Distribution Date, the distribution agent will electronically deliver the shares of our common stock to SG Holdings stockholders based on the distribution ratio. The SG Holdings' Board may, in its sole and absolute discretion, at any time until the Distribution, decide to abandon or modify the Distribution and to terminate the separation and distribution agreement.

The separation and distribution agreement will also specify those conditions that must be satisfied or waived by SG Holdings prior to the completion of the Separation, which are described further in "—Conditions to the Distribution."

We and SG Holdings will each agree to indemnify the other and each of the other's current and former directors, officers, and employees, and each of the heirs, executors, administrators, successors, and assigns of any of them, against certain liabilities incurred in connection with the Separation and Distribution and our and SG Holdings' respective businesses. The amount of either SG Holdings or our indemnification obligations will be reduced by any net insurance proceeds the party being indemnified receives. The separation and distribution agreement will also establish procedures for handling claims subject to indemnification and related matters.

Tax Matters Arrangement

In connection with the Separation, we and SG Holdings intend to enter into a tax matters agreement that will contain certain tax matters arrangements and will govern the parties' respective rights, responsibilities, and obligations with respect to taxes, including taxes arising in the ordinary course of business and taxes incurred as a result of the Separation and the Distribution. The tax matters arrangement will also set forth the respective obligations of the parties with respect to the filing of tax returns, the administration of tax contests, and assistance and cooperation on tax matters.

In general, the tax matters arrangement will govern the rights and obligations that we and SG Holdings will have after the Separation with respect to taxes for both pre- and post-closing periods. Under the tax matters arrangement, we generally will be responsible for (i) any of our taxes for all periods prior to and after the Distribution and (ii) any taxes of the SG Holdings group for periods prior to the Distribution to the extent attributable to the real estate development business. SG Holdings generally will be responsible for any of the taxes of the SG Holdings group other than taxes for which we are responsible. In addition, SG Holdings will be responsible for its taxes arising as a result of the Separation and Distribution. Notwithstanding the foregoing, sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar taxes imposed on the Distribution shall be borne fifty percent (50%) by us and fifty percent (50%) by SG Holdings.

Each of SG Holdings and SG DevCo will indemnify each other against any taxes allocated to such party under the tax matters agreement and related out-of-pocket costs and expenses.

Shared Services Agreement

In connection with the Separation, we and SG Holdings also intend to enter into a shared services agreement which will set forth the terms on which SG Holdings will provide to us on a transitional basis, certain services or functions that the companies historically have shared. Shared services will include various information technology, finance, human

resources, compliance, legal, and other support services.

In consideration for such services, we will pay fees to SG Holdings for the services provided, and those fees will generally be in amounts intended to allow SG Holdings to recover all of its direct and indirect costs incurred in providing those services. SG Holdings will charge us a fee for services performed by (i) its employees which shall be a percentage of each employee's base salary based upon an allocation of their business time spent providing such services and (ii) third parties, the fees charged by such third parties. We will also pay SG Holdings for general and administrative expenses incurred by SG Holdings attributable to both the operation of SG Holdings (other than the provision of the services performed by SG Holdings' employees) and the provision of the shared services, including but not limited to information technology, data subscription and corporate overhead expenses, the portion of such costs and expenses that are attributable to the provision of the shared services, as reasonably determined by SG Holdings. The personnel performing services under the shared services agreement will be employees and/or independent contractors of SG Holdings and will not be under our direction or control. We will also reimburse SG Holdings for direct out-of-pocket costs incurred by SG Holdings for third party services provided to us.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to SG Holdings stockholders who are entitled to receive shares of our common stock in connection with the Distribution. The information statement is not, and is not to be construed as, an inducement or encouragement to buy, hold, or sell any of our securities. We believe the information contained in this information statement is accurate as of the date set forth on the cover. Changes may occur after that date and neither SG Holdings nor we undertake any obligation to update such information except in the normal course of our respective public disclosure obligations.

DIVIDEND POLICY

We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends on our common stock will be made at the discretion of our Board of Directors and will depend on various factors, including applicable laws, our results of operations, financial condition, future prospects, the terms of our outstanding indebtedness, and any other factors deemed relevant by our Board of Directors.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2022, on a historical basis and on a pro forma basis to give effect to the pro forma adjustments included in our Unaudited Pro Forma Financial Information. The information below is not necessarily indicative of what our capitalization would have been had the Separation and Distribution been completed as of September 30, 2022. In addition, it is not indicative of our future capitalization. This table should be read in conjunction with "Unaudited Pro Forma Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our historical financial statements and the related notes included elsewhere in this information statement.

	September 30, 2022	
Capitalization:	**Historical**	**Pro Forma**
Cash and cash equivalents	$ 0	$ [ ]
Shareholders' equity		
Common stock	1	[ ]
Additional paid in capital	4,323,900	[ ]
Accumulated deficit	(1,972,669)	[ ]
Total shareholder's equity	2,351,232	[ ]
Total capitalization	$ 2,351,232	$ [ ]

SG DevCo has not yet finalized its post-distribution capitalization. Pro forma financial information reflecting SG DevCo's post-distribution capitalization will be included in an amendment to this information statement.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS

The Unaudited Pro Forma Financial Information presented below has been derived from SG DevCo's historical financial statements included in this information statement. While the historical financial statements reflect the past financial results of the Spin-Off Business, this pro forma information gives effect to the separation of that business into a separate publicly traded company. The pro forma adjustments to reflect the Separation and Distribution include:

- the separation of the assets and liabilities related to the Spin-Off Business pursuant to the separation and distribution agreement;
- the anticipated post-Separation and Distribution capital structure, including the issuance of [ ] shares of our common stock to SG Holdings and the distribution of 30% of our issued and outstanding shares of common stock by SG Holdings in connection with the Distribution; and
- the impact of, and transactions contemplated by, the separation and distribution agreement, the tax matters agreement and the shared services agreement.

The pro forma adjustments are based on available information and assumptions our management believes are reasonable; however, such adjustments are subject to change as the costs of operating as a standalone company are determined. In addition, such adjustments are estimates and may not prove to be accurate. The Unaudited Pro Forma Financial Information has been derived from our Historical Financial Statements included in this information statement and includes certain adjustments to give effect to events that are (1) directly attributable to the Separation and Distribution and related transaction agreements, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on SG DevCo. Any change in costs or expenses associated with operating as a standalone company would constitute projected amounts based on estimates and, therefore, are not factually supportable; as such, the Unaudited Pro Forma Financial Information has not been adjusted for any such estimated changes. Only costs that management has determined to be factually supportable and recurring are included as pro forma adjustments, including the items described above. Incremental costs and expenses associated with operating as a standalone company, which are not reflected in the Unaudited Pro Forma Financial Information, are not practical to estimate as of the date of this filing.

The Unaudited Pro Forma Statement of Operations for the period February 17, 2021 (Inception) through December 31, 2021 and the nine months ended September 30, 2022 has been prepared as though the Distribution occurred on February 17, 2021. The Unaudited Pro Forma Balance Sheet at September 30, 2022 has been prepared as though the distribution occurred on September 30, 2022. The Unaudited Pro Forma Financial Information is for illustrative purposes only, and does not reflect what our financial position

and results of operations would have been had the distribution occurred on the dates indicated and is not necessarily indicative of our future financial position and future results of operations.

The Unaudited Pro Forma Financial Information should be read in conjunction with our historical financial information, "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this information statement. The Unaudited Pro Forma Financial Information constitutes forward-looking information and is subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. See "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this information statement.

SAFE AND GREEN DEVELOPMENT CORPORATION
UNAUDITED PRO FORMA BALANCE SHEET

As of September 30, 2022

	As Reported (Unaudited)	*Pro Forma Adjustments*	*Pro Forma*
Assets			
Current assets:			
Assets held for sale	$ 4,420,991	[ ]	[ ]
Land	1,190,655	[ ]	[ ]
Project development costs and other non-current assets	34,794	[ ]	[ ]
Equity-based investments	3,599,945	[ ]	[ ]
Total Assets	$ 9,246,565	[ ]	[ ]
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued expenses	$ 47,033	$ [ ]	[ ]
Due to affiliates	4,200,000	[ ]	[ ]
Short term note payable, net	2,648,300	[ ]	[ ]
Total current liabilities	6,895,333	[ ]	[ ]
Stockholders' equity:			
Common stock	1	[ ]	[ ]
Additional paid-in capital	4,323,900	[ ]	[ ]
Accumulated deficit	(1,972,669)	[ ]	[ ]
Total stockholders' equity	2,351,232	[ ]	[ ]
Total Liabilities and Stockholders' Equity	$ 9,246,565	[ ]	[ ]

SAFE AND GREEN DEVELOPMENT CORPORATION
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

For the nine months ended September 30, 2022

	As Reported (Unaudited)	*Pro Forma Adjustments* (Unaudited)	*Pro Forma* (Unaudited)
Operating expenses:			
Payroll and related expenses	$ 775,384	[ ]	[ ]
General and administrative expenses	523,206	[ ]	[ ]
Marketing and business development expense	14,606	[ ]	[ ]
Total	1,313,196	[ ]	[ ]
Operating loss	(1,313,196)	[ ]	[ ]
Other income (expense):			
Interest Expense	(173,726)	[ ]	[ ]
Net loss	(1,486,922)	[ ]	[ ]
Net loss per share			
Basic and diluted	$ (1,486.92)	$ [ ]	[ ]
Weighted average shares outstanding:			
Basic and diluted	1,000	[ ]	[ ]

SAFE AND GREEN DEVELOPMENT CORPORATION
UNAUDITED PRO FORMA STATEMENT OF OPERATIONS

For the period February 17, 2021 (Inception) through December 31, 2021

	As Reported	*Pro Forma Adjustments*	*Pro Forma*
	(Unaudited)	(Unaudited)	(Unaudited)
Operating expenses:			
Payroll and related expenses	199,919	[ ]	[ ]
General and administrative expenses	272,271	[ ]	[ ]
Marketing and business development expense	13,557	[ ]	[ ]
Total	485,747	[ ]	[ ]
Operating loss	(485,747)	[ ]	[ ]
Other income (expense):			
Interest Expense	—	[ ]	[ ]
Net loss	(485,747)	[ ]	[ ]
Net loss per share			
Basic and diluted	$ (487.75)	$ [ ]	[ ]
Weighted average shares outstanding:			
Basic and diluted	1,000	[ ]	[ ]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") in conjunction with the Historical Financial Statements and corresponding notes and the Unaudited Pro Forma Financial Information and corresponding notes included elsewhere in this information statement. This MD&A contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties, and other factors that could cause actual results to differ materially from those projected or implied in the forward-looking statements. Please see "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of the uncertainties, risks, and assumptions associated with these statements.

Overview

The Company. We were formed in 2021 by SG Holdings for the purpose of real property development utilizing SG Holdings' proprietary technologies and SG Holdings' manufacturing facilities Our current business focus is primarily on the direct acquisition and indirect investment in properties nationally that will be further developed in the future into green single or multi-family projects . To date, we have not generated any revenue and our activities have consisted solely of the acquisition of three properties and an investment in two entities that have acquired two properties to be further developed; however we have not yet commenced any development activities.. We are focused on increasing our presence in markets with favorable job formation and a favorable demand/supply ratio for multifamily housing. We intend to construct many of the planned developments using modules built by SG Echo, LLC, a subsidiary of SG Holdings. In addition to these development projects, we intend, subject to our ability to raise sufficient capital, to build additional, strategically placed manufacturing facilities that will be sold or leased to third parties as well as leased to SG Echo. We intend to build manufacturing sites for lease to SG Echo near our project sites in order to take advantage of cost savings for transportation of modules. .Our business model is flexible and we anticipate developing properties on our own and also through joint ventures in which we partner with third-party equity investors or other developers.

We intend to develop the properties that we own from the proceeds of future financings, both at the corporate and project level, and / or sale proceeds from properties that are sold. However, our ability to develop any properties will be subject to our ability to raise capital either through the sale of equity or by incurring debt. We have forecasted to invest approximately $1.6 million over the course of the next 12 months to start the development of three different projects, subject to our ability to raise additional capital.

The projects we intend to develop over the next 12 months are:

- Finley Street Apartments (165 Units), the first phase of our Cumberland Inlet Site
- St Mary's Industrial, a 120,000 SF Manufacturing Facility to be leased by SG Echo
- Magnolia Gardens I (100 Units), the first phase of our McLean Mixed Use Site

The Proposed Separation. In December 2022, we announced our plan to separate into two publicly traded companies. The Separation will occur through a pro rata distribution to SG Holdings' stockholders of 30% of the outstanding shares of common stock of SG DevCo, a wholly owned subsidiary of SG Holdings, that holds the assets and liabilities associated with SG Holdings' real estate development business. In connection with the Distribution, each SG Holdings stockholder will receive [ ] shares of SG DevCo common stock for every [ ] shares of SG Holdings common stock held as of the close of business on [ ], 2023 the record date for the Distribution.

The Separation is subject to a number of conditions, including, but not limited to: final approval by SG Holdings Board of Directors; the SEC will have declared effective our registration statement on Form 10, of which this information statement is a part, under the Exchange Act; and no stop order suspending the effectiveness of our registration statement on Form 10 will be in effect; this information statement having been made available to SG Holdings' stockholders; Nasdaq will have approved the listing of SG DevCo common stock, subject to official notice of issuance; and no events or developments shall have occurred or exist that, in the sole and absolute judgment of the SG Holdings Board of Directors, make it inadvisable to effect the Distribution or would result in the Distribution and related transactions not being in the best interest of SG Holdings or its stockholders.

SG DevCo will enter into a separation and distribution agreement and several other agreements with SG Holdings to provide a framework for our relationship with SG Holdings after the Separation and Distribution. These agreements will provide for the allocation between SG Holdings and SG DevCo of the assets, employees, liabilities and obligations

(including, among others, investments, property, employee benefits and tax-related assets and liabilities) of SG Holdings and its subsidiaries attributable to periods prior to, at and after the Separation and will govern the relationship between us and SG Holdings subsequent to the completion of the Separation. In addition to the separation and distribution agreement, the other principal agreements to be entered into with SG Holdings include a tax matters agreement and a shared services agreement.

SG Holdings may, at any time and for any reason until the Separation and Distribution is complete, abandon the separation plan or modify its terms.

Basis of Presentation. The historical financial statements of SG DevCo are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). In accordance with GAAP, certain situations require management to make estimates based on judgments and assumptions, which may affect the reported amounts of assets and liabilities or contingent liabilities at the date of the financial statements. They also may affect the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates upon subsequent resolution of identified matters. The historical financial statements of SG DevCo are prepared from SG Holdings' historical accounting records and are presented on a standalone basis as if the Spin-Off Business has been conducted independently from SG Holdings.

Impact of Coronavirus (COVID-19). With the global spread of the ongoing novel coronavirus ("COVID-19") pandemic, we have implemented business continuity plans designed to address and mitigate the impact of the COVID-19 pandemic on our business. To date, we have experienced some delays in projects due to COVID-19. Any further quarantines, containment and eradication solutions, travel restrictions, absenteeism by infected workers, labor shortages or other disruptions to suppliers and contract manufacturers or customers would likely adversely impact our operating results and result in further project delays.

Results of Operations

We have never generated any revenue and have incurred significant net losses in each year since inception. For the three months ended September 30, 2022 and 2021, we incurred net losses of $488,955 and $192,932 and for the nine months ended September 30, 2022 we incurred a net loss of $1,486,922 as compared to a net loss of $309, 753 for the period from February 17, 202 through September 30, 2021. We expect to incur increasing losses in the future when we commence development of the properties we own .

To date, a significant portion of our funding has been provided by SG Holdings. We have issued a note dated December 19, 2021 in the principal amount of $4,200,000 that we issued to SG Holdings for loans that SG Holdings made to us that were used to acquire properties. The note is due upon demand and is non-interest bearing

Results of Operations for the Period from February 17, 2021 (inception) through December 31, 2021

Total Payroll and related expenses	$	199,919
Total Other operating expenses		285,828
Net loss	$	(485,747)

Payroll and Related Expenses

Payroll and related expenses for the period ended December 31, 2021 were $199,919. This amount was allocated to us by SG Holdings and consisted of a portion of the payroll and related expenses of five employees of SG Holdings who devoted time to us.

Other Operating Expenses (General and administrative expenses and marketing and business development expenses)

Other operating expenses for the period ended December 31, 2021 were $285,828. This amount was allocated to us by SG Holdings and consisted of legal fees, professional fees, rent, office expenses, insurance and other general and administrative expenses.

Income Tax Provision

A 100% valuation allowance was provided against the deferred tax asset consisting of available net operating loss carry forwards and, accordingly, no income tax benefit was provided.

Our operations for the period ended December 31, 2021 may not be indicative of our future operations.

Results of Operations for the Nine Months and Period Ended September 30, 2022 and 2021

The discussion of the operations for the nine months ended September 30, 2022 includes our operations for the full nine months; however, the discussion of the operations for the period ended September 30, 2021 only includes operations from February 17, 2021 through September 30, 2021. Accordingly, the results of operations reported for the nine months ended September 30, 2022 and the period ended September 30, 2021 are not comparable.

		For the Nine Months Ended September 30, 2022		For the Period February 17, 2021 through September 30, 2021
Total Payroll and related expenses	$	775,384	$	98,804
Total Other operating expenses	$	537,812		210,949
Operating loss	$	(1,313,196)		(309,753)
Interest expense		(173,726)		-
Net loss	$	(1,486,922)		(309,753)

Payroll and Related Expenses

Payroll and related expenses for the nine months ended September 30, 2022 were $775,384 compared to $98,804 for the period ended September 30, 2021. This increase of $676,580 in expenses allocated to us by SG Holdings during the nine months ended September 30, 2022 as compared to the period ended September 30, 2021 resulted from a full nine month period as well as additional efforts of personnel during 2022, as well as increased salaries of the five employees of SG Holdings who devoted time to us. In addition, the Company stopped capitalizing project development costs at the time the Lago Vista was held for sale.

Other Operating Expenses (General and administrative expenses and marketing and business development expenses)

Other operating expenses for the nine months ended September 30, 2022 were $537,812 compared to $210,949 for the period ended September 30, 2021 These expenses were allocated to us by SG Holdings and consisted of legal fees, professional fees, rent, office expenses, insurance and other general and administrative expenses. This increase of $326,863 in expenses allocated to us by SG Holdings during the nine months ended September 30, 2022 as compared to the period ended September 30, 2021 resulted from a full nine month period as well as additional costs incurred during 2022.

Income Tax Provision

A 100% valuation allowance was provided against the deferred tax asset consisting of available net operating loss carry forwards and, accordingly, no income tax benefit was provided.

Our operations for the nine months ended September 30, 2022 and 2021 may not be indicative of our future operations.

Results of Operations for the Three Months Ended September 30, 2022 and 2021:

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021
Total Payroll and related expenses	$ 255,189	$ 54,215
Total Other Operating expenses	181,609	138,717
Operating loss	(436,798)	(192,932)
Interest expense	(52,157)	-
Net loss	$ (488,955)	$ (192,932)

Payroll and Related Expenses

Payroll and related expenses for the three months ended September 30, 2022 were $255,189 compared to $54,215 for the three months ended September 30, 2021. This increase of $200,974 in expenses allocated to us by SG Holdings during the three months ended September 30, 2022 as compared to the three months ended September 30, 2021 resulted from additional efforts of personnel during 2022, as well as increased salaries of the five employees of SG Holdings who devoted time to us. In addition, the Company stopped capitalizing project development costs at the time the Lago Vista was held for sale.

Other Operating Expenses (General and administrative expenses and Marketing and business development expenses)

Other operating expenses for the three months ended September 30, 2022 were $181,609 compared to $138,717 for the three months ended September 30, 2021. These expenses were allocated to us by SG Holdings and consisted of legal fees, professional fees, rent, office expenses, insurance and other general and administrative expenses. This increase of $42,892 in expenses allocated to us by SG Holdings during the three months ended September 30, 2022 as compared to the three months ended September 30, 2021 resulted from additional costs incurred during 2022.

Income Tax Provision

A 100% valuation allowance was provided against the deferred tax asset consisting of available net operating loss carry forwards and, accordingly, no income tax benefit was provided.

Our operations for the three months ended September 30, 2022 and 2021 may not be indicative of our future operations.

Liquidity and Capital Resources

As of September 30, 2022 and December 31, 2021 we did not have any cash and cash equivalents on hand. Historically, our operations have primarily been funded through advances from SG Holdings and we have been dependent upon SG Holdings for funding. These factors raise substantial doubt that we will be able to continue as a going concern. We currently do not have any committed sources of financing. We have also funded operations through two lien notes on the Lago Vista property, which we have listed for sale, and one secured note on the St. Mary's industrial site. The notes on the Lago Vista property mature on February 1, 2024. There can be no assurance that we will be successful in selling the Lago Vista property and that we will receive anticipated proceeds from such sale. There is no guarantee we will be successful in raising capital outside of our current sources, and if so, that we will be able to do so on favorable terms.

We intend to develop the properties that we own from the proceeds of future financings or sales proceeds from properties that are sold. To date, we have not generated revenue sufficient to develop any properties and have focused on property acquisitions not development activities. We have forecasted to invest approximately $1.6 million over the course of the next 12 months to start the development of three different projects, subject to our ability to raise additional capital either through the sale of equity or by incurring debt. We anticipate that we will incur as additional $1.5 million of expenses for payroll, legal & other general costs associated with being a publicly traded company once the spin-off is completed.

To date, a significant portion of our funding has been provided by SG Holdings. We have issued a note dated December 19, 2021 in the principal amount of $4,200,000 that we issued to SG Holdings for loans that SG Holdings made to us that were used to acquire properties. The note is due upon demand and is non-interest bearing.

Cash Flow Summary

	For the Nine Months Ended September 30, 2022	For the Period February 17, 2021 through September 30, 2021
Net cash used in:		
Operating activities	$ (1,546,353)	$ 3,926,009
Investing activities	(1,396,114)	(7,218,464)
Financing activities	2,942,467	3,292,455
Net decrease in cash and cash equivalents	$ -	$ -

Operating activities used net cash of $1,546,353 during the nine months ended September 30, 2022, and provided cash of $3,926,009 during the period February 17, 2021 through September 30, 2021. Cash used in operating activities increased by $5,472,362 due to an increase of net loss of $1,177,169 offset by $4,200,000 received from due to affiliates during 2021.

Investing activities used net cash of $1,396,114 during the nine months ended September 30, 2022, and $7,218,464 net cash during the period February 17, 2021 through September 30, 2021 a decrease in cash used of $5,822,350. This change results primarily from fewer land purchases during 2022 and fewer investments. During the period February 17, 2021 through September 30, 2021, we made investments in minority interests in Norman Berry II Owners LLC and JDI-Cumberland Inlet LLC.

Cash provided from financing activities was $2,942,467 during the nine months ended September 30, 2022 due to contributions we received from SG Holdings. Cash provided from financing activities was $3,292,455 during the period February 17, 2021 through September 30, 2021. This change resulted primarily from $2,000,000 of proceeds from a short-term note issued during 2021 associated with Lago Vista property.

Off-Balance Sheet Arrangements

As of September 30, 2022 and December 31, 2021, we had no material off-balance sheet arrangements to which we are a party.

Critical Accounting Estimates

Our financial statements have been prepared using generally accepted accounting principles in the United States of America (“GAAP”). In connection with the preparation of the financial statements, we are required to make assumptions and estimates and apply judgments that affect the reported amounts of assets, liabilities, revenue, and expenses, and the related disclosures. We base our assumptions, estimates, and judgments on historical experience, current trends, and other factors that we believe to be relevant at the time the financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates, and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in “Note 2— Summary of Significant Accounting Policies” of the notes to our financial statements for the period February 17, 2021 through December 31, 2021 included elsewhere in this Information Statement. We believe that the following accounting policies are the most critical in fully understanding and evaluating our reported financial results.

Investment Entities – On May 31, 2021, we agreed to contribute $600,000 to acquire a 50% membership interest in Norman Berry II Owner LLC (“Norman Berry”). We contributed $350,329 and $114,433 of the initial $600,000 in the second quarter and third quarter of 2021 respectively, with the remaining $135,183 funded in the fourth quarter of 2021. The purpose of Norman Berry is to develop and provide affordable housing in the Atlanta, Georgia metropolitan area. We have determined we are not the primary beneficiary of Norman Berry and thus will not consolidate the activities in our financial statements. We use the equity method to report the activities as an investment in our financial statements.

On June 24, 2021, we entered into an operating agreement with Jacoby Development for a 10% non-dilutable equity interest for JDI-Cumberland Inlet, LLC (“Cumberland”). We contributed $3,000,000 for our 10% equity interest. The purpose of Cumberland is to develop a waterfront parcel in a mixed-use destination community. We have determined we are not the primary beneficiary of Cumberland and thus will not consolidate the activities in our financial statements. We use the equity method to report the activities as an investment in our financial statements.

During the nine months ended September 30, 2022, Norman Berry and Cumberland did not have any material earnings or losses as the investments are in development. In addition, management believes there was no impairment as of September 30, 2022.

Property, plant and equipment – Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of each asset. Repairs and maintenance are charged to expense when incurred.

On May 10, 2021 we acquired a 50+ acre Lake Travis project site in Lago Vista, Texas (“Lago Vista”) for $3,576,130 which is recorded in assets held for sale on the accompanying balance sheets.

During February 2022 and September 2022, we acquired properties in Oklahoma and Georgia for $893,785 and $296,870, respectively, which is recorded as land on the accompanying balance sheets.

Project Development Costs – Project development costs are stated at cost. At September 30, 2022, our project development costs are expenses incurred related to development costs on various projects that are capitalized during the period the project is under development. As of September 30, 2022, $844,861 of project development costs related to Lago Vista are included in assets held for sale.

Assets Held For Sale– During 2022, management has implemented a plan to sell Lago Vista, which meets all of the criteria required to classify it as an Assets Held for Sale. Including the project development costs associated with Lago Vista of $844,861, the book value is now $4,420,991

JOBS Act

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to avail ourselves of the extended transition period for complying with new or revised financial accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year (a) following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act, (b) in which we have total annual revenue of at least $1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which generally means the market value of our common equity that is held by non-affiliates exceeds $700 million as of the end of the prior fiscal year's second fiscal quarter; and (2) the date on which we have issued more than $1 billion in non-convertible debt securities during the prior three-year period.

BUSINESS

We were formed in 2021 for the purpose of real property development utilizing SG Holdings' proprietary technologies and SG Holdings' manufacturing facilities. Our current business focus is primarily on the direct acquisition and indirect investment in properties nationally that will be further developed in the future into green single or multi-family projects . To date, we have not generated any revenue and our activities have consisted solely of the acquisition of three properties and an investment in two entities that have acquired two properties to be further developed; however we have not yet commenced any development activities. We are focused on increasing our presence in markets with favorable job formation and a favorable demand/supply ratio for multifamily housing. We intend to construct many of the developments using modules built by SG Echo, LLC, a subsidiary of SG Holdings ("SG Echo"). In addition to these planned development projects, we intend, subject to our ability to raise sufficient capital, to build additional, strategically placed manufacturing facilities that will be sold or leased to third parties as well as leased to SG Echo. We intend to build manufacturing sites for lease to SG Echo near our project sites in order to take advantage of cost savings for transportation of modules . Our business model is flexible and we anticipate developing properties on our own and also through joint ventures in which we partner with third-party equity investors or other developers.

We intend to develop the properties that we own from the proceeds of future financings, both at the corporate and project level, and / or sale proceeds from properties that are sold. However, our ability to develop any properties will be subject to our ability to raise capital either through the sale of equity or by incurring debt. We have forecasted to invest approximately $1.6 million over the course of the next 12 months to start the development of three different projects, subject to our ability to raise additional capital.

The projects we intend to develop over the next 12 months are:

- Finley Street Apartments (165 Units), the first phase of our Cumberland Inlet Site
- St Mary's Industrial, a 120,000 SF Manufacturing Facility to be leased by SG Echo
- Magnolia Gardens I (100 Units), the first phase of our McLean Mixed Use Site

Organizational Chart Pre-Spin Off and Post-Spin Off

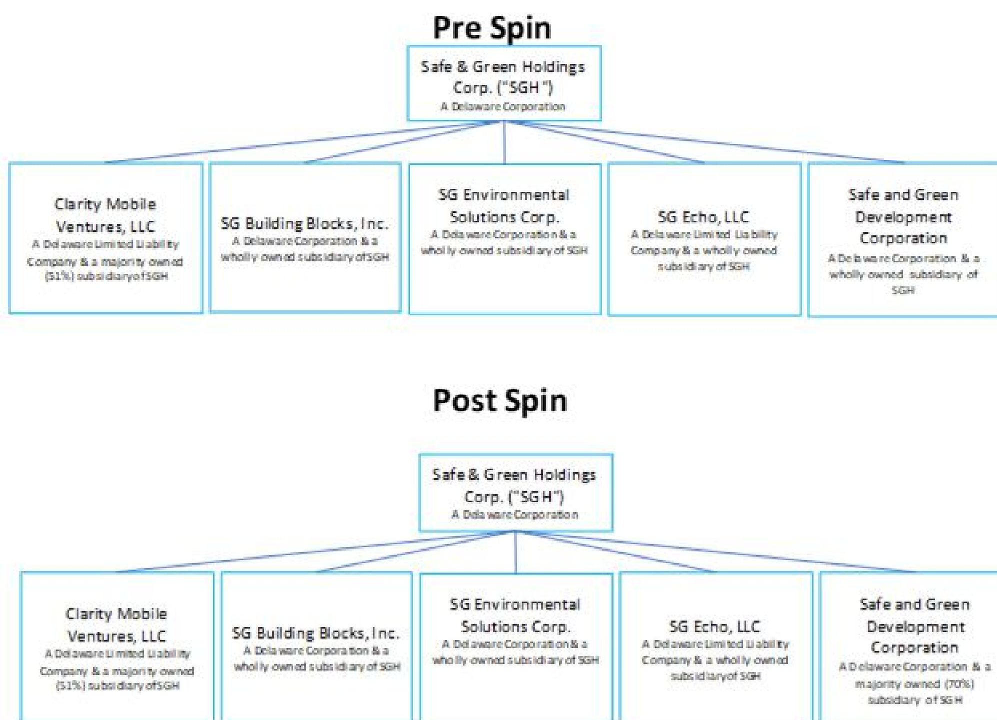
Set forth below is an organizational diagram detailing our corporate structure before and after the spin-off.

Currently, SG Holdings operates through its four wholly owned subsidiaries and one 51% owned subsidiary subsidiaries in the following four segments: (i) manufacturing, (ii) medical , (iii) real estate and (iv) environmental. We are the real estate development focused subsidiary that owns properties and interest in properties to be developed. SG Echo is a container/modular manufacturer based in Durant, Oklahoma specializing in the design and construction of permanent modular and temporary modular buildings. Clarity Mobile Ventures provides clinical lab testing at modules supplied by SG Echo. SG Environmental Solutions Corp is engaged in the business of medical and waste management. SG Buildings Blocks provides administrative services, such as billing services, to SG Holdings.

To date, a significant portion of our funding has been provided by SG Holdings. We have issued a note dated December 19, 2021 in the principal amount of $4,200,000 that we issued to SG Holdings for loans that SG Holdings made to us that were used to acquire properties. The note is due upon demand and is non-interest bearing

Immediately after the completion of the spin-off, we will no longer be a wholly owned subsidiary of SG Holdings and instead we will be a majority owned subsidiary of SG Holdings, with 70% of our outstanding common stock being owned by SG Holdings and the remaining 30% being owned by the shareholders of SG Holdings.

It is anticipated that both prior to and after the spin-off we will use the services of SG Echo to develop the properties that we own or have an interest in and SG Holdings will provide many ongoing services that it currently provides such as information technology, finance, human resources, compliance, legal, and other support services. Commencing upon the closing of the spin-off, we will pay SG Holdings fees for these services pursuant to the terms of a shared services agreement.



Housing Industry

The multifamily housing industry is growing. Multi-family dwellings have numerous competitive advantages, including:

- lower construction costs;
- on-site amenities including clubhouses, landscaping, maintenance, and lower insurance costs;
- efficient land use;
- residential populations large enough to support neighborhood retail and public transportation;
- the creation of open, public space; and
- providing residential options for an increasing number of single-person and empty-nester households.

The National Multifamily Housing Council and National Apartment Association shared that the United States would need approximately 4.3 million new apartments by 2035 to meet the rising demand for housing. One contributing factor in the current supply/demand imbalance was the 2008 recession, which significantly slowed new building projects. Another more recent and significant factor is the move to remote work as a result of the Covid-19 pandemic. The workforce gained the ability to move to different areas while continuing to access remote employment opportunities. This has sparked massive migration patterns to states that offer a higher quality of life with a lower cost of living. In addition, CBRE forecasts that the U.S. multifamily sector is expected to perform above average in 2023 despite economic headwinds and ongoing capital markets disruptions. According to CBRE, strong housing fundamentals should keep occupancy rates above 95% and drive 4% rent growth.

Joint Venture and Partnership Activities

We have entered into, and may continue in the future to enter into, joint ventures (including limited liability companies or partnerships) through which we would own an indirect economic interest of less than 100% of the property owned directly by such joint ventures. Our decision to either develop a property on our own or through a joint venture is based on a variety of factors and considerations, including: (i) the economic and tax terms required by the seller of land; (ii) our desire to diversify our portfolio of communities by market, submarket and product type; (iii) our desire at times to preserve our capital resources to maintain liquidity or balance sheet strength; and (iv) our projections, in some circumstances, that we will achieve higher returns on our invested capital or reduce our risk if a joint venture vehicle is used. Each joint venture agreement is individually negotiated, and our ability to operate and/or dispose of a community in our sole discretion may be limited to varying degrees depending on the terms of the joint venture agreement.

Current Projects/Development Sites

Lago Vista. On May 10, 2021, we acquired a 50+ acre site in Lago Vista, Texas for $3.5 million, paid in cash, pursuant to an Unimproved Property Contract, dated February 25, 2021, with Northport Harbor LLC. The acquired parcel sits on Lake Travis on the Colorado River in central Texas. We acquired the property and were able to successfully get a PDD approved for 174 condominium units, which was further amended to include the option of building rental units on the property. As a result of obtaining the site approval and market conditions, the property’s value increased significantly from the time of purchase. Accordingly, we determined to list the undeveloped property for sale.

On July 14, 2021, we issued a Real Estate Lien Note, dated July 14, 2021, in the principal amount of $2.0 million (the “Note”), secured by a Deed of Trust, dated July 14, 2021, on the Lake Travis project site in Lago Vista, Texas and a related Assignment of Leases and Rents, dated July 8, 2021, for net loan proceeds of $1,958,233 after fees. The Note had a term of one (1) year, provided for payments of interest only at a rate of twelve percent (12%) per annum and could be prepaid without penalty commencing nine (9) months after its issuance date. If the Note was prepaid prior to nine (9) months after its issuance date, a 0.5% prepayment penalty would be due. This Note was initially extended until January 14, 2023 and was further extended until February 1, 2024. In addition, on September 8, 2022, we issued a Second Lien Note in the principal amount of $500,000 (the “Second Note,” and collectively with the Note, the “Notes”) also secured by a Deed of Trust on the Lake Travis project site in Lago Vista, Texas. This Second Lien provides for payments of interest only at a rate of twelve percent (12%) per annum and originally matured on January 14, 2023, which maturity date was extended until February 1, 2024. SG DevCorp intends to use the proceeds from the sale of the property for its other development projects.

Norman Berry Village. On May 31, 2021, we acquired a 50% membership interest for $600,000 in a limited liability company, Norman Berry II Owners, LLC (“NB Owners”), that is building affordable housing in the Atlanta, Georgia metropolitan area to be known as “Norman Berry Village.” We partnered with CMC Development Group (“CMC”), a New York City-based real estate development firm with national expertise providing design build services. CMC owns the other 50% membership interest in NB Owners. The NB Owners’ operating agreement provides that NB Owners will initially have two managers, one designated by CMC (the “CMC Manager”) and one designated by us. Pursuant to the operating agreement, the CMC Manager will manage the day-to-day business and affairs of NB Owners and all non-routine decisions requires the approval of members owning a majority of the outstanding membership interests. The operating agreement also provides that any fee earned by CMC in connection with the acquisition and development of the Norman Berry Village and related real property will be split 75% to CMC and 25% to us. We have no obligation under the operating agreement to make any additional capital contributions to NB Owners. In addition, neither we nor CMC may voluntarily make any additional capital contributions to NB Owners. In accordance with the operating agreement, we are entitled to a preferred return equal to 10% per annum on our unreturned capital contributions which return will (i) accrue from the date on which our capital contributions were actually contributed to NB Owners until the date such capital contributions are returned to us, and (ii) compound annually. expect the project to develop 125,000 square feet of space and build approximately 132 multi-family rental apartments in two buildings. We expect the project to commence in the first quarter of 2024, subject to available funding, and to be completed within three years of commencement for estimated development costs for this project is approximately $35 million dollars.

Cumberland Inlet. On June 24, 2021, we, as a member, entered into an Operating Agreement, with Jacoby Development, Inc., a Georgia corporation (“JDI”), as manager, dated June 24, 2021 (the “Operating Agreement”), for JDI-Cumberland Inlet, LLC, a Georgia limited liability company (“JDI-Cumberland”), pursuant to which we acquired a 10% non-dilutable equity interest (“LLC Interest”) in JDI-Cumberland for $3.0 million. JDI-Cumberland has purchased a 1,298 acre waterfront parcel in downtown historic St. Mary’s, Georgia and expects to develop approximately 352 acres thereof (the “Project”). We, in conjunction with JDI, expect to develop a mixed-use destination community. The location will serve as home to 3,500 units made up of single family, multi-family, vacation and hospitality use, as well as a full-service marina, village, and upscale Eco-Tourism park inclusive of camping, yurts, cabins and cottages.

We have no obligation under the Operating Agreement to make any additional capital contributions to JDI-Cumberland. The Operating Agreement provides JDI with the right, at its option, to purchase the LLC Interest from us on or before June 24, 2023 for $3.0 million, plus an amount equal to an annual internal rate of return (IRR) on such funds of forty (40%) percent (i.e., $1.2 million annualized). After June 24, 2023, the Operating Agreement provides JDI with the right, at its option, to purchase the LLC Interest from us for $3.0 million, plus an amount equal to an IRR of thirty-two and one-half (32.5%) percent (i.e., $975,000 annualized). The Operating Agreement also provides that if JDI receives a good faith, bona fide written offer from an unaffiliated third party to purchase all or any portion of the Project, JDI shall first offer the Project to us at the same price and upon substantially the same terms as are contained in the offer. The Operating Agreement contains certain protective provisions that prevent JDI, as manager, from determining to, or taking, certain significant actions without our consent. SG Echo, a subsidiary of SG Holdings, entered into a Fabrication and Building Services Agreement (“Building Services Agreement”) with JDI-Cumberland to design, fabricate and install various improvements for the Project using modular structures, pursuant to budgets prepared by SG Echo submitted for approval to JDI-Cumberland, including a marina, town center, apartments and single family units, townhomes, commercial, retail and

lodging buildings/structures, eco-tourism park, camping yurts, cabins and cottages. The Building Services Agreement has an initial term of three years, with two-year automatic renewal provisions. During the term of the Building Services Agreement, SG Echo will have a right of first refusal with respect to each phase of the construction of the project buildings. If SG Echo's quote for a given phase is no more than five percent more than the average of all bona fide, arm's length bids that JDI-Cumberland obtains from reputable, unaffiliated builders, the phase will be awarded to SG Echo. In the event that SG Echo's quote for a given phase is more than five percent more than the average of all bona fide arm's length bids JDI-Cumberland obtains from reputable, unaffiliated builders, SG Echo will have the right to match such best bona fide, arm's length offer and secure the work.

We anticipate that the first phase of development activities at this site will be the construction of 165 multifamily units over the course of 12-18 months, which activities are anticipated to commence during the third quarter of 2023, with an estimated cost of $38 million. We also anticipate that the units will be built with modules supplied by SG Echo. Current plans are to sell this development three (3) years after development.

St Mary's Industrial Site. On August 18, 2022, the Company purchased, for $296,870 approximately 27 acres of land adjacent to our Cumberland Inlet Project from the Camden County Joint Development Authority (JDA). We plan to build a 120,000 square foot state of the art manufacturing facility which will be occupied by SG Echo. This facility will service not only the Cumberland Inlet Project, but also the Southeastern region. In connection with the purchase of the St. Mary's Industrial Site, the Company entered into a promissory note in the amount of $148,300. This note has a maturity date of September 1, 2023, subject to our right to extend for 6 months upon payments of a fee equal to 1% of the principal balance of the note and provides for payments of interest only at a rate of nine and three quarters percent (9.75%) per annum. This note could be prepaid without penalty, provided, however, if the lender has not received six months of interest, the Company must pay the lender an amount equivalent to the months of interest necessary to complete six months of interest. In addition, at the time of payment in full of the note, the Company must pay the lender an amount equivalent to half of one percent (0.50%) of the original loan amount. To secure payment in full of the note, the note is secured by a security deed in the property with power of the lender to sell the property.

We anticipate that of development activities at this site will commence during the second quarter of 2023 and continue for 12-18 months, with an estimated cost of $17 million. We also anticipate that the units will be built with modules supplied by SG Echo. We also anticipate that the units will be built with modules supplied by SG Echo. Current plans are to sell this development three (3) years after development.

McLean Mixed Use Site. On November 10, 2021, we entered into a Purchase Agreement ("Purchase Agreement) with the Durant Industrial Authority to acquire 100% ownership of approximately 114 mixed-use acres in Durant, Oklahoma for $868,000. We anticipate building approximately 800 residential units and up to 1.1 million square feet of industrial manufacturing space on the mixed-use property. The closing on the 114 mixed-use acres occurred in the first quarter of 2022. We plan to build and SG Echo will occupy a 120,000 square foot state of the art manufacturing facility. The property is zoned for an additional 1.0 million square feet of industrial space. We are currently marketing the additional space to potential tenants. On December 2, 2022, we entered into a Fabrication Agreement (the "Fabrication Agreement") with SG Echo for the fabrication of approximately 800 multifamily market rate rental units, equal to approximately 800,000 square feet of new modular buildings to be located at the McLean site (the "Project"). The Fabrication Agreement provides that SG Echo will be paid a fee equal to 15% of the cost of the Project. Our obligations under the Fabrication Agreement are subject to us securing third party financing for the Project.

We anticipate that the first phase of development activities at this site will be the construction of 100 multifamily units over the course of 12-18 months, which activities are anticipated to commence during the third quarter of 2023, with an estimated cost of $17 million. We also anticipate that the units will be built with modules supplied by SG Echo. We also anticipate that the units will be built with modules supplied by SG Echo. Current plans are to sell this development three (3) years after development.

Modular Construction

The sites we develop will primarily utilize modular construction.SG Holdings produces purpose built pre-fabricated modular structures, for both residential and commercial use, using wood or steel as the base material. We believe that modular construction provides the following benefits:

STRONG	***FAST***	***GREEN***
●Factory produced modules provide greater quality of construction	●Modules can be produced in parallel to the local site and civil work to enhance the date of completion	●Modular construction allows for energy savings and more efficient waste management than traditional construction
●Modules are inspected by a third party engineering firm to meet or exceed all applicable building codes	●Projects can save up to 50% on speed to market in comparison to traditional construction	●Less site disturbance and impact on local traffic
●Less weather related damage to construction materials		

In cases where modular construction is not advantageous, SG DevCo will utilize other construction methods. In the case of building manufacturing facilities, for example, SG DevCo expects to work with a team of third-party architects, engineers and construction management firms with deep experience in developing industrial sites to build out such facilities.

Employees

We have no employees as of the date hereof. To date, all services performed by us has been performed by employees of SG Holdings and its other subsidiaries. As of or prior to the Distribution Date, we intend on hiring at least two executives, a Chief Executive Officer and a Chief Financial Officer.

In connection with the Separation and Distribution, we will enter into a shared services agreement with SG Holdings, under which SG Holdings will provide and/or make available to us various information technology, finance, human resources, compliance, legal, and other support services to be provided by, or on behalf of, SG Holdings, together with such other services as may be mutually and reasonably agreed.

In consideration for such services, we will pay fees to SG Holdings for the services provided, and those fees will generally be in amounts intended to allow SG Holdings to recover all of its direct and indirect costs incurred in providing those services. The personnel performing services under the shared services agreement will be employees and/or independent contractors of SG Holdings and will not be under our direction or control. We will also reimburse SG Holdings for direct out-of-pocket costs incurred by SG Holdings for third party services provided to us.

We anticipate that it will take us approximately 12 months to develop our own independent work force separate from that of SG Holdings.

Legal Proceedings

During the normal course of its business, the Company may be subject to occasional legal proceedings and claims. There are currently no legal proceedings or claims asserted against the Company.

Headquarters

We rent office space in Jacksonville, Florida for our corporate headquarters.

Competition

We face competition in the real estate development and housing industries. Real estate developers compete for, among other things, residents, desirable land parcels, financing, raw materials, and skilled labor. Increased competition may prevent us from acquiring attractive land parcels or make such acquisitions more expensive, hinder our market share expansion, or lead to pricing pressures that may adversely impact our margins and revenues. Competitors may independently develop land and construct housing units that are superior or substantially similar to our products and because they are or may be significantly larger, have a longer operating history, and have greater resources or lower cost of capital than us, may be able to compete more effectively in one or more of the markets in which we operate or plan to operate. We believe we can distinguish ourselves from our competitors on the basis of our quality and construction time savings when utilizing SG Holdings' technology and expertise.

In addition, we will compete with public and private funds, commercial and investment banks, commercial financing companies and public and private REITs to make some of the investments that we plan to make. Many of such competitors are substantially larger and have considerably greater financial, technical and marketing resources than us. In addition, some of such competitors may have higher risk tolerances or different risk assessments, allowing them to pay higher consideration, consider a wider variety of investments and establish more effective relationships than us.

Regulation and Environmental Matters

Our real estate investments are subject to extensive local, city, county and state rules and regulations regarding permitting, zoning, subdivision, utilities and water quality as well as federal rules and regulations regarding air and water quality, and protection of endangered species and their habitats. Such regulation may delay development of our properties and may result in higher development and administrative costs. See "Risk Factors" for further discussion.

We have made, and will continue to make, expenditures for the protection of the environment with respect to our real estate development activities. Emphasis on environmental matters will result in additional costs in the future. Further, regulatory and societal responses intended to reduce potential climate change impacts may increase our costs to develop, operate and maintain our properties. Based on an analysis of our operations in relation to current and presently anticipated environmental requirements, we currently do not anticipate that these costs will have a material adverse effect on our future operations or financial condition.

Sustainability

We are committed to protecting the environment and developing sustainable properties. We emphasize sustainable design, construction and operations as essential goals in developing and operating our properties. Our projects begin with a careful site assessment, taking into account unique and environmentally sensitive site features, including vegetation, slopes, soil profiles and water resources. Our sites are then engineered to protect our environment and promote their natural attributes. The building products we utilize are developed with SG Holdings' proprietary technology and are generally stronger, more durable, environmentally sensitive, and erected in less time than traditional construction methods. The use of the SG Holdings building structure typically provides between four to six points towards the Leadership in Energy and Environmental Design ("LEED") certification levels, including reduced site disturbance, resource reuse, recycled content, innovation in design and use of local and regional materials.

Emerging Growth Company

As a company with less than $1.235 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 the ("JOBS Act"). We will continue to be an emerging growth company until the earliest to occur of the following:

- the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act;

- the last day of the fiscal year with at least $1.07 billion in annual revenue;

- the last day of the fiscal year in which we are deemed to be a large accelerated filer, which generally means that we have been public for at least 12 months, have filed at least one annual report, and the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last day of our then-most recently completed second fiscal quarter; or

- the date on which we have issued more than $1 billion of non-convertible debt during the prior three-year period.

Until we cease to be an emerging growth company, we plan to take advantage of reduced reporting requirements generally unavailable to other public companies. Those provisions allow us to do the following:

- provide reduced disclosure regarding our executive compensation arrangements pursuant to the rules applicable to smaller reporting companies, which means we do not have to include a compensation discussion and analysis and certain other disclosures regarding our executive compensation;

- not provide an auditor attestation of our internal control over financial reporting as required under Section 404 of the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley"); and

- not hold a nonbinding advisory vote on executive compensation.

We have elected to adopt the reduced disclosure requirements described above for purposes of this information statement. In addition, for so long as we qualify as an emerging growth company, we expect to take advantage of certain of the reduced reporting and other requirements of the JOBS Act with respect to the periodic reports we will file with the SEC and proxy statements that we use to solicit proxies from our stockholders. As a result of these elections, the information that we provide in this information statement may be different than the information you may receive from other public companies in which you hold equity interests. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in our stock price.

In addition, the JOBS Act permits an emerging growth company to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to take advantage of the extended transition period that allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

MANAGEMENT

Executive Officers Following the Separation and Distribution

The following table sets forth information as of [   ], 2023 regarding the individuals who are expected to serve as executive officers of SG DevCo following the Separation and Distribution. We are in the process of identifying the other persons who will be our executive officers following the Separation and Distribution and will include information regarding our executive officers in an amendment to this information statement.

Name	Age	Position
David Villarreal	72	Chief Executive Officer
Nicolai Brune	25	Chief Financial Officer

Set forth below is biographical information about our executive officers identified above.

David Villarreal has served as the President and Chief Executive Officer of SG DevCo since February 3, 2023 and will continue in that capacity following the Separation and Distribution. Since May 28, 2021, Mr. Villarreal has served as a director of SG Holdings. Mr. Villarreal's career spans over 40 years in various management, business and leadership capacities, beginning in 1977 when he served as Deputy Mayor and Senior Deputy Economic Development Advisor, under Mayor Tom Bradley in the City of Los Angeles. He has served since August 2014 as the Chief Administrative Officer of Affinity Partnerships, LLC, a Costco national mortgage services platform provider, with annual closed loan production of $8+ billion through a network of ten national mortgage lenders. From March 2011 to August 2014, he served as the President - Corporate Business Development, of Prime Source Mortgage, Inc. From September 2008 to September 2012, he served as a Consultant to the International Brotherhood of Teamsters.

Nicolai Brune will be the Chief Financial Officer of SG DevCo. From March 2022 until the Separation, Mr. Brune was Director of Acquisition for SG Holdings responsible for financial evaluation and modeling of all potential acquisitions, investments and divestitures. Prior to joining SG Holdings, Mr. Brune served as a Treasury Analyst at GL Homes, a large private real estate developer/home builder in the state of Florida, from June 2020 to March 2022. At GL Homes, Mr. Brune was tasked with reviewing financial transactions, examining cash flows and maintaining and preparing monthly performance reports. From June 2017 until June 2020, Mr. Brune worked at Generation Nine, a company that he founded in the clothing industry.

Directors Following the Separation and Distribution

Subject to the rights of holders of any series of our preferred stock with respect to the election of directors, our amended and restated certificate of incorporation will provide for our Board of Directors to be divided into three classes as nearly equal in size as practicable. The directors designated as Class I directors will have terms expiring at the first annual meeting of stockholders following the Separation and Distribution, which we expect to hold in [ ], and each director nominee elected to succeed any such Class I director as a Class I director will hold office for a three-year term and until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. The directors designated as Class II directors will have terms expiring at the following year's annual meeting of stockholders, which we expect to hold in [ ] , and each director nominee elected to succeed any such Class II director as a Class II director will hold office for a three-year term and until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. The directors designated as Class III directors will have terms expiring at the following year's annual meeting of stockholders, which we expect to hold in [ ], and each director nominee elected to succeed any such Class III director as a Class III director will hold office for a three-year term and until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal.

The following table sets forth information as of [ ], 2023 regarding the individuals who are expected to serve on SG DevCo's Board of Directors following completion of the Separation and Distribution and until their respective successors are duly elected and qualified. SG DevCo is in the process of identifying the other persons who are expected to serve on SG DevCo's Board of Directors following the completion of the Separation and Distribution and will include information concerning those persons in an amendment to this information statement.

Name	Age	Position
[Paul Galvin	60	[ ]
Christopher Melton	53	
David Villarreal	72	

Set forth below is biographical information about our directors identified above, as well as a description of the specific skills and qualifications such directors are expected to provide to our Board of Directors.

[ ]

CORPORATE GOVERNANCE

Director Nominations Process

Each year the Board is expected to nominate a slate of directors for election by stockholders at the annual meeting of stockholders based on the recommendations of the Nominating and Governance Committee. In identifying prospective director candidates, the Nominating and Governance Committee may seek referrals from other members of the Board, management, stockholders and other sources, including third-party recommendations.

Director and Executive Officer Qualifications

Our Corporate Governance Guidelines will provide that our Nominating and Governance Committee will be responsible for reviewing with our Board, on an annual basis, the appropriate experience, skills and characteristics for the Board as a whole and its individual members. In evaluating the suitability of individuals for Board membership, our Nominating and Governance Committee, pursuant to our Corporate Governance Guidelines, will take into account many factors, including but not limited to: the individual's qualification as independent, as well as consideration of diversity, skills, age, education and experience and the general needs of the Board. Our Nominating and Governance Committee will evaluate each individual in the context of the Board as a whole, with the objective of recommending a group of directors that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment, using its diversity of experience. In determining whether to recommend a director for re-election, our Nominating and Governance Committee will consider the director's past attendance at meetings and participation in and contributions to the activities of the Board.

Board Diversity

It is anticipated that we will seek diversity in experience, viewpoint, education, skill, and other individual qualities and attributes to be represented on our Board of Directors. We believe directors should have various qualifications, including individual character and integrity; business experience; leadership ability; strategic planning skills, ability, and experience; requisite knowledge of our industry and finance, accounting, and legal matters; communications and interpersonal skills; and the ability and willingness to devote time to our company. We also believe the skill sets, backgrounds, and qualifications of our anticipated directors, taken as a whole, should provide a significant mix of diversity in personal and professional experience, background, viewpoints, perspectives, knowledge, and abilities. Nominees will not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability, or any other basis proscribed by law. It is anticipated that the assessment of prospective directors will be made in the context of the perceived needs of our Board of Directors from time to time.

Board Structure, Number and Terms of Office of Officers and Directors

Our Board of Directors is expected to consist offive directors. In accordance with our amended and restated certificate of incorporation and our amended and restated bylaws, our board shall consist of one or more members, with the exact number of directors to be fixed from time to time by the Board of Directors. Our Board of Directors will be classified, meaning the directors will be divided into three classes each consisting of as close to 1/3 of the total directors as possible. At each annual meeting of the stockholders, one class of directors will be up for election. Directors will serve three-year terms until their successors are duly elected and qualified or until their earlier death, resignation, or removal. Stockholders will not be entitled to cumulative voting in the election of our directors. No determination has been made regarding the directors to be in the individual classes. This classification of the Board of Directors may delay or prevent a change in control of our company or our management.

Director Independence

An "independent director" is defined generally as a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship that, in the opinion of the Company's Board of Directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. The Board is expected to affirmatively determine that [ ], [ ] and [ ] qualify as independent directors in accordance with the Nasdaq listing rules.

Board Leadership Structure

Our Board of Directors is not expected to have a formal policy regarding the combination of the roles of Chairman of the Board and Chief Executive Officer. Rather, the Company will have the flexibility to determine, from time to time, whether the positions should be held by the same person or by separate persons.

The Nominating and Governance Committee is expected to evaluate on an ongoing basis whether the Board's leadership structure is appropriate to effectively address the evolving needs of the Company's business and the long-term interests of our stockholders. The committee is expected to then makes recommendations to the Board of Directors concerning the Board of Directors' leadership structure, including whether the roles of Chairman and Chief Executive Officer should be separated or combined.

Lead Independent Director

Our Corporate Governance Guidelines will provide that if the Chairman of the Board of Directors is not an independent director, as determined by the Nominating and Governance Committee and the Board, the independent directors will annually appoint one independent director to be the Lead Independent Director. The Lead Independent Director's responsibilities will be to: (i) preside over executive sessions of the independent directors and at all meetings at which the Chairman is not present; (ii) call meetings of the independent directors as he or she deems necessary; (iii) serve as a liaison between management and the independent directors; (iv) propose agendas and schedules for Board meetings in consultation with the Chairman; (v) communicate Board member feedback to the Chief Executive Officer and Chairman and (vi) perform such other duties as may be delegated by the Board from time to time.

Board's Role in Risk Oversight

Our management will be responsible for identifying risks facing our Company, including strategic, financial, operational, and regulatory risks, implementing risk management policies and procedures and managing our day-to-day risk exposure The Board is expected to have overall responsibility for risk oversight, including, as part of regular Board of Directors and committee meetings, general oversight of executives' management of risks relevant to the Company. While the full Board of Directors will have overall responsibility for risk oversight, it is expected to be supported in this function by its Audit Committee, Compensation Committee and Nominating and Governance Committee once the committees have been formed. The committees are expected to be formed prior to the Distribution, and each of the committees is expected to regularly report to the Board of Directors.

The Audit Committee will review and discuss with management and the Company's auditors, as appropriate, financial risks. The Compensation Committee will review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, to review and discuss at least annually the relationship between risk management policies and practices and compensation, and to evaluate compensation policies and practices that could mitigate any such risk.

Members of the Company's senior management team will periodically report to the full Board about their areas of responsibility and a component of these reports will be risk within their area of responsibility and the steps management has taken to monitor and control such exposures. Additional review or reporting on risks will be conducted as needed or as requested by the Board or committee.

Committees of the Board of Directors

There will be three standing committees of the Board. The Board is expected to adopt written charters for each committee, which will be available on our website.

The tables below set forth what will be the standing Board committees. Each of the Audit, Compensation and Nominating and Governance Committees are expected to be composed solely of directors who have been determined by the Board of Directors to be independent in accordance with SEC regulations and Nasdaq listing standards (including the heightened independence standards for members of the Audit and Compensation Committees).

AUDIT COMMITTEE

Responsibilities

- Be directly responsible for the appointment, compensation, retention and oversight of the work of the Company's independent auditors
- Pre-approve all audit and permitted non-audit services to be provided by the independent auditors
- Discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements
- Review with the independent auditors the matters required to be discussed by the applicable auditing standards adopted by the PCAOB and approved by the SEC from time to time
- Review and discuss the Company's annual and quarterly financial statements with management and the independent auditors
- Review and discuss with management the Company's earnings press releases
- Discuss Company policies and practices with respect to risk assessment and risk management
- Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters
- Review related party transactions

Each member of the Audit Committee is expected to be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, and the Board of Directors is expected to determine that at least one member qualifies as an "audit committee financial expert" under applicable SEC rules.

COMPENSATION COMMITTEE

Responsibilities

- Annually determine and approve the CEO's compensation, based upon an evaluation of the CEO's performance in light of approved corporate goals and objectives
- Annually review and approve the compensation of the Company's other executive officers
- Review and approve and, when appropriate, recommend to the Board for approval, incentive compensation plans and equity-based plans of the Company
- Review and approve and, when appropriate, recommend to the Board for approval any employment agreements and any severance arrangements or plans, including any benefits to be provided in connection with a change in control, for the CEO and other executive officers
- Review, approve and, when appropriate, recommend to the Board for approval, stock ownership guidelines and monitor compliance therewith
- Review, approve and, when appropriate, recommend to the Board for approval, the creation or revision of any clawback policy and oversee the application thereof
- Annually review the potential risk to the Company from its compensation policies and practices
- Periodically review the compensation paid to non-employee directors for their service and make recommendations to the Board for any adjustments

NOMINATING AND GOVERNANCE COMMITTEE

Responsibilities

- Periodically make recommendations to the Board regarding the size and composition of the Board
- Develop and recommend to the Board criteria for the selection of individuals to be considered as candidates for election to the Board
- Identify and screen individuals qualified to become members of the Board
- Review and make recommendations to the full Board whether members of the Board should stand for re-election
- Recommend to the Board director nominees to fill vacancies
- Recommend to the Board director nominees for stockholder approval at each annual or any special meeting of stockholders at which one or more directors are to be elected
- Make recommendations to the Board regarding Board committee memberships
- Develop and recommend to the Board a set of corporate governance guidelines and oversee the Company's corporate governance practices
- Review the Company's strategies, activities, and policies regarding ESG matters and make recommendations to the Board
- Oversee an annual evaluation of the Board and its committees

Executive Sessions

Independent directors are expected to regularly meet in executive session at Board of Directors meetings without any members of management being present.

Board and Board Committee Meetings and Attendance

Our Corporate Governance Guidelines will provide that directors are expected to prepare themselves for and attend all Board of Directors meetings, the annual meeting of stockholders and the meetings of the Board of Directors' standing committees on which they serve.

Anti-Hedging Policy

Our Board of Directors is expected to adopt an Insider Trading Policy, which will prohibit, among other things, our directors, officers, and employees from engaging in any hedging or monetization transactions with respect to the Company's securities. In addition, our Insider Trading Policy will prohibit our directors, officers, and employees from engaging in certain short-term or speculative transactions in the Company's securities, such as short-term trading, short sales, and publicly traded options, which could create heightened legal risk and/or the appearance of improper or inappropriate conduct by our directors, officers, and employees.

Corporate Code of Conduct and Ethics and Whistleblower Policy

The Board of Directors is expected to adopt a Corporate Code of Conduct and Ethics and Whistleblower Policy that applies to all of the Company's directors, officers, and employees. The Corporate Code of Conduct and Ethics and Whistleblower Policy will cover areas such as conflicts of interest, insider trading and compliance with laws and regulations. The Code of Conduct and Ethics will be available on our website at www.[ ]. We intend to post any amendments to or waivers from our Code of Conduct and Ethics and Whistleblower Policy at this location on our website.

Communication with the Board of Directors

Stockholders desiring to communicate with the Board or any individual director will be able to directly contact such director or directors by sending a letter addressed to the Board or the individual director c/o Corporate Secretary, Safe and Green Development Corporation at our principal executive offices: 5011 Gate Parkway, Building 100, Suite 100, Jacksonville, FL 32256. In the letter, the stockholder must identify himself, herself, or themselves as a stockholder of the Company. The Corporate Secretary may require reasonable evidence that the communication is being made by or on behalf of a stockholder before the communication is transmitted to the individual director or to the Board.

Clawback Policy

We will maintain a clawback policy which will allow the Company to recover performance-based compensation, whether cash or equity, from a current or former executive officer in the event the Board determines that such executive officer engaged in fraud, willful misconduct or gross negligence that directly caused or otherwise materially contributed to the need for a restatement of the Company's financial results due to material noncompliance with any financial reporting requirement under the federal securities laws. Under such policy, the Company will be able to recoup annual incentives and long-term incentives received by such executive officer during the three completed fiscal years immediately preceding the date on which the Company is required to prepare such restatement if the Board determines, in its reasonable discretion, that any such performance-based compensation would not have been paid, awarded or vested or would have been at a lower amount had it been based on the restated financial results. The Board will have the sole discretion to determine the form and timing of the recovery, which may include repayment, forfeiture and/or an adjustment to future performance-based compensation payouts or awards. The remedies under the clawback policy will be in addition to, and not in lieu of, any legal and equitable claims available to the Company.

EXECUTIVE AND DIRECTOR COMPENSATION

We are an "emerging growth company" and a "smaller reporting company" under applicable federal securities laws and therefore permitted to take advantage of certain reduced public company reporting requirements. As such, we provide in this information statement the scaled disclosure permitted under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, including the compensation disclosures required of a "smaller reporting company," as that term is defined in Rule 12b-2 promulgated under the Exchange Act.

Executive Compensation

David Villarreal

On February 3, 2023, we entered into an executive employment agreement with David Villarreal to employ Mr. Villarreal as the Company's President and Chief Executive Officer for an initial term of two (2) years, which provides for an annual base salary of $300,000, a discretionary bonus of up to 25% of his base salary upon achievement of objectives as may be determined by the Company's board of directors and severance in the event of a termination without cause in amount equal to equal to one year's annual base salary and benefits.

Pursuant to the terms of the employment agreement, subject to Board of Directors approval, we agreed to issue to him a restricted stock grant of under the Company's proposed 2022 Incentive Compensation Plan, as and when adopted, for six hundred fifty thousand shares (650,000) shares of the Company's common stock, vesting fifty percent (50%) upon issuance, with the balance vesting quarterly on a pro-rata basis over the next eighteen (18) months of continuous service.

Mr. Villarreal is subject to a one-year post-termination non-compete and non-solicit of employees and clients. He is also bound by confidentiality provisions.

Prior to the effectiveness of the registration statement of which this information statement forms a part, additional information regarding SG DevCo's executive compensation and benefits will be included in an amendment to this information statement.

Director Compensation

Our non-employee director compensation program is expected to be designed to provide competitive compensation necessary to attract and retain high quality non-employee directors and to encourage ownership of Company stock to further align their interests with those of our stockholders.

Prior to the effectiveness of the registration statement of which this information statement forms a part, information regarding SG DevCo's non-employee director compensation program will be included in an amendment to this information statement.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Procedures for Approval of Related Person Transactions

The Company will have a written related person transaction policy regarding the review and approval or ratification of related person transactions.

The related person transaction policy will apply to any transaction in which SG DevCo is a participant, the amount involved exceeds $120,000 and a related party has or will have a direct or indirect material interest. A related party means any director or executive officer, any nominee for director, any stockholder known to SG DevCo to be the beneficial owner of more than 5% of any class of the Company's voting securities, any immediate family member of any such persons, any entity in which any of such persons is employed or occupies a similar position, and any entity in which any of such persons has a direct or indirect ownership interest in such entity that, when aggregated with the ownership interests of all the persons identified above, amounts to a 10% or greater ownership interest.

It will be the responsibility of the Audit Committee to review related party transactions and approve, ratify, revise or reject such transactions. It will be our policy to enter into or ratify related party transactions only when it is determined that the related party transaction in question is in, or is not inconsistent with, the best interests of SG DevCo and its stockholders. In determining whether to approve or ratify a related party transaction, the Audit Committee will be able to consider, among other factors it deems appropriate, whether the proposed transaction would occur in the ordinary course of business; the purpose and benefits of the proposed transaction to SG DevCo; the terms and conditions of the proposed transaction; and the terms and conditions available to unrelated third parties in arms-length negotiations in respect of similar transactions. No director will be able participate in the deliberations or vote regarding a transaction in which he or she, or a member of his or her immediate family, has a direct or indirect interest.

Our related person transaction policy is expected to provide that certain types of transactions are deemed to be pre-approved, including compensation of executive officers and directors approved by the Compensation Committee and transactions involving competitive bids or at rates fixed by governmental authority.

Related Party Transactions since Inception

During 2021, we received $4,200,000 from due to affiliates. This amount was advanced to us by SG Holdings, is non-interest bearing and is due on demand. Included in this amount, are payroll and general and administrative expenses which have been paid by SG Holdings and allocated to us.

The Separation from SG Holdings

In connection with the Separation and Distribution, we will enter into a separation and distribution agreement and several other agreements with SG Holdings to effect the Separation and provide a framework for our relationship with SG Holdings and its subsidiaries after the Separation. These agreements will provide for the allocation between us, on the one hand, and SG Holdings and its subsidiaries on the other hand, of the assets, liabilities and obligations associated with the Spin-Off Business, on the one hand, and SG Holdings other current businesses, on the other hand, and will govern the relationship between our company, on the one hand, and SG Holdings and its subsidiaries, on the other hand, subsequent to the Separation and Distribution (including with respect to transition services, employee matters and tax matters). See "The Separation and Distribution—Agreements with SG Holdings" for more information regarding these agreements.

Other Related Party Transactions

We intend to enter into separate indemnification agreements with each of our directors and executive officers, in addition to the indemnification that will be provided for in our amended and restated certificate of incorporation and bylaws. The indemnification agreements and our amended restated certificate of incorporation and bylaws that will be in effect upon the completion of the Distribution will require us to indemnify our directors, executive officers and certain controlling persons to the fullest extent permitted by Delaware law. See the section titled "Description of Capital Stock—Limitations on Liability and Indemnification of Officers and Directors" for additional information.

Tax Matters Arrangement

In connection with the Separation, we and SG Holdings intend to enter into a tax matters agreement that will contain certain tax matters arrangements and will govern the parties' respective rights, responsibilities, and obligations with respect to taxes, including taxes arising in the ordinary course of business and taxes incurred as a result of the Separation and the Distribution. The tax matters arrangement will also set forth the respective obligations of the parties with respect to the filing of tax returns, the administration of tax contests, and assistance and cooperation on tax matters.

In general, the tax matters arrangement will govern the rights and obligations that we and SG Holdings will have after the Separation with respect to taxes for both pre- and post-closing periods. Under the tax matters arrangement, we generally will be responsible for (i) any of our taxes for all periods prior to and after the Distribution and (ii) any taxes of the SG Holdings group for periods prior to the Distribution to the extent attributable to the real estate development business. SG Holdings generally will be responsible for any of the taxes of the SG Holdings group other than taxes for which we are responsible. In addition, SG Holdings will be responsible for its taxes arising as a result of the Separation and Distribution. Notwithstanding the foregoing, sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar taxes imposed on the Distribution shall be borne fifty percent (50%) by us and fifty percent (50%) by SG Holdings.

Each of SG Holdings and SG DevCo will indemnify each other against any taxes allocated to such party under the tax matters agreement and related out-of-pocket costs and expenses.

Shared Services Agreement

We intend to enter into a shared services agreement with SG Holdings which will set forth the terms on which SG Holdings will provide to us certain services or functions that the companies historically have shared. Shared services will include various information technology, finance, human resources, compliance, legal, and other support services.

In consideration for such services, we will pay fees to SG Holdings for the services provided, and those fees will generally be in amounts intended to allow SG Holdings to recover all of its direct and indirect costs incurred in providing those services. SG Holdings will charge us a fee for services performed by (i) its employees which shall be a percentage of each employee's base salary based upon an allocation of their business time spent providing such services and (ii) third parties, the fees charged by such third parties. The personnel performing services under the shared services agreement will be employees and/or independent contractors of SG Holdings and will not be under our direction or control. We will also reimburse SG Holdings for direct out-of-pocket costs incurred by SG Holdings for third party services provided to us.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the date of this Information Statement, SG DevCo beneficially owns all of the outstanding shares of our common stock. After the Separation and Distribution, SG Holdings will continue to own 70% of the shares of our common stock. Following the Separation and Distribution, SG DevCo expects to have outstanding an aggregate of approximately [ ] shares of common stock based upon approximately [ ] shares of SG Holdings common stock issued and outstanding on [ ], 2023 and the number of shares to be retained by SG Holdings. The actual number of outstanding shares of SG Holdings common stock immediately following the consummation of the Distribution will be determined on the record date.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities.

Stock Ownership of Directors and Executive Officers

The following table shows the ownership of SG DevCo common stock expected to be beneficially owned by our current directors, named executive officers, and our directors and current executive officers as a group immediately following the completion of the Distribution, based on information available as of [ ], 2023 and based on the assumption that, for every [ ] shares of SG Holdings common stock held by such persons, they will receive [ ] shares of SG DevCo common stock. We also assumed that SG Holdings will retain 70% of our common stock. Unless otherwise indicated, SG DevCo believes that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
[ ]	[ ]	[ ]

Stock Ownership of Certain Beneficial Owners

The following table shows all holders known to SG DevCo that are expected to be beneficial owners of more than 5% of the outstanding shares of SG DevCo common stock immediately following the completion of the Distribution, based on information available as of [ ], 2023 and based upon the assumption that, for every [ ] shares of SG Holdings common stock held by such persons, they will receive [ ] shares of SG DevCo common stock. We also assumed that SG Holdings will retain 70% of our common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
[ ]	[ ]	[ ]

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

General

The following is a summary description of the material U.S. federal income tax aspects of the Separation and Distribution. This summary is not intended as a complete description of all of the tax consequences of the Separation and Distribution and does not discuss tax consequences under the laws of state, local or foreign governments or any other jurisdiction or the potential application of the Medicare contribution tax or the alternative minimum tax or U.S. federal gift and estate tax laws. Moreover, the tax treatment of a stockholder may vary, depending upon his, her or its particular situation. In this regard, special rules not discussed in this summary may apply to some of our stockholders, including, but not limited to, U.S. expatriates and former citizens or long-term residents of the United States; persons subject to the alternative minimum tax; persons holding SG Holdings common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated transaction; banks, insurance companies and other financial institutions; brokers, dealers or traders in securities; "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax; partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein); persons that acquired SG Holdings common stock through the exercise of an option or otherwise as compensation; traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes; tax-exempt organizations or governmental organizations; persons subject to special tax accounting rules as a result of any item of gross income being taken into account in an applicable financial statement; U.S. stockholders (as defined below) whose functional currency is not the U.S. dollar; mutual funds, regulated investment companies (RICs) or real estate investment trusts (REITs); tax-qualified retirement plans; and "qualified foreign pension funds" as defined in Section 897(l)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), and entities all of the interests of which are held by qualified foreign pension funds.

In addition, this summary applies only to shares which are held as capital assets. If you are a partnership (or other pass-through entity) for U.S. federal income tax purposes, the tax treatment of your partners (or other owners) will generally depend on the status of the partners, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships (or other pass-through entities) and the partners (or other owners) in such partnerships (or such other pass-through entities) should consult their own tax advisors regarding the U.S. federal income tax consequences to them relating to the matters discussed below.

The following discussion is based on currently existing provisions of the Code, existing, proposed and temporary treasury regulations promulgated under the Code and current administrative rulings and court decisions. All of the foregoing are subject to change, which may or may not be retroactive, and any of these changes could affect the validity of the following discussion.

For purposes of this discussion, a "U.S. stockholder" is a beneficial owner of shares of SG Holdings common stock that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States,
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States, any state thereof or the District of Columbia,
- an estate, the income of which is subject to U.S. federal income tax regardless of its source, or
- an entity treated as a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) or (2) was in existence on August 20, 1996 and has a valid election in effect under applicable Treasury regulations to be treated as a United States person for U.S. federal income tax purposes.

Also, for purposes of this discussion, a "non-U.S. stockholder" is any beneficial owner of SG Holdings common stock who or that is neither a U.S. stockholder nor an entity classified as a partnership for U.S. federal income tax purposes.

Each stockholder is urged to consult his, her or its own tax advisor as to the particular tax consequences to him, her or it of the Separation and Distribution described herein, including the applicability and effect of any state, local or foreign tax laws, and the possible effects of changes in applicable tax laws.

Tax Consequences of the Separation and Distribution

For U.S. federal income tax purposes, the distribution by SG Holdings of the shares of SG DevCo common stock will not be eligible for treatment as a tax-free distribution. Accordingly, each holder of SG Holdings common stock who receives shares of SG DevCo common stock in the Distribution generally will be treated as if such stockholder received a taxable distribution in an amount equal to the sum of the fair market value of SG DevCo common stock received and cash received in lieu of any fractional share sold on behalf of the stockholder, which will result in: (a) a dividend to the extent of such stockholder's ratable share of SG Holdings' current and accumulated earnings and profits; then (b) a reduction in such stockholder's basis in SG Holdings' common stock (but not below zero) to the extent the amount received exceeds the amount referenced in clause (a); and then (c) gain from the sale or exchange of SG Holdings common stock to the extent the amount received exceeds the sum of the amounts referenced in clauses (a) and (b). Each stockholder's basis in his, her or its SG DevCo common stock will be equal to the fair market value of such stock at the time of the Distribution. A stockholder's holding period for such shares will begin on the Distribution Date.

A corporate level U.S. federal income tax will be payable by SG Holdings if gain realized in the Separation and Distribution exceeds any net operating losses that may be available to offset such gain. The tax would be based upon the gain, if any, computed as the difference between the fair market value of the SG DevCo common stock and SG Holdings' adjusted basis in such stock.

SG Holdings' earnings and profits generally will be increased by any gain SG Holdings recognizes as a result of the Separation and Distribution. SG Holdings will not be able to advise stockholders of the amount of its earnings and profits until after the end of the tax year in which the Separation and Distribution occurs.

In addition, SG Holdings or other applicable withholding agents may be required or permitted to withhold at a rate of 30% (or at a lower rate under an applicable tax treaty) on all or a portion of the distribution (including cash paid in lieu of fractional shares) payable to non-U.S. stockholders, and any such withholding would be satisfied by SG Holdings or the other applicable withholding agent either by withholding and selling a portion of our shares of common stock otherwise distributable to non-U.S. stockholders, or withholding such amount from any cash distribution otherwise payable to such non-U.S. stockholders. Any shares or cash so withheld shall be treated as if they were paid to such non-U.S. stockholders. If a distribution payable to a non-U.S. stockholder is effectively connected with the non-U.S. stockholder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. stockholder maintains a permanent establishment in the United States to which such dividends are attributable), the non-U.S. stockholder will be exempt from the 30% U.S. federal withholding tax described above if such non-U.S. stockholder furnishes to the applicable withholding agent a valid Internal Revenue Service ("IRS") Form W-8ECI, certifying that the distribution is effectively connected with the non-U.S. stockholder's conduct of a trade or business within the United States.

Any such effectively connected income will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A non-U.S. stockholder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected income, as adjusted for certain items. Non-U.S. stockholders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

If any portion of the distribution of the SG DevCo common stock and cash received in lieu of any fractional share sold on behalf of a non-U.S. stockholder is treated as gain from the sale or exchange of SG Holdings common stock, such gain will not be subject to U.S. federal income tax, unless (a) the gain is effectively connected with the non-U.S. stockholder's conduct of a trade or business within the United States in which case it will be subject to the tax treatment described above; (b) the non-U.S. stockholder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the Distribution and certain other requirements are met, in which case such gain will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. stockholder (provided that the non-U.S. stockholder has timely filed U.S. federal income tax returns with respect to such losses); or (c) SG Holdings is or has been a "United States real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the Distribution Date or the period that the non-U.S. stockholder held SG Holdings common stock, and, in the case where shares of SG Holdings common stock are regularly traded on an established securities market, the non-U.S. shareholder has owned, directly or constructively, more than 5% of SG Holdings common stock at any time during the shorter of the five-year period ending on the Distribution Date or the period that the non-U.S. stockholder held SG Holdings common stock, in which case such gain will be subject to tax at generally applicable U.S. federal income tax rates.

Moreover, Sections 1471 through 1474 of the Code, and Treasury regulations promulgated thereunder ("FATCA"), generally provide that a 30% withholding tax may be imposed on payments of U.S. source income, such as U.S. dividends, to certain non-U.S. entities. In general, no such withholding will be required with respect to a U.S. stockholder or non-U.S. stockholder that timely provides the information reporting and certifications required on a valid IRS Form W-9 or applicable IRS Form W-8, respectively. Non-U.S. stockholders are encouraged to consult with their own tax advisors regarding the possible implications and obligations of FATCA.

Although SG Holdings will be ascribing a value to shares of SG DevCo common stock it distributes for tax purposes, this valuation is not binding on the IRS or any other tax authority. These taxing authorities could ascribe a higher valuation to such shares, particularly if such shares trade at prices significantly above the value ascribed to them by SG Holdings in the period following the Distribution. Such a higher valuation may cause a larger reduction in the tax basis of a stockholder's shares of SG Holdings common stock or may cause a stockholder to recognize additional dividend or capital gain income.

Back-up Withholding Requirements

United States information reporting requirements and backup withholding may apply with respect to all or a portion of the distribution (including cash paid in lieu of fractional shares) and dividends paid on, and proceeds from the taxable sale, exchange or other disposition of, SG DevCo common stock unless the stockholder: (a) is a corporation or non-U.S. stockholder or comes within certain other exempt categories, and, when required, demonstrates these facts (including by providing any applicable IRS form); or (b) provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A stockholder who does not supply us with his, her or its correct taxpayer identification number may be subject to penalties imposed by the IRS. Any amount withheld under these rules will be creditable against the stockholder's U.S. federal income tax liability. Stockholders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining such an exemption. If information reporting requirements apply to a stockholder, the amount of dividends paid with respect to the stockholder's shares will be reported annually to the IRS and to the stockholder.

Stockholders should consult their own tax advisors as to the particular tax consequences of the Separation and Distribution to them.

DESCRIPTION OF CAPITAL STOCK

Our certificate of incorporation and bylaws will be amended and restated prior to the Distribution. The following briefly summarizes the material terms of our capital stock that will be contained in our amended and restated certificate of incorporation and amended and restated bylaws. These summaries do not describe every aspect of these securities and documents and are subject to all the provisions of our amended and restated certificate of incorporation or amended and restated bylaws that will be in effect at the time of the Distribution, and are qualified in their entirety by reference to these documents, which you should read (along with the applicable provisions of Delaware law) for complete information on our capital stock as of the time of the Distribution. The amended and restated certificate of incorporation and amended and restated bylaws, each in a form expected to be in effect at the time of the Distribution, are included as exhibits to our registration statement on Form 10, of which this information statement forms a part. We will include our amended and restated certificate of incorporation and amended and restated bylaws, as in effect at the time of the Distribution, in a Current Report on Form 8-K filed with the SEC. The following also summarizes certain relevant provisions of the DGCL. Since the terms of the DGCL are more detailed than the general information provided below, you should read the actual provisions of the DGCL for complete information.

General

Our authorized capital stock will consist of50,000,000 shares of common stock, par value $0.01 per share, and5,000,000 shares of preferred stock, par value $0.01 per share.

Immediately following the Distribution, we expect that approximately [ ] shares of our common stock will be issued and outstanding, all of which will be fully paid and nonassessable, and that no shares of our preferred stock will be issued and outstanding.

Our common stock is expected to be listed on Nasdaq under the symbol 'SGD".

Common Stock

Holders of shares of our common stock will be entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Except as otherwise provided in our amended and restated certificate of incorporation or as required by law, all matters to be voted on by our stockholders, other than matters relating to the election and removal of directors, must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter or by a written resolution of the stockholders representing the number of affirmative votes required for such matter at a meeting. The holders of our common stock will not have cumulative voting rights in the election of directors.

Holders of shares of our common stock will be entitled to receive dividends when and if declared by our Board of Directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and subject to any

rights of preferred stockholders, the holders of shares of our common stock will be entitled to receive pro rata our remaining assets available for distribution.

Holders of shares of our common stock will not have preemptive, subscription, redemption, or conversion rights. There will be no redemption or sinking fund provisions applicable to the common stock

Preferred Stock

Our Board of Directors will have the authority, without action by our stockholders, to designate and issue up to5,000,000 shares of preferred stock in one or more series or classes and to designate the rights, preferences and privileges of each series or class, which may be greater than the rights of our common stock. There are no shares of preferred stock designated or outstanding. It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of our common stock until our Board of Directors determines the specific rights of the holders of the preferred stock. However, the effects might include:

- restricting dividends on our common stock;
- diluting the voting power of our common stock;
- impairing liquidation rights of our common stock; or
- delaying or preventing a change in control of us without further action by our stockholders.

The Board of Directors' authority to issue preferred stock without stockholder approval could make it more difficult for a third-party to acquire control of our company and could discourage such attempt. We have no present plans to issue any shares of preferred stock.

Forum Selection

Our amended and restated certificate of incorporation and amended and restated bylaws will provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) is the exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer, employee or agent of the Company to the Company or our stockholders; (iii) any action asserting a claim arising pursuant to the provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine of the State of Delaware; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, or the Company consents in writing to the selection of an alternative forum, such action may be brought in another state or federal court sitting in the State of Delaware. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide that the federal district courts of the United States of America is the exclusive forum for the resolution of any complaint asserting a cause of action against under the Securities Act. Notwithstanding the foregoing, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Nothing in our amended and restated certificate of incorporation or amended and restated bylaws will preclude stockholders that assert claims under the Exchange Act from bringing such claims in state or federal court, subject to applicable law.

Anti-Takeover Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws will contain provisions that may delay, defer, or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they will also give our board of directors the power to discourage acquisitions that some stockholders may favor.

Section 203 of the DGCL. We are subject to Section 203 of the DGCL. Subject to certain exceptions, Section 203 prevents a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our board of directors or unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" and the sale of more than 10% of our assets. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

Blank Check Preferred Stock Our board of directors has the right to issue preferred stock in one or more series and to determine the designations, rights, preferences of such preferred stock without stockholder approval. As a result, our board of directors could, without stockholder approval, authorize the issuance of preferred stock with voting, dividend, redemption, liquidation, sinking fund, conversion and other rights that could proportionately reduce, minimize or otherwise adversely affect the voting power and other rights of holders of the Company's capital stock or that could have the effect of delaying, deferring or preventing a change in control.

Classified Board of Directors. Our amended and restated certificate of incorporation will divide our Board of Directors into three classes serving three-year terms, with one class being elected each year by a plurality of the votes cast by the stockholders entitled to vote on the election. In addition,

Removal of Directors. Our amended and restated certificate of incorporation and our amended and restated bylaws will provide that, (i) subject to the rights of holders of any series of preferred stock or any limitation imposed by law, the Board of Directors or any individual director may be removed from office at any time with cause by the affirmative vote of the holders of majority of the voting power of all the then-outstanding shares of capital stock of the Corporation entitled to vote generally at an election of directors; and (ii) subject to the rights of holders of any series of preferred stock, neither the Board of Directors nor any individual director may be removed without cause.

Board Vacancies. Our amended and restated certificate of incorporation and our amended and restated bylaws, will provide that any vacancy on our Board of Directors, including a vacancy resulting from an enlargement of our Board of Directors, may be filled only by the affirmative vote of a majority of our directors then in office, even though less than a quorum of the board of directors.

Stockholder Action by Written Consent. Our amended and restated certificate of incorporation and our amended and restated bylaws willprohibit stockholders from acting by written consent. Accordingly, stockholder action must take place at an annual or a special meeting of the Company's stockholders..

Special Meetings of Stockholders. Our amended and restated bylaws will also provide that, except as otherwise required by law, special meetings of the stockholders may only be called by our Board of Directors, Chairman of the Board of Directors or our Chief Executive Officer.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Stockholders wishing to nominate persons for election to our Board of Directors or to propose any business to be considered by our stockholders at an annual meeting must comply with certain advance notice and other requirements which will be set forth in our amended and restated bylaws. Likewise, if our Board of Directors has determined that directors shall be elected at a special meeting of stockholders, stockholders wishing to nominate persons for election to our Board of Directors at such special meeting must comply with certain advance notice and other requirements which will be set forth in our amended and restated bylaws.

Amendment of Certificate of Incorporation or Bylaws. The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our amended and restated bylaws may be amended or repealed by a majority vote of our Board of Directors or by the affirmative vote of the holders of at least 66 2/3% of the votes which all our stockholders would be eligible to cast in an election of directors.

Limitations on Liability and Indemnification of Officers and Directors

Our amended and restated bylaws will provide indemnification for our directors and executive officers to the fullest extent permitted by the DGCL. We intend to enter into indemnification agreements with each of our directors and executive officers that may, in some cases, be broader than the specific indemnification provisions contained under Delaware law. In addition, as permitted by Delaware law, our amended and restated certificate of incorporation will include provisions that eliminate the personal liability of our directors and officers for monetary damages resulting from breaches of certain fiduciary duties as a director or officer, as applicable, except to the extent such an exemption from liability thereof is not permitted under the DGCL. The effect of these provisions will be to restrict our rights and the rights of our stockholders in derivative suits to recover monetary damages against a director or officer for breach of fiduciary duties as a director or officer, subject to certain exceptions in which case the director or officer would be personally liable.An officer may not be excelpated for any action brought by or in the right of the corporation. A director may not be exculpated for improper distributions to stockholders. Further, pursuant to Delaware law, a director or officer may not be exculpated for:

- any breach of his duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; and
- any transaction from which the director derived an improper personal benefit.

These limitations of liability will not apply to liabilities arising under the federal or state securities laws and do not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated bylaws will provide that we will indemnify our directors and executive officers to the fullest extent permitted by law, and may indemnify other officers, employees and other agents. Our amended and restated bylaws will also provide that we are obligated to advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding.

We plan to enter into separate indemnification agreements with our directors and executive officers. These agreements, among other things, will require us to indemnify our directors and officers for any and all expenses (including reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by such directors or officers or on his or her behalf in connection with any action or proceeding arising out of their services as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request provided that such person follows the procedures for determining entitlement to indemnification and advancement of expenses set forth in the indemnification agreement. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of SG DevCo. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Sale of Unregistered Securities

Prior to the Distribution, we will issue shares of our common stock to SG Holdings pursuant to Section 4(a)(2) of the Securities Act, which shares will be distributed to SG Holdings stockholders in the Distribution. We do not intend to register the issuance of the shares under the Securities Act because the issuance will not constitute a public offering.

Transfer Agent and Registrar

After the consummation of the Distribution, the transfer agent and registrar for SG DevCo common stock will be American Stock Transfer and Trust Company, LLC.

Listing

We plan to apply to have our common stock listed on Nasdaq under the ticker symbol "SGD."

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the shares of our common stock being distributed as contemplated by this information statement. This information statement is a part of and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to our company and our common stock, please refer to the registration statement, including its exhibits and schedules. While statements made in this information statement relating to any contract or other document include the material provisions of such contracts or other documents, such statements are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, on the Internet website maintained by the SEC at *www.sec.gov*. **Information contained on or connected to any website referenced in this information statement is not incorporated into this information statement or the registration statement of which this information statement forms a part, or in any other filings with, or any information furnished or submitted to, the SEC**.

As a result of the Distribution, we will become subject to the information and reporting requirements of the Exchange Act, and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC, which will be available on the Internet website maintained by the SEC at *www.sec.gov*.

We intend to furnish holders of our common stock with annual reports containing financial statements prepared in accordance with U.S. generally accepted accounting principles and audited and reported on, with an opinion expressed, by an independent registered public accounting firm.

You should rely only on the information contained in this information statement or to which this information statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Safe and Green Development Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Safe and Green Development Corporation (the "Company"), as of December 31, 2021, and the related statements of operations, changes in stockholder's equity, and cash flows for the period from February 17, 2021 (Inception) through December 31, 2021 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company, as of December 31, 2021, and the results of its operations and its cash flows for the period from February 17, 2021 (Inception) through December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is dependent upon its one stockholder to fund operations. These factors raise substantial doubt that the Company will be able to continue as a going concern. Management's plans in regard to these matters are also described in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the

purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of Matter

The financial statements also include expense allocations for certain corporate functions historically provided by Safe & Green Holdings Corp. These allocations may not be reflective of the actual expense that would have been incurred had the Company operated as a separate entity apart from Safe & Green Holdings Corp. A summary of transactions with related parties is included in Note 7 to the financial statements.

We have served as the Company's auditor since 2016.

/s/ Whitley Penn LLP

Dallas, Texas
December 23, 2022

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements
Safe and Green Development Corporation

Balance Sheet

		December 31, 2021
Assets		
Current assets:		
Land	$	3,576,130
Project development costs and other non-current assets		670,061
Equity-based investments		3,599,945
Total Assets	$	7,846,136
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$	130,189
Due to affiliates		4,200,000
Short term note payable, net		1,971,960
Total current liabilities		6,302,149
Stockholder's equity:		
Common stock, $0.001 par value, 1,000 shares authorized, issued and outstanding		1
Additional paid-in capital		2,029,733
Accumulated deficit		(485,747)
Total stockholder's equity		1,543,987
Total Liabilities and Stockholder's Equity	$	7,846,136

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Statement of Operations
For the period February 17, 2021 (inception) through December 31, 2021

Operating expenses:		
Payroll and related expenses	$	199,919
General and administrative expenses		272,271
Marketing and business development expense		13,557
Total		485,747
Net loss	$	(485,747)
Net loss per share		
Basic and diluted	$	(485.75)

Weighted average shares outstanding:	
Basic and diluted	1,000

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Statement of Changes in Stockholder's Equity
For the period February 17, 2021 (inception) through December 31, 2021

	$0.001 Par Value Common Stock		*Additional Paid-in*	*Accumulated*	*Total Stockholder's*
	Shares	*Amount*	*Capital*	*Deficit*	*Equity*
Balance at February 17, 2021	-	$ -	$ -	$ -	$ -
Capital Contributions	1,000	1	2,029,733	-	2,029,734
Net Loss	—	—	—	(485,747)	(485,747)
Balance at December 31, 2021	1,000	$ 1	$ 2,029,733	$ (485,747)	$ 1,543,987

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Statements of Cash Flows
For the period February 17, 2021 (inception) through December 31, 2021

Cash flows from operating activities:	
Net loss	$ (485,747)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Changes in operating assets and liabilities	
Accounts Payable and accrued expenses	130,189
Due to affiliates	4,200,000
Net cash provided by operating activities	3,844,442
Cash flows from investing activities:	
Purchase of Land	(3,576,130)
Project Development Costs	(646,335)
Equity-based investments	(3,599,945)
Net cash used in investing activities	(7,822,410)
Cash flows from financing activities:	
Debt Issuance Costs	(51,766)
Proceeds from short-term note payable	2,000,000
Contributions	2,029,734
Net cash provided by financing activities	3,977,968
Net change in cash	-
Cash - beginning of period	-
Cash - end of period	$ -

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Notes to Financial Statements

For the Period from February 17, 2021 (inception) through December 31, 2021

1. Description of Business

Safe and Green Development Corporation (the "Company," "we", "us" or "our"), previously known as SGB Development Corp., a Delaware corporation was

incorporated on February 17, 2021. The Company was formed with the purpose of real property development primarily in the acquisition, development, management, sale and leasing of green single or multi-family projects in underserved regions nationally. The Company has a minority interest in Norman Berry II Owners LLC and JDI-Cumberland Inlet LLC as described further below.

The Company began operations during 2021 and has incurred a net loss during such period. In addition, as of December 31, 2021, the Company does not have any cash or cash equivalents on hand. Since inception, the Company has been funded by Safe & Green Holdings Corp., the Company's parent company ("Parent") and the Company relies solely on the Parent to fund operations. Its Parent has the ability to continue to fund the operations of the Company until positive cash flows are received. Management believes that these actions will enable the Company to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of presentation – The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the applicable rules and regulations of the United States Securities and Exchange Commission ("SEC").

Recently adopted accounting pronouncements **–** New accounting pronouncements implemented by the Company are discussed below or in the related notes, where appropriate.

Accounting estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Entities – On May 31, 2021, the Company agreed to contribute $600,000 to acquire a 50% membership interest in Norman Berry II Owner LLC ("Norman Berry"). The Company contributed $350,329 and $114,433 of the initial $600,000 in the second quarter and third quarter of 2021 respectively, with the remaining $135,183 funded in the fourth quarter of 2021. The purpose of Norman Berry is to develop and provide affordable housing in the Atlanta, Georgia metropolitan area. The Company has determined it is not the primary beneficiary of Norman Berry and thus will not consolidate the activities in its financial statements. The Company will use the equity method to report the activities as an investment in its financial statements.

On June 24, 2021, the Company entered into an operating agreement with Jacoby Development for a 10% non-dilutable equity interest for JDI-Cumberland Inlet, LLC ("Cumberland"). The Company contributed $3,000,000 for its 10% equity interest. The purpose of Cumberland is to develop a waterfront parcel in a mixed-use destination community. The Company has determined it is not the primary beneficiary of Cumberland and thus will not consolidate the activities in its financial statements. The Company will use the equity method to report the activities as an investment in its financial statements.

During the period ended December 31, 2021, Norman Berry and Cumberland did not have any material earnings or losses as the investments are in development. In addition, management believes there was no impairment as of December 31, 2021.

Cash and cash equivalents – The Company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less upon acquisition. The Company had no cash and cash equivalents on hand as of December 31, 2021.

Property, plant and equipment – Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of each asset. Repairs and maintenance are charged to expense when incurred.

On May 10, 2021 the Company acquired a 50+ acre Lake Travis project site in Lago Vista, Texas ("Lago Vista") for $3,576,130 which is recorded as land on the accompanying balance sheet.

Project Development Costs – Project development costs are stated at cost. At December 31, 2021, the Company's project development costs are expenses incurred related to development costs on various projects that are capitalized during the period the project is under development.

Fair value measurements – Financial instruments, including accounts payable and accrued expenses are carried at cost, which the Company believes approximates fair value due to the short-term nature of these instruments. The short-term note payable is carried at cost which approximates fair value due to corresponding market rates.

The Company measures the fair value of financial assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The Company uses three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.
Level 2 Quoted prices for similar assets and liabilities in active markets or inputs that are observable.
Level 3 Inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

Transfer into and transfers out of the hierarchy levels are recognized as if they had taken place at the end of the reporting period.

Income taxes – The Company accounts for income taxes utilizing the asset and liability approach. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. The Company recognizes liabilities for anticipated tax audit issues based on the Company's estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the liabilities are no longer determined to be necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Concentrations of credit risk – Financial instruments, that potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents. The Company places its cash with high credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limits. The Company has not experienced any losses in such account and believes that it is not exposed to any significant credit risk on the account.

3. Equity-based investments

The approximate combined financial position of the Company's equity-based investments are summarized below as of December 31, 2021:

Condensed balance sheet information:		
Total assets	$	37,500,000
Total liabilities	$	7,100,000
Members' equity	$	30,400,000

4. Note Payable

On July 14, 2021, the Company, issued a Real Estate Lien Note, in the principal amount of $2,000,000 (the "Short-Term Note"), secured by a Deed of Trust, dated July 14, 2021 (the "Deed of Trust"), on Lago Vista and a related Assignment of Leases and Rents, dated July 8, 2021 ("Assignment of Rents"), for net loan proceeds of approximately $1,948,234 after fees. The Short-Term Note has a term of one (1) year, provides for payments of interest only at a rate of twelve percent (12%) per annum and may be prepaid without penalty commencing nine (9) months after its issuance date. If the Short-Term Note is prepaid prior to nine (9) months after its issuance date, a 0.5% prepayment penalty is due. The Company capitalized $112,348 in interest charges and $23,727 in debt issuance costs as of December 31, 2021 related to the Lago Vista project in accordance with ASC 835-20.

5. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted average number of common and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares consist of the common shares issuable upon the exercise of stock options and warrants. Potentially dilutive common shares are excluded from the calculation if their effect is antidilutive.

At December 31, 2021, there were no securities outstanding that could potentially dilute future net loss per share.

6. Stockholder's Equity

As of December 31, 2021, the Company has 1,000 shares of common stock authorized, issued and outstanding which were issued to Safe & Green Holdings Corp., the Company's parent company ("Parent"). The Parent contributed $2,029,734 during the period ended December 31, 2021 to the Company.

7. Related Party Transactions

As of December 31, 2021, $4,200,000 is due to Parent. This amount was advanced to the Company, is non-interest bearing and is due on demand. Included in this amount, are payroll and general and administrative expenses which have been paid by the Parent and allocated to the Company. The Parent has allocated these costs based upon the estimated efforts which benefit the Company. For the period February 17, 2021 (inception) through December 31, 2021, the Parent allocated $1,155,808 to the Company, with $670,061 included in project development costs.

8. Income Taxes

The Company's provision (benefit) for income taxes consists of the following for the period ended December 31, 2021:

Deferred:		
Federal	$	(102,007)
State and local		(7,002)
Total deferred		(109,009)
Total provision (benefit) for income taxes		(109,009)
Less: valuation reserve		109,009
Income tax provision	$	—

A reconciliation of the federal statutory rate to 0.0% for the period ended December 31, 2021 to the effective rate for income from operations before income taxes is as follows:

	2021
Benefit for income taxes at federal statutory rate	21.0%
State and local income taxes, net of federal benefit	1.4
Less valuation allowance	(22.4)
Effective income tax rate	0.0%

The tax effects of these temporary differences along with the net operating losses, net of an allowance for credits, have been recognized as deferred tax assets at December 31, 2021 as follows:

Net operating loss carryforward	$	109,009
Valuation allowance		(109,009)
Net deferred tax asset	$	—

The Company establishes a valuation allowance, if based on the weight of available evidence, it is more likely than not that some portion or all of the deferred assets will not be realized. The valuation allowance increased by $109,009 and during 2021.

As of December 31, 2021, the Company had a net operating loss carryforward of approximately $486,000 for Federal and State tax purposes. This net operating losses will carryforward indefinitely and be available to offset up to 80% of future taxable income each year. The Company's net operating loss carryforward may be subject to annual limitations, which could reduce or defer the utilization of the losses as a result of an ownership change as defined in Section 382 of the Internal Revenue Code.

As required by the provisions of ASC 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Differences between tax positions taken or expected to be taken in a tax return and the net benefit recognized and measured pursuant to the interpretation are referred to as "unrecognized benefits." A liability is recognized (or amount of net operating loss or amount of tax refundable is reduced) for an unrecognized tax benefit because it represents an enterprise's potential future obligation to the taxing authority for a tax position that was not recognized as a result of applying the provisions of ASC 740.

The Company recognizes interest and penalties related to uncertain tax positions in general and administrative expenses. As of December 31, 2021, the Company has no unrecognized tax positions, including interest and penalties. The 2021 tax year is still open to examination by the major tax jurisdictions in which the Company operates. The Company files returns in the United States Federal tax jurisdiction and various other state jurisdictions.

9. Commitments and Contingencies

At times the Company is subject to certain claims and lawsuits arising in the normal course of business. The Company assesses liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated, the Company records a liability in our financial statements. These legal accruals may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of the loss is not estimable, the Company does not record an accrual, consistent with applicable accounting guidance. Based on information currently available, advice of counsel, and available insurance coverage, the Company believes that any legal proceedings will not have a material adverse effect on the financial condition.

10. Subsequent Events

The Company evaluated subsequent events through December 23, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, besides those described below.

Subsequent to December 31, 2021, management has implemented a plan to sell the Lago Vista property.

During February 2022, the Company purchased an additional property in Oklahoma for approximately $868,000.

On July 14, 2022, the Company entered into a renewal and extension of the Short-Term Note, with a maturity date of January 14, 2023 and all other terms remaining the same.

During September 2022, the Company entered into a Second Real Estate Lien Note, in the principal amount of $500,000, with similar terms to the Short-Term Note ("Second Short-Term Note"). The Second Short-Term Note has a maturity date of January 14, 2023.

During September 2022, the Company purchased an additional property in Georgia for approximately $296,870.

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements
Safe and Green Development Corporation

Balance Sheets

	September 30, 2022 (Unaudited)	***December 31, 2021***
Assets		
Current assets:		
Assets held for sale	$ 4,420,991	$ -
Land	1,190,655	3,576,130
Project development costs and other non-current assets	34,974	670,061
Equity-based investments	3,599,945	3,599,945
Total Assets	$ 9,246,565	$ 7,846,136
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 47,033	$ 130,189
Due to affiliates	4,200,000	4,200,000
Short term notes payable, net	2,648,300	1,971,960
Total current liabilities	6,895,333	6,302,149
Stockholder's equity:		
Common stock, $0.001 par value, 1,000 shares authorized, issued and outstanding	1	1
Additional paid-in capital	4,323,900	2,029,733
Accumulated deficit	(1,972,669)	(485,747)
Total stockholder's equity	2,351,232	1,543,987
Total Liabilities and Stockholder's Equity	$ 9,246,565	$ 7,846,136

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Statements of Operations

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the period February 17, 2021 (Inception), through September 30, 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating expenses:				
Payroll and related expenses	$ 255,189	$ 54,215	$ 775,384	$ 98,804
General and administrative expenses	170,711	134,098	523,206	206,330
Marketing and business development expense	10,898	4,619	14,606	4,619
Total	436,798	192,932	1,313,196	309,753
Operating loss	(436,798)	(192,932)	(1,313,196)	(309,753)
Other expense:				
Interest Expense	(52,157)	-	(173,726)	-
Net loss	$ (488,955)	$ (192,932)	$ (1,486,922)	$ (309,753)
Net loss per share				
Basic and diluted	$ (488.96)	$ (192.93)	$ (1,486.92)	$ (309.75)
Weighted average shares outstanding:				
Basic and diluted	1,000	1,000	1,000	1,000

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Statements of Changes in Stockholder's Equity (Unaudited)

	$0.01 Par Value Common Stock		Additional Paid-in	Accumulated	Total Stockholder's
	Shares	Amount	Capital	Deficit	Equity
Balance at June 30, 2022	1,000	$ 1	$ 4,152,629	$ (1,483,714)	$ 2,668,916
Capital Contributions	—	—	171,271		171,271
Net Loss	—	—	—	(488,955)	(488,955)
Balance at September 30, 2022	1,000	$ 1	$ 4,323,900	$ (1,972,669)	$ 2,351,232
Balance at January 1st, 2022	1,000	$ 1	$ 2,029,733	$ (485,747)	$ 1,543,987
Capital Contributions	—	—	2,294,167		2,294,167
Net Loss	—	—	—	(1,486,922)	(1,486,922)
Balance at September 30, 2022	1,000	$ 1	$ 4,323,900	$ (1,972,669)	$ 2,351,232
Balance at June 30, 2021	1,000	$ 1	$ 2,911,305	$ (116,821)	$ 2,794,485
Capital Contributions	-	-	401,149	-	401,149
Distributions			(1,968,234)		(1,968,234)
Net Loss	—	—	—	(192,932)	(192,932)
Balance at September 30, 2021	1,000	$ 1	$ 1,344,220	$ (309,753)	$ 1,034,468
Balance at February 17, 2021	-	$ -	$ -	$ -	$ -
Capital Contributions	1,000	1	1,344,220		1,344,221
Net Loss	—	—	—	(309,753)	(309,753)
Balance at September 30, 2021	1,000	$ 1	$ 1,344,220	$ (309,753)	$ 1,034,468

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation

Statements of Cash Flows

	For the Nine Months Ended September 30, 2022	For the period February 17, 2021 (Inception), through September 30, 2021
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss	$ (1,486,922)	$ (309,753)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt issuance costs	23,726	-
Changes in operating assets and liabilities		
Accounts Payable and accrued expenses	(83,157)	35,762
Due to affiliates	-	4,200,000
Net cash (used in) provided by operating activities	(1,546,353)	3,926,009
Cash flows from investing activities:		
Purchase of Land	(1,190,655)	(3,576,130)
Additions to project development costs	(205,459)	(177,572)
Equity-based investments	-	(3,464,762)
Net cash used in investing activities	(1,396,114)	(7,218,464)
Cash flows from financing activities:		
Debt Issuance Costs	-	(51,766)
Proceeds from short-term notes payable	648,300	2,000,000
Contributions	2,294,167	1,344,221
Net cash provided by financing activities	2,942,467	3,292,455
Net change in cash	-	-
Cash - beginning of period	-	-
Cash - end of period	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Safe and Green Development Corporation
Notes to Financial Statements

For the Nine Months Ended September 30, 2022

1. Description of Business

Safe and Green Development Corporation (the "Company," "we", "us" or "our"), previously known as SGB Development Corp., a Delaware corporation was incorporated on February 17, 2021. The Company was formed with the purpose of real property development primarily in the acquisition, development, management, sale and leasing of green single or multi-family projects in underserved regions nationally. The Company has a minority interest in Norman Berry II Owners LLC and JDI-Cumberland Inlet LLC as described further below.

The Company began operations during 2021 and has incurred a net loss during such period. In addition, as of September 30, 2022, the Company does not have any cash or cash equivalents on hand. Since inception, the Company has been funded by Safe & Green Holdings Corp., the Company's parent company ("Parent") and the Company relies solely on the Parent to fund operations. Its Parent has the ability to continue to fund the operations of the Company until positive cash flows are received. Management believes that these actions will enable the Company to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of presentation – The financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the applicable rules and regulations of the United States Securities and Exchange Commission ("SEC").

Recently adopted accounting pronouncements – New accounting pronouncements implemented by the Company are discussed below or in the related notes, where appropriate.

Accounting estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment Entities – On May 31, 2021, the Company agreed to contribute $600,000 to acquire a 50% membership interest in Norman Berry II Owner LLC ("Norman Berry"). The Company contributed $350,329 and $114,433 of the initial $600,000 in the second quarter and third quarter of 2021 respectively, with the remaining $135,183 funded in the fourth quarter of 2021. The purpose of Norman Berry is to develop and provide affordable housing in the Atlanta, Georgia metropolitan area. The Company has determined it is not the primary beneficiary of Norman Berry and thus will not consolidate the activities in its financial statements. The Company will use the equity method to report the activities as an investment in its financial statements.

On June 24, 2021, the Company entered into an operating agreement with Jacoby Development for a 10% non-dilutable equity interest for JDI-Cumberland Inlet, LLC ("Cumberland"). The Company contributed $3,000,000 for its 10% equity interest. The purpose of Cumberland is to develop a waterfront parcel in a mixed-use destination community. The Company has determined it is not the primary beneficiary of Cumberland and thus will not consolidate the activities in its financial statements. The Company will use the equity method to report the activities as an investment in its financial statements.

During the nine months ended September 30, 2022, Norman Berry and Cumberland did not have any material earnings or losses as the investments are in development. In addition, management believes there was no impairment as of September 30, 2022.

Cash and cash equivalents – The Company considers cash and cash equivalents to include all short-term, highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less upon acquisition. The Company had no cash and cash equivalents on hand as of September 30, 2022.

Property, plant and equipment – Property, plant and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of each asset. Repairs and maintenance are charged to expense when incurred.

On May 10, 2021 the Company acquired a 50+ acre Lake Travis project site in Lago Vista, Texas ("Lago Vista") for $3,576,130 which is recorded in assets held for sale on the accompanying balance sheets.

During February 2022 and September 2022, the Company acquired properties in Oklahoma and Georgia for $893,785 (including additions) and $296,870, respectively, which is recorded as land on the accompanying balance sheets.

Project Development Costs – Project development costs are stated at cost. At September 30, 2022, the Company's project development costs are expenses incurred related to development costs on various projects that are capitalized during the period the project is under development. As of September 30, 2022, $844,861 of project development costs related to Lago Vista are included in assets held for sale.

Assets Held For Sale – During 2022, management implemented a plan to sell Lago Vista, which meets all of the criteria required to classify it as an Asset Held For Sale. Including the project development costs associated with Lago Vista of $844,861, the book value is now $4,420,991

Fair value measurements – Financial instruments, including accounts payable and accrued expenses are carried at cost, which the Company believes approximates fair value due to the short-term nature of these instruments. The short-term note payable is carried at cost which approximates fair value due to corresponding market rates.

The Company measures the fair value of financial assets and liabilities based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

The Company uses three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.
Level 2 Quoted prices for similar assets and liabilities in active markets or inputs that are observable.
Level 3 Inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

Transfer into and transfers out of the hierarchy levels are recognized as if they had taken place at the end of the reporting period.

Income taxes – The Company accounts for income taxes utilizing the asset and liability approach. Under this approach, deferred taxes represent the future tax consequences expected to occur when the reported amounts of assets and liabilities are recovered or paid. The provision for income taxes generally represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from the differences between the financial and tax bases of the Company's assets and liabilities and are adjusted for changes in tax rates and tax laws when changes are enacted.

The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax regulations. The Company recognizes liabilities for anticipated tax audit issues based on the Company's estimate of whether, and the extent to which, additional taxes will be due. If payment of these amounts ultimately proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period when the liabilities are no longer determined to be necessary. If the estimate of tax liabilities proves to be less than the ultimate assessment, a further charge to expense would result.

Concentrations of credit risk – Financial instruments, that potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents. The Company places its cash with high credit quality institutions. At times, such amounts may be in excess of the FDIC insurance limits. The Company has not experienced any losses in such account and believes that it is not exposed to any significant credit risk on the account.

3. Equity-based investments

The approximate combined financial position of the Company's equity-based investments are summarized below as of September 30, 2022:

Condensed balance sheet information:		
Total assets	$	37,500,000
Total liabilities	$	7,100,000
Members' equity	$	30,400,000

4. Note Payable

On July 14, 2021, the Company, issued a Real Estate Lien Note, in the principal amount of $2,000,000 (the "Short-Term Note"), secured by a Deed of Trust, dated July 14, 2021 (the "Deed of Trust"), on Lago Vista and a related Assignment of Leases and Rents, dated July 8, 2021 ("Assignment of Rents"), for net loan proceeds of approximately $1,948,234 after fees. The Short-Term Note has a term of one (1) year, provides for payments of interest only at a rate of twelve percent (12%) per annum and may be prepaid without penalty commencing nine (9) months after its issuance date. If the Short-Term Note is prepaid prior to nine (9) months after its issuance date, a 0.5% prepayment penalty is due. The Company capitalized $20,000 in interest charges and $4,134 in debt issuance costs during the nine months ended September

30, 2022 related to the Lago Vista project in accordance with ASC 835-20. On July 14, 2022, the Company entered into a renewal and extension of the Short-Term Note, with a maturity date of January 14, 2023 and all other terms remaining the same.

The Company entered into a Second Real Estate Lien Note, in the principal amount of $500,000, with similar terms to the Short-Term Note ("Second Short-Term Note"). The Second Short-Term Note has a maturity date of January 14, 2023.

During August 2022, in connection with the purchase of a property in Georgia, the Company entered into a promissory note in the amount of $148,300. This note has a term of one (1) year, provided for payments of interest only at a rate of nine and three quarters percent (9.75%) per annum.

5. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss for the period by the weighted average number of common and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares consist of the common shares issuable upon the exercise of stock options and warrants. Potentially dilutive common shares are excluded from the calculation if their effect is antidilutive.

At September 30, 2022, there were no securities outstanding that could potentially dilute future net loss per share.

6. Stockholder's Equity

As of September 30, 2022, the Company has 1,000 shares of common stock authorized, issued and outstanding which were issued to the Parent. As of September 30, 2022, the Parent contributed $4,323,901 to the Company.

7. Related Party Transactions

As of September 30, 2022, $4,200,000 is due to Parent. This amount was advanced to the Company, is non-interest bearing and is due on demand. Included in this amount, are payroll and general and administrative expenses which have been paid by the Parent and allocated to the Company. The Parent has allocated these costs based upon the estimated efforts which benefit the Company. For the nine months ended September 30, 2022, the Parent allocated $1,520,719 to the Company, with $207,523 included in project development costs.

8. Income Taxes

The Company's provision (benefit) for income taxes consists of the following for the period ended September 30, 2022:

Deferred:		
Federal	$	(312,254)
State and local		(21,433)
Total deferred		(333,687)
Total provision (benefit) for income taxes		(333,687)
Less: valuation reserve		333,687
Income tax provision	$	—

A reconciliation of the federal statutory rate to 0.0% for the period ended September 30, 2022 to the effective rate for income from operations before income taxes is as follows:

	2022
Benefit for income taxes at federal statutory rate	21.0%
State and local income taxes, net of federal benefit	1.4
Less valuation allowance	(22.4)
Effective income tax rate	0.0%

The tax effects of these temporary differences along with the net operating losses, net of an allowance for credits, have been recognized as deferred tax assets at September 30, 2022 as follows:

Net operating loss carryforward	$	442,696
Valuation allowance		(442,696)
Net deferred tax asset	$	—

The Company establishes a valuation allowance, if based on the weight of available evidence, it is more likely than not that some portion or all of the deferred assets will not be realized. The valuation allowance increased by $333,687 during the period ended September 30, 2022.

As of September 30, 2022, the Company had a net operating loss carryforward of approximately $1,900,000 for Federal and State tax purposes. This net operating losses will carryforward indefinitely and be available to offset up to 80% of future taxable income each year. The Company's net operating loss carryforward may be subject to annual limitations, which could reduce or defer the utilization of the losses as a result of an ownership change as defined in Section 382 of the Internal Revenue Code.

As required by the provisions of ASC 740, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Differences between tax positions taken or expected to be taken in a tax return and the net benefit recognized and measured pursuant to the interpretation are referred to as "unrecognized benefits." A liability is recognized (or amount of net operating loss or amount of tax refundable is reduced) for an unrecognized tax benefit because it represents an enterprise's potential future obligation to the taxing authority for a tax position that was not recognized as a result of applying the provisions of ASC 740.

The Company recognizes interest and penalties related to uncertain tax positions in general and administrative expenses. As of September 30, 2022, the Company has no unrecognized tax positions, including interest and penalties. The 2021 tax year is still open to examination by the major tax jurisdictions in which the Company operates. The Company files returns in the United States Federal tax jurisdiction and various other state jurisdictions.

9. Commitments and Contingencies

At times the Company is subject to certain claims and lawsuits arising in the normal course of business. The Company assesses liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. Where it is probable that the Company will incur a loss and the amount of the loss can be reasonably estimated, the Company records a liability in our financial statements. These legal accruals may be increased or decreased to reflect any relevant developments on a quarterly basis. Where a loss is not probable or the amount of the loss is not estimable, the Company does not record an accrual, consistent with applicable accounting guidance. Based on information currently available, advice of counsel, and available insurance coverage, the Company believes that any legal proceedings will not have a material adverse effect on the financial condition.

10. Subsequent Events

The Company evaluated subsequent events through December 23, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.