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

FORM 10-Q

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

For the quarterly period ended **September 30, 2024**

OR

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

For the transition period from _____ to _____

Commission File Number: 001-41581

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 No.)
100 Biscayne Blvd, Suite 1201, Miami FL 33132	**33132**
(Address of principal executive offices)	(Zip Code)

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

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 per share	SGD	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No □

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No □

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.

Large accelerated filer □
Non-accelerated filer ☒

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. □

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes □ No ☒

As of November 12, 2024 the issuer had a total of 1,486,872 shares of the registrant's common stock, $0.001 par value, outstanding.

SAFE AND GREEN DEVELOPMENT CORPORATION AND SUBSIDIARY

FORM 10-Q

TABLE OF CONTENTS

		Page Number
PART I. FINANCIAL INFORMATION		1
ITEM 1.	Financial Statements	1
	Condensed Consolidated Balance Sheets as of September 30, 2024 (Unaudited) and December 31, 2023	1
	Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2024 and 2023 (Unaudited)	2
	Condensed Consolidated Statements of Changes in Stockholders' Equity for the Three and Nine Months Ended September 30, 2024 and 2023 (Unaudited)	3
	Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2024 and 2023 (Unaudited)	4
	Notes to Condensed Consolidated Financial Statements	5
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Result of Operations	27
ITEM 3.	Quantitative and Qualitative Disclosures About Market Risk	44
ITEM 4.	Controls and Procedures	44
PART II. OTHER INFORMATION		45
ITEM 1.	Legal Proceedings	45
ITEM 1A.	Risk Factors	45
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds	47
ITEM 3.	Defaults Upon Senior Securities	47
ITEM 4.	Mine Safety Disclosures	47
ITEM 5.	Other Information	47
ITEM 6.	Exhibits	48
SIGNATURES		49

PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

SAFE AND GREEN DEVELOPMENT CORPORATION AND SUBSIDIARY
Condensed Consolidated Balance Sheets

	September 30, 2024	*December 31, 2023*
	(Unaudited)	
Assets		
Current assets:		
Cash	$ 13,707	$ 3,236
Prepaid asset and other current assets	836,266	231,989
Current Assets	849,973	235,225
Assets held for sale	4,400,361	4,400,361
Land	1,673,050	1,190,655
Property and equipment, net	2,772	3,569
Project development costs and other non-current assets	96,239	65,339
Equity-based investments	3,642,607	3,642,607
Intangible assets	560,769	22,210
Goodwill	1,810,787	-
Total Assets	$ 13,036,558	$ 9,559,966
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,761,539	$ 601,292
Due to affiliates	394,329	260,000
Short-term notes payable, net	8,195,401	6,810,897
Total current liabilities	10,351,269	7,672,189
Contingent consideration liability	945,000	-
Long-term notes payable, net	919,417	-
Total liabilities	12,215,686	7,672,189
Stockholder's equity:		
Preferred stock, $0.001 par value, 5,000,000 shares authorized, 0 issued and outstanding	-	
Common stock, $0.001 par value, 50,000,000 shares authorized, 936,686 issued and outstanding as of September 30, 2024 and 510,000 shares authorized, issued and outstanding as of December 31, 2023	937	510
Additional paid-in capital	15,135,988	9,017,814
Accumulated deficit	(14,509,011)	(7,130,547)
Non-controlling interest	192,958	-
Total stockholder's equity	820,872	1,887,777
Total Liabilities and Stockholder's Equity	$ 13,036,558	$ 9,559,966

The accompanying notes are an integral part of these condensed financial statements.

Safe and Green Development Corporation and Subsidiary
Condensed Consolidated Statements of Operations

	For the Three Months Ended September 30,		*For the Nine Months Ended September 30,*	
	2024	**2023**	**2024**	**2023**
Revenue:				
Sales	$ 81,210	$ -	$ 173,188	$ -
Total	81,210	-	173,188	-
Operating expenses:				
Payroll and related expenses	$ 521,305	$ 228,779	$ 3,133,037	$ 898,876
General and administrative expenses	778,448	341,205	1,461,531	861,179
Marketing and business development expense	172,220	14,003	374,031	41,309
Total	1,471,973	583,987	4,968,599	1,801,364
Operating loss	(1,390,763)	(583,987)	(4,795,411)	(1,801,364)
Other expense:				
Interest expense	(951,239)	(339,877)	(2,583,053)	(814,922)
Other income	-	321	-	321
Total	(951,239)	(339,556)	(2,583,053)	(814,601)
Net loss	$ (2,342,002)	$ (923,543)	$ (7,378,464)	$ (2,615,965)
Net loss per share				
Basic and diluted	$ (2.61)	$ (11.32)	$ (9.76)	$ (127.01)
Weighted average shares outstanding:				
Basic and diluted	895,783	81,564	755,929	20,596

The accompanying notes are an integral part of these condensed financial statements.

Safe and Green Development Corporation and Subsidiary
Condensed Consolidated Statements of Changes in Stockholder's Equity (Unaudited)

	$0.001 Par Value Common Stock		*Additional Paid-in*	*Accumulated*	*Total Stockholder's*
	Shares	*Amount*	*Capital*	*Deficit*	*Equity*
Balance at January 1, 2023	50	$ -	$ 5,095,346	$ (2,930,006)	$ 2,165,340
Issuance of common stock	499,950	500	(500)	-	-
Forgiveness of due to affiliate	-	-	4,000,000	-	4,000,000
Capital contributions	-	-	959,384	-	959,384
Net loss	-	-		(2,615,965)	(2,615,965)
Balance at September 30, 2023	500,000	$ 500	$ 10,054,230	$ (5,545,971)	$ 4,508,759
Balance at June 30, 2023	50	$ -	$ 6,054,730	$ (4,622,428)	$ 1,432,302
Issuance of common stock	499,950	500	(500)	-	-
Forgiveness of due to affiliate	-	-	4,000,000	-	4,000,000
Net loss	-	-	-	(923,543)	(923,543)
Balance at September 30, 2023	500,000	$ 500	$ 10,054,230	$ (5,545,971)	$ 4,508,759

	$0.001 Par Value Common Stock		*Additional Paid-in*	*Accumulated*	*Non-controlling*	*Total Stockholder's*
	Shares	*Amount*	*Capital*	*Deficit*	*Interest*	*Equity*
Balance at January 1, 2024	510,000	$ 510	9,017,814	$ (7,130,547)	$ -	$ 1,887,777
Conversion of notes payable and accrued interest	124,968	125	1,425,830	-	-	1,425,955
Issuance of common stock from EP agreement	49,300	49	750,670	-	-	750,719
Issuance of stock for debt and warrant issuance	65,466	65	801,023	-	-	801,088
Issuance of stock for services	9,839	10	197,861	-	-	197,871
Issuance of common stock from restricted stock units	91,138	91	1,990,079	-	-	1,990,170
Cashless warrant exercise	50,976	51	(51)	-	-	-
Issuance of stock in connection with business combination	25,000	25	434,975		-	435,000
Issuance of stock for purchase of MYVONIA	10,000	10	228,350	-	-	228,360
Contribution of land	-	-	289,437	-	192,958	482,395
Net loss	-	-	-	(7,378,464)	-	(7,378,464)
Balance at September 30, 2024	936,686	$ 937	15,135,988	$ (14,509,011)	$ 192,958	$ 820,872
Balance at June 30, 2024	826,055	$ 826	14,184,346	$ (12,167,009)	$ -	$ 2,018,163
Issuance of common stock from restricted stock units	10,833	11	58,428	-	-	58,439
Conversion of notes payable and accrued interest	48,548	49	355,251	-	-	355,300
Issuance of common stock from EP agreement	5,000	5	34,305	-	-	34,310
Issuance of stock for debt and warrant issuance	46,250	46	214,221	-	-	214,267
Contribution of land	-	-	289,437	-	192,958	482,395
Net loss	-	-	-	(2,342,002)	-	(2,342,002)
Balance at September 30, 2024	936,686	$ 937	$ 15,135,988	$ (14,509,011)	$ 192,958	$ 820,872

The accompanying notes are an integral part of these condensed financial statements.

Safe and Green Development Corporation and Subsidiary
Condensed Consolidated Statements of Cash Flows

	For the Nine Months Ended September 30, 2024	*For the Nine Months Ended September 30, 2023*
	(Unaudited)	**(Unaudited)**
Cash flows from operating activities:		
Net loss	$ (7,378,464)	$ (2,615,965)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,799	75
Amortization of debt issuance costs	1,658,541	208,412
Stock based compensation	1,990,170	-
Common stock for debt and warrant issuance	801,088	-
Common stock for services	197,871	-
Changes in operating assets and liabilities:		
Prepaid asset and other current assets	395,723	(392,860)
Accounts payable and accrued expenses	653,865	123,541
Due to affiliates	134,329	(1,876,298)
Net cash used in operating activities	(1,545,078)	(4,553,095)
Cash flows from investing activities:		
Additions to assets held for sale	-	(3,535)
Additions to intangible assets	(209,731)	(22,210)
Cash acquired bus combination	1,082	-
Purchase of computers and software	(1,002)	(3,805)
Project development costs	(30,900)	(9,607)
Equity-based investments	-	(42,662)
Net cash used in investing activities	(240,551)	(81,819)
Cash flows from financing activities:		
Debt issuance costs	(1,509,852)	(441,825)
Proceeds from notes payable	3,081,489	6,650,000
Issuance of common stock from EP	750,719	-
Repayment of short-term notes payable	(526,256)	(2,500,000)
Contributions	-	959,384
Net cash provided by financing activities	1,796,100	4,667,559
Net change in cash	10,471	32,645
Cash – beginning of period	3,236	720
Cash – end of period	$ 13,707	33,365
Supplemental disclosure of non-cash operating activities:		
Prepaid interest held back from proceeds from short-term notes payable	$ 1,000,000	$ 675,000
Forgiveness of due from affiliate	$ -	$ 4,000,000
Conversion of notes payable	$ 1,425,955	$ -
Intangible assets acquired in connection with asset acquisition	$ 228,360	$ -
Assets and liabilities acquired in business combination:		
Intangible assets	$ 100,468	$ -
Goodwill	$ 1,810,787	$ -
Accounts payable and accrued expenses	$ 32,237	$ -
Contingent consideration payable	$ 945,000	$ -

The accompanying notes are an integral part of these condensed financial statements.

Safe and Green Development Corporation
Notes to Condensed Financial Statements

For the Nine Months Ended September 30, 2024 and 2023

1. Description of Business

Safe and Green Development Corporation (the "Company" or "SG DevCo"), previously known as SGB Development Corp., a Delaware corporation, was incorporated on February 17, 2021. The Company was formed in 2021 for the purposes of real property development using purpose-built, prefabricated modules built from both wood and steel. The Company's 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. We are focused on increasing our presence in markets with favorable job formation and a favorable demand/supply ratio for multifamily and/or single-family housing. 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. To date, we have generated minimal revenue and our activities have consisted mostly of the acquisition and entitlement of three properties, an investment in two entities that have acquired two properties to be further developed, entered into three joint ventures with the intention of developing properties in the Texas market and have invested in real-estate related AI assets and entities. In January 2024, we announced that we would strategically look to monetize our real estate holdings by identifying markets where our land may have increased in value, as demonstrated by third-party appraisals. In connection with this strategy, we have entered into agreements to sell our two of our properties. During the nine months ended September 30, 2024, the Company entered into joint venture agreements with Milk & Honey LLC ("Milk & Honey"), for the purpose of establishing two joint ventures to be conducted under the names of Sugar Phase I LLC ("Sugar Phase") and Pulga Internacional LLC ("Pulga"), together the ("JV Agreements"). The purpose of joint ventures is to develop single family homes and an eco-friendly retail outlet in Texas.

Going Concern

The Company began operations during 2021 and has incurred net losses since inception and has a net capital deficiency, which raises substantial doubt about its ability to continue as a going concern. Prior to becoming a public company, the Company's operations had primarily been funded through advances from Safe & Green Holdings Corp., the Company's then parent company ("Parent") and the Company had been largely dependent upon Parent for funding. The Company has also funded its operations through bridge note financing, project level financing, and the issuance of its equity and debt securities. The above conditions raise substantial doubt about the Company's ability to continue as a going concern. The Company has initiated strategic monetization of properties, which may yield additional financing proceeds to fund operations, however there is no assurance that the Company will be successful in achieving its objectives.

Separation and Distribution

In December 2022, Parent and then owner of 100% of the Company's issued and outstanding securities, announced its plan to separate the Company and Parent into two separate publicly traded companies (the "Separation"). To implement the Separation, on September 27, 2023 (the "Distribution Date"), Parent, effected a pro rata distribution to Parent's stockholders of approximately 30% of the outstanding shares of the Company's common stock (the "Distribution"). Immediately after the Distribution, the Company was no longer a wholly owned subsidiary of Parent and Parent held approximately 70% of the Company's issued and outstanding securities. On September 28, 2023, the Company's common stock began trading on the Nasdaq Capital Market under the symbol "SGD."

In connection with the Separation and Distribution, the Company entered into a separation and distribution agreement and several other agreements with Parent. These agreements provide for the allocation between Parent and the Company of the assets, employees, liabilities and obligations (including, among others, investments, property, employee benefits and tax-related assets and liabilities) of Parent and its subsidiaries attributable to periods prior to, at and after the Separation and govern the relationship between the Company and Parent subsequent to the completion of the Separation. In addition to the separation and distribution agreement, the other principal agreements entered into with Parent included a tax matters agreement and a shared services agreement.

Reverse Stock Split

On October 8, 2024, the Company effected a 1-for-20 reverse stock split of its then-outstanding common stock ("Stock Split"). All share and per share amounts set forth in the consolidated financial statements of the Company have been retroactively restated to reflect the 1-for-20 reverse stock split as if it had occurred as of the earliest period presented and unless otherwise stated, all other share and per share amounts for all periods presented in this Quarterly Report on Form 10-Q for the period ended September 30, 2024 have been adjusted to reflect the reverse stock split effected in October 2024.

2. Summary of Significant Accounting Policies

Basis of presentation and principals of consolidation — 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") and include the accounts of the Company and its wholly owned subsidiaries, LV Peninsula Holding, LLC ("LV Holding") and MyVonia Innovations LLC ("MyVonia LLC"), as well as Sugar Phase and Pulga which are described below.

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.

Revenue recognition – The Company determines, at contract inception, whether it will transfer control of a promised good or service over time or at a point in time, regardless of the length of contract or other factors. The recognition of revenue aligns with the timing of when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. To achieve this core principle, the Company applies the following five steps in accordance with its revenue policy:

(1) Identify the contract with a customer

(2) Identify the performance obligations in the contract

(3) Determine the transaction price

(4) Allocate the transaction price to performance obligations in the contract

(5) Recognize revenue as performance obligations are satisfied

The revenue the Company has generated to date resulted from commissions related to residential real estate purchases and sales transactions. For this revenue, the Company applies recognition of revenue when the customer obtains control over such service, which is at a point in time.

Variable Interest Entities – The Company accounts for certain legal entities as variable interest entities ("VIE"). When evaluating a VIE for consolidation, the Company must determine whether or not there is a variable interest in the entity. Variable interests are investments or other interests that absorb portions of an entity's expected losses or receive portions of the entity's expected returns. If it is determined that the Company does not have a variable interest in the VIE, no further analysis is required and the VIE is not consolidated. If the Company holds a variable interest in a VIE, the Company consolidates the VIE when there is a controlling financial interest in the VIE and therefore are deemed to be the primary beneficiary. The Company is determined to have a controlling financial interest in a VIE when it has both the power to direct the activities of the VIE that most significantly impact the VIE economic performance and the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to that VIE. This determination is evaluated periodically as facts and circumstances change.

On July 23, 2024, the Company entered into a Joint Venture Agreement with Milk & Honey, for the purpose of establishing a joint venture to be conducted under the name of Sugar Phase for the purpose of developing and constructing single-family homes on five parcels of land located in Edinburg Texas ("Sugar Phase JV"). Each of the Company and Milk & Honey are referred to as a "Joint Venturer" and collectively are referred to as the "Joint Venturers."

Pursuant to the Sugar Phase JV, as amended, the Company has agreed to contribute capital in the amount of $100,000 to the Sugar Phase JV to be used for the development and construction of single-family homes on land, valued at $317,500, contributed by Milk & Honey, to the Sugar Phase JV. The Joint Venturers will make such other capital contributions required to enable the Sugar Phase JV to carry out its purposes as set forth in the Sugar Phase JV as the Joint Venturers may mutually agree upon. The Joint Venturers shall arrange for or provide any financing as may be required by the Sugar Phase JV for carrying out the purposes of the Sugar Phase JV.

2. Summary of Significant Accounting Policies (cont.)

The Sugar Phase JV provides that the Company will have a 60% interest and Milk & Honey will have a 40% interest in the Sugar Phase JV. In addition, it provides that net profits of the Sugar Phase JV as they accrue will be distributed 45% to the Company and 55% to Milk & Honey, and that the expenses of the Sugar Phase JV will be paid by the Joint Venturers, in the ratio which the contribution of each Joint Venturer bears to the total contributions.

The Sugar Phase JV provides that the Company will act as the manager of Sugar Phase JV and shall be responsible for overseeing and dictating all responsibilities associated with managing a real estate development project, including: (i) overseeing the planning, development, and construction phases of the Project to ensure that it is completed on time and within budget, (ii) coordinating with architects, contractors, suppliers, and other relevant parties to facilitate smooth project execution, and (iii) ensuring compliance with all applicable laws, regulations, and industry standards throughout the duration of the project. The Company will also oversee the financial management of the Sugar Phase JV, including the establishment and maintenance of financial accounts and records.

The Sugar Phase JV provides that Milk & Honey will be responsible for the construction and development aspects of the project, including: (i) overseeing and managing all aspects of the construction process, including the selection and supervision of contractors, subcontractors, and suppliers and (ii) ensuring that all construction activities are carried out in accordance with the approved development plan, building codes, and industry standards.

The Sugar Phase JV provides that the following powers may be exercised only upon the mutual consent of the Joint Venturers: (i) the power to borrow money on the general credit of Sugar Phase JV in any amount, or to create, assume, or incur any indebtedness to any person or entity; (ii) the power to make loans in any amount, to guarantee obligations of any person or entity, or to make any other pledge or extension of credit; (iii) the power to purchase or otherwise acquire any other property except in the ordinary course of business of Sugar Phase JV; (iv) the power to sell, encumber, mortgage or refinance any loan or mortgage on any of the Joint Venture property; (v) the power to confess any judgment against Sugar Phase JV, or to create, assume, incur or consent to any charge (including any deed of trust, pledge, encumbrance or security interest of any kind) upon any property or assets of Sugar Phase JV; (vi) the power to spend any renovation or remodeling funds or to make any other expenditures except for routine day-to-day maintenance and operation of Sugar Phase JV.

Pursuant to Sugar Phase JV in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Sugar Phase JV, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $1,100,000 or the Company shall make the final decision to break the deadlock.

On September 2, 2024, the Company entered into a second Joint Venture Agreement with Milk & Honey, for the purpose of establishing a joint venture to be conducted under the name of Pulga Internacional for the purpose of developing an eco-friendly retail outlet on land located in Weslaco Texas ("Pulga JV"). The terms of the Pulga JV are similar to the Sugar Phase JV, with the exception that the land Milk & Honey is contributed has a value of $164,895, and the net profits of the Pulga JV shall be distributed 50% to the Company and 50% to Milk & Honey.

2. Summary of Significant Accounting Policies (cont.)

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 does not consolidate the activities in its financial statements. The Company uses 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. During the year ended December 31, 2023, the Company contributed an additional $25,000. 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 does not consolidate the activities in its financial statements. The Company uses the equity method to report the activities as an investment in its financial statements.

During the nine months ended September 30, 2024 and 2023, 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, 2024 or December 31, 2023.

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 has minimal cash and cash equivalents on hand as of September 30, 2024 and December 31, 2023.

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 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. In addition, during 2024, through its JV Agreements, the Company acquired land with a value of $482,395 in Texas.

Intangible assets — Intangible assets consist of $22,210 of website costs that will be amortized over 5 years, and $538,559 of software development acquired in connection with the business combination described below, the acquisition described below, and additional additions which will be amortized over 3 years, As of September 30, 2024 the website costs and software development are not in service.

Project Development Costs — Project development costs are stated at cost. At September 30, 2024 and December 31, 2023, 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.

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 previous project development costs associated with Lago Vista of $824,231, the book value is now $4,400,361.

2. Summary of Significant Accounting Policies (cont.)

On April 25, 2024, the Company entered into a Commercial Contract (the "Contract of Sale") with Lithe Development Inc., a Texas corporation ("Lithe"), to sell the Lago Vista Property for $5.825 million. The Contract of Sale provides that the closing of the sale by the Company to Lithe of the Lago Vista Property is expected to occur after a 70-day due diligence period and a subsequent 30-day closing period. On July 18th, 2024 the Company entered into an amendment to the Contract of Sale to extend the closing date to August 4th, The contract was further amended on July 25th, 2024, to increase the sales price to $5.84 million. On August 8, 2024, the Company entered into an additional amendment to the Contract of Sale to extend the closing date to August 20th, 2024 and increase the price sales price to $5.86M. On August 29, 2024, the Company entered into an additional amendment to the Contract of Sale to extend the closing date to October 10th, 2024.

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.

2. Summary of Significant Accounting Policies (cont.)

Business Combinations — The Company accounts for business acquisitions using the acquisition method of accounting in accordance with ASC 805 "Business Combinations", which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their fair value as of the date control is obtained. The Company determines the fair value of assets acquired and liabilities assumed based upon its best estimates of the acquisition-date fair value of assets acquired and liabilities assumed in the acquisition. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired. Subsequent adjustments to fair value of any contingent consideration are recorded to the Company's consolidated statements of operations. Costs that the Company incurs to complete the business combination are charged to general and administrative expenses as they are incurred.

For acquisitions of assets that do not constitute a business, any assets and liabilities acquired are recognized at their cost based upon their relative fair value of all asset and liabilities acquired.

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. Property and Equipment and Intangible Assets

Property and equipment are stated at cost less accumulated depreciation and amortization and depreciated using the straight-line method over their useful lives. At September 30, 2024 and December 31, 2023 the Company's property and equipment, net consisted of the following:

	2024	2023
Computer equipment and software	$ 4,807	$ 3,805
Less: accumulated depreciation	(2,035)	(236)
Property, plant and equipment, net	$ 2,772	$ 3,569

Depreciation expense for the nine months ended September 30, 2024 amounted to $1,799.

At September 30, 2024 and December 31, 2023 the Company's intangible assets consisted of the following:

	2024	2023
Software development	$ 538,559	$ -
Website costs	22,210	22,210
	$ 560,769	$ 22,210

4. Equity-based investments

As of September 30, 2024, the Company's investment in Norman Barry and Cumberland amount to $617,607 and $3,025,000, respectively. The approximate combined financial position of the Company's equity-based investments are summarized below as of September 30, 2024 and December 31, 2023:

Condensed balance sheet information:	***September 30, 2024***	***December 31, 2023***
	(Unaudited)	**(Unaudited)**
Total assets	$ 39,975,000	$ 39,800,000
Total liabilities	$ 9,800,000	$ 9,700,000
Members' equity	$ 30,175,000	$ 30,100,000

5. Notes Payable

St. Mary's

During August 2022, in connection with the purchase of the St. Mary's property in Georgia, the Company entered into a promissory note in the amount of $148,300 ("St. Mary's Note"). 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. During August 2023, such note was extended for a one-year period. During March 2024, the note was modified and the principal amount was increased to $200,000.

LV Note

On March 31, 2023, LV Peninsula Holding LLC ("LV Peninsula"), a Texas limited liability company and wholly owned subsidiary of the Company, pursuant to a Loan Agreement, dated March 30, 2023 (the "Loan Agreement"), issued a promissory note, in the principal amount of $5,000,000 (the "LV Note"), secured by a Deed of Trust and Security Agreement, dated March 30, 2023 (the "Deed of Trust") on the Lake Travis project site in Lago Vista, Texas, a related Assignment of Contract Rights, dated March 30, 2023 ("Assignment of Rights"), on the Company's project site in Lago Vista, Texas and McLean site in Durant, Oklahoma and a Mortgage, dated March 30, 2023 ("Mortgage"), on the Company's site in Durant, Oklahoma.

The proceeds of the LV Note were used to pay off prior notes. The LV Note originally required monthly installments of interest only and bore interest at the prime rate as published in the Wall Street Journal plus five and 50/100 percent (5.50%), provided that in no event would the interest rate be less than a floor rate of 13.5%. The LV Peninsula obligations under the LV Note have been guaranteed by the Company pursuant to a Guaranty, dated March 30, 2023 (the "Guaranty"), and could be prepaid by LV Peninsula at any time without interest or penalty. The Company incurred $406,825 of debt issuance costs and remitted $675,000 in prepaid interest in connection with the LV Note. The LV Note had an original maturity date of April 1, 2024.

On April 3, 2024, LV Holding, entered into a Modification and Extension Agreement, effective as of April 1, 2024 (the "Extension Agreement"), to extend to April 1, 2025 the maturity date of the LV Note. As consideration for the Extension Agreement, LV Holding agreed to pay an extension fee of $50,000. Additionally, the Extension Agreement provides for the LV Note's interest rate to be increased to a fixed rate of 17.00%. In addition, pursuant to a loan agreement dated April 3, 2024 (the "2nd Lien Loan Agreement"), LV Holding issued a promissory note, in the principal amount of $1,000,000 (the "2nd Lien Note"), secured by a revised Deed of Trust and Security Agreement, dated April 3, 2024 (the "Revised Deed of Trust") on the Company's Lago Vista site, and a Modification to Real Estate Mortgage, dated April 3, 2024 ("Mortgage Modification"), to the mortgage, dated March 30, 2023, on the Company's McLean site in Durant, Oklahoma. The 2nd Lien Note is subordinate to the LV Note. The 2nd Lien Note requires monthly installments of interest only, is due in full on April 1, 2025, bears interest at fixed rate of 17.00% and may be prepaid by LV Holding at any time without interest or penalty. LV Holding's obligations under the 2nd Lien Note have been guaranteed by the Company pursuant to a Guaranty, dated April 3, 2024.

Parent

On August 9, 2023, Parent and the Company entered into a Note Cancellation Agreement, effective as of July 1, 2023, pursuant to which Parent cancelled and forgave the remaining balance then due on that certain promissory note, dated December 19, 2021, made by the Company in favor of Parent in the original principal amount of $4,200,000.

5. Notes Payable (cont.)

BCV

On June 23, 2023, the Company entered into a Loan Agreement (the "BCV Loan Agreement") with a Luxembourg-based specialized investment fund, BCV S&G DevCorp ("BCV S&G"), for up to $2,000,000 in proceeds, under which it initially received $1,250,000. The Loan Agreement provides that the loan provided thereunder will bear interest at 14% per annum and mature on December 1, 2024. The loan may be repaid by the Company at any time following the twelve-month anniversary of its issue date. The loan is secured by 1,999,999 (100,000 as adjusted for the Stock Split) of Parent's shares of the Company's common stock (the "Pledged Shares"), which were pledged pursuant to an escrow agreement (the "Escrow Agreement") with the Company's transfer agent. The fees associated with the issuance include $70,000 paid to BCV S&G for the creation of the BCV Loan Agreement and $27,500 payable to BCV S&G per annum for maintaining the BCV Loan Agreement. Additionally, $37,500 in broker fees was paid to Bridgeline Capital Partners S.A. on the principal amount raised of $1,250,000. The Company has paid $55,000 in debt issuance costs. The BCV Loan Agreement further provided that if the Company's shares of common stock were not listed on The Nasdaq Stock Market before August 30, 2023 or if following such listing the total market value of the Pledged Shares fell below twice the face value of the loan, the loan would be further secured by the Company's St. Mary's industrial site, consisting of 29.66 acres and a proposed manufacturing facility in St. Mary's, Georgia (the "St. Mary's Site").

On August 16, 2023, the Company secured an additional $500,000 in bridge funding from BCV S&G under the BCV Loan Agreement.

On August 25, 2023, the Company and BCV S&G amended the BCV Loan Agreement ("Amendment No. 1") to change the date upon which the Company's shares must be listed on The Nasdaq Stock Market from August 30, 2023 to September 15, 2023. According to Amendment No. 1, if the Company's shares of common stock were not listed on The Nasdaq Stock Market before September 15, 2023 or if following such listing the total market value of the Pledged Shares fell below twice the face value of the loan, the loan would be further secured by a security interest in the St. Mary's Site.

On September 11, 2023, the Company and BCV S&G amended the BCV Loan Agreement ("Amendment No. 2") to change the date upon which the Company's shares must be listed on The Nasdaq Stock Market from September 15, 2023 to September 30, 2023. According to Amendment No. 2, if the Company's shares of common stock were not listed on The Nasdaq Stock Market before September 30, 2023 or if following such listing the total market value of the Pledged Shares fell below twice the face value of the loan, the loan would be further secured by a security interest in the St. Mary's Site. Following the listing, the total market value of the Pledged Shares fell below twice the face value of the loan and this condition has since been waived by BCV.

Peak

On November 30, 2023, the Company entered into a Securities Purchase Agreement, dated November 30, 2023 (the "Purchase Agreement") with Peak One Opportunity Fund, L.P. ("Peak One"), pursuant to which the Company agreed to issue, in a private placement offering consisting of two tranches, two debentures to Peak One in the aggregate principal amount of $1,200,000.

The closing of the first tranche was consummated on November 30, 2023 and the Company issued an 8% convertible debenture in principal amount of $700,000 (the "First 2023 Debenture") to Peak One and a warrant (the "First 2023 Warrant") to purchase up to 350,000 shares of the Company's common stock (17,500 as adjusted for the Stock Split), to Peak One's designee as described in the Purchase Agreement. The First 2023 Debenture was sold to Peak One for a purchase price of $630,000, representing an original issue discount of ten percent (10%). In connection with the offering, the Company paid $17,500 as a non-accountable fee to Peak One to cover its accounting fees, legal fees and other transactional and issued to Peak One and its designee an aggregate total of 100,000 shares of its restricted common stock (5,000 as adjusted for the Stock Split) as commitment shares.

5. Notes Payable (cont.)

The First 2023 Debenture had a maturity date twelve months from its date of issuance and bore interest at a rate of 8% per annum payable on the maturity date. The First 2023 Debenture was convertible, at the option of the holder, at any time, into such number of shares of common stock of the Company equal to the principal amount of the First 2023 Debenture plus all accrued and unpaid interest at a conversion price equal to $2.14 ($42.80 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.39 ($7.80 as adjusted for the Stock Split).

The First 2023 Warrant's expiration date was five years from its date of issuance. The First 2023 Warrant was exercisable, at the option of the holder, at any time, for up to 350,000 of shares of common stock (17,500 as adjusted for the Stock Split) of the Company at an exercise price equal to $2.53 ($50.60 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.39 ($7.80 as adjusted for the Stock Split). The First 2023 Warrant provided for cashless exercise under certain circumstances.

Under the Purchase Agreement, a closing of the second tranche could occur subject to the mutual written agreement of Peak One and the Company and satisfaction of the closing conditions set forth in the Purchase Agreement at any time after January 29, 2024, upon which the Company would issue and sell to Peak One on the same terms and conditions a second 8% convertible debenture in the principal amount $500,000.

In connection with the Purchase Agreement, the Company incurred a total of $75,393 in debt issuance costs. In addition, the initial fair value of the First 2023 Warrant amounted to $294,438 and the fair value of the commitment shares amounted to $195,000, both of which have been recorded as a debt discount and will be amortized over the effective rate method.

During the nine months ended September 30, 2024 the balance of $700,000 from the First 2023 Debenture was converted into 998,905 shares of common stock (49,945 as adjusted for the Stock Split) and the Company issued 305,831 shares of the Company's common stock (15,292 as adjusted for the Stock Split) in connection with the exercise, in full of the First 2023 Warrant, on a cashless basis. The conversion was within the terms of the agreement and there was no gain or loss recognized.

On February 15, 2024, the Company entered into an amendment (the "Amendment") to the Purchase Agreement with Peak One.

The Amendment provided that the second tranche be separated into two tranches (the second and third tranche) wherein which the Company would issue in each tranche an 8% convertible debenture in the principal amount of $250,000 at a purchase price of $225,000 (representing an original issue discount of ten percent (10%) with the same terms as the First 2023 Debenture). In addition, the Amendment provided that the Company would issue (i) 35,000 shares of its Common Stock (1,750 as adjusted for the Stock Split) on the closing of each of the second tranche and the third tranche as a commitment fee in connection with the issuance of the Second 2023 Debenture and the Third 2023 Debenture, respectively; (ii) a common stock purchase warrant (with the same terms as the First 2023 Warrant) for the purchase of 125,000 shares of common stock (6,250 as adjusted for the Stock Split) on the closing of each of the second tranche and the third tranche; and (iii) pay $6,500 of Peak One's non-accountable fees in connection with each of the second tranche and the third tranche.

5. Notes Payable (cont.)

The closing of the second tranche was consummated on February 16, 2024. In connection with the second tranche, the Company incurred a total of $20,000 in debt issuance costs. In addition, the initial fair value of the warrant issued at the February 2024 closing of the second tranche amounted to $60,030 and the fair value of the commitment shares issued at the February 2024 closing of the second tranche amounted to $28,350, both of which have been recorded as a debt discount and will be amortized over the effective rate method.

The closing of the third tranche was consummated on March 20, 2024. In connection with the third tranche, the Company incurred a total of $20,000 in debt issuance costs. In addition, the initial fair value of the warrant issued at the March 2024 closing of the third tranche amounted to $64,333 and the fair value of the commitment shares issued at the March 2024 closing of the third tranche amounted to $30,800, both of which were recorded as a debt discount and were amortized over the effective rate method.

On April 29, 2024, the Company entered into a Securities Purchase Agreement, dated April 29, 2024 (the "April 2024 Purchase Agreement") with Peak One, pursuant to which the Company agreed to issue, in a private placement offering upon the satisfaction of certain conditions specified in the April 2024 Purchase Agreement, three Debentures to Peak One in the aggregate principal amount of $1,200,000. The closing of the first tranche was consummated on April 29, 2024 and the Company issued an 8% convertible debenture in principal amount of $350,000 (the "First 2024 Debenture") to Peak One and a warrant (the "First 2024 Warrant") to purchase up to 262,500 shares of the Company's common stock (13,125 as adjusted for the Stock Split), to Peak One's designee as described in the April 2024 Purchase Agreement. The First 2024 Debenture was sold to Peak One for a purchase price of $315,000, representing an original issue discount of ten percent (10%). In connection with the closing of the first tranche, the Company paid $10,000 as a non-accountable fee to Peak One to cover its accounting fees, legal fees and other transactional costs and issued to Peak One and its designee an aggregate total of 80,000 shares of its restricted common stock (4,000 as adjusted for the Stock Split) as commitment shares.

The First 2024 Debenture had a maturity date of twelve months from its date of issuance and bore interest at a rate of 8% per annum payable on the maturity date. The First 2024 Debenture was convertible, at the option of the holder, at any time, into such number of shares of common stock of the Company equal to the principal amount of the First 2024 Debenture plus all accrued and unpaid interest at a conversion price equal to $0.70 ($14 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.165 ($3.30 as adjusted for the Stock Split).

The First 2024 Warrant's expiration date was five years from its date of issuance. The First 2024 Warrant was exercisable, at the option of the holder, at any time, for up to 262,500 of shares of common stock (13,125 as adjusted for the Stock Split) of the Company at an exercise price equal to $0.76 ($15.20 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.165 ($3.30 as adjusted for the Stock Split). The First 2024 Warrant provided for cashless exercise under certain circumstances.

On May 24, 2024, the Company closed the second tranche of its private placement offering under the April 2024, Purchase Agreement pursuant to which the Company issued an 8% convertible debenture in principal amount of $350,000 (the "Second 2024 Debenture") to Peak One and a warrant (the "Second 2024 Warrant") to purchase up to 262,500 shares of the Company's common stock (13,125 as adjusted for the Stock Split) to Peak One's designee as described in the Purchase Agreement.

The Second 2024 Debenture was sold to Peak One for a purchase price of $315,000, representing an original issue discount of ten percent (10%). The Second Debenture had a maturity of twelve months from its date of issuance and bore interest at a rate of 8% per annum payable on the maturity date. The Second 2024 Debenture was convertible, at the option of the holder, at any time, into such number of shares of Common Stock of the Company equal to the principal amount of the Second 2024 Debenture plus all accrued and unpaid interest at a conversion price equal to $0.60 ($12 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.165 ($3.30 as adjusted for the Stock Split). In connection with the closing of the second tranche, the Company paid $10,000 as a non-accountable fee to Peak One to cover its accounting fees, legal fees and other transactional costs and issued to Peak One and its designee an aggregate total of 80,000 shares of its restricted Common Stock (4,000 as adjusted for the Stock Split) as commitment shares as described in the Purchase Agreement.

5. Notes Payable (cont.)

The Second 2024 Warrant's expiration date was five years from its date of issuance. The Second 2024 Warrant was exercisable, at the option of the holder, at any time, for up to 262,500 of shares of Common Stock (13,125 as adjusted for the Stock Split) of the Company at an exercise price equal to $0.65 ($13 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as set forth in the Second 2024 Warrant. The Second 2024 Warrant provided for cashless exercise under certain circumstances.

In connection with the First 2024 Debenture and the Second 2024 Debenture the Company incurred $96,491 in debt issuance costs. In addition, the initial fair value of the warrants issued amounted to $188,074 and the fair value of the commitment shares issued amounted to $90,232, both of which were recorded as a debt discount and were amortized over the effective rate method.

During the nine months ended September 30, 2024, $700,000 from the debentures entered into during 2024 were converted into 1,500,447 shares of common stock (75,022 as adjusted for the Stock Split) within the terms of the original agreement, and there was no gain or loss recognized.

On August 13, 2024 the Company exercised its option to repay Peak One at a 10% premium pursuant to Section 2(b)(i) of the Peak Debentures. The investor and the Company agreed that the outstanding principal was currently $500,000 with accrued interest of $17,911 for a total repayment of $569,702.

As of September 30, 2024 there was no outstanding balance on the debentures.

Leighton

On March 1, 2024, the Company entered into a credit agreement with the Bryan Leighton Revocable Trust Dated December 13, 2023 (the "Lender") pursuant to which the Lender agreed to provide the Company with a line of credit facility (the "Line of Credit") up to the maximum amount of $250,000 from which the Company may draw down, at any time and from time to time, during the term of the Line of Credit. The "Maturity Date "of the Line of Credit is September 1, 2024. At any time prior to the Maturity Date, upon mutual written consent of the Company and the Lender, the Maturity Date may be extended for up to an additional six-month period. The advanced and unpaid principal of the Line of Credit from time to time outstanding will bear interest at a fixed rate per annum equal to 12.0% (the "Fixed Rate"). On the first day of each month, the Company will pay to the Lender interest, in arrears, on the aggregate outstanding principal indebtedness of the Line of Credit at the Fixed Rate. The entire principal indebtedness of the Line of Credit and any accrued interest thereon will be due and payable on the Maturity Date. In consideration for the Line of Credit, on March 1, 2024, the Company issued 154,320 shares of the Company's restricted common stock (7,716 as adjusted for the Stock Split) to Lender. The fair value of the shares issued to Lender amounted to $125,000 and has been recorded as a debt discount and will be amortized over the effective rate method. During the nine months ended September 30, 2024, the Company drew down $250,000 from the Line of Credit.

1800 Diagonal

On July 10, 2024, the Company issued a promissory note (the "1800 Diagonal Note") in favor of 1800 Diagonal Lending LLC ("1800 Diagonal") in the principal amount of $64,400 for a purchase price of $56,000, representing an original issue discount of $8,400. Under the terms of the 1800 Diagonal Note, beginning on August 15, 2024, the Company is required to make nine monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of $8,086. The Company has the right to accelerate payments or prepay in full at any time with no prepayment penalty. In connection with the 1800 Diagonal Note, the Company incurred $11,000 in debt issuance costs.

On July 24, 2024, the Company issued a promissory note (the "Second 1800 Diagonal Note") in favor of 1800 Diagonal in the principal amount of $49,000 for a purchase price of $40,000, representing an original issue discount of $9,000. Under the terms of the Second 1800 Diagonal Note, beginning on August 30, 2024, the Company is required to make nine monthly payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of $6,261. The Company has the right to accelerate payments or prepay in full at any time with no prepayment penalty. In connection with the Second 1800 Diagonal Note, the Company incurred $10,000 in debt issuance costs.

On September 6, 2024, the Company issued a promissory note (the "Third 1800 Diagonal Note") in favor of 1800 Diagonal in the principal amount of $49,000 for a purchase price of $40,000, representing an original issue discount of $9,000. Under the terms of the Second 1800 Diagonal Note, beginning on October 9, 2024, the Company is required to make payments of accrued, unpaid interest and outstanding principal, subject to adjustment, in the amount of $7,044, with $42,263 being due during October 2024. The Company has the right to accelerate payments or prepay in full at any time with no prepayment penalty. In connection with the Third 1800 Diagonal Note, the Company incurred $10,000 in debt issuance costs.

5. Notes Payable (cont.)

Cedar

On September 17, 2024, the Company entered into a Cash Advance Agreement (the "Cash Advance Agreement") with Cedar Advance LLC ("Cedar") pursuant to which the Company sold to Cedar $40,470 of its future receivables for a purchase price of $28,500, less underwriting fees and expenses paid and the repayment of prior amounts due Cedar, for net funds provided of $25,000. Pursuant to the Cash Advance Agreement, Cedar is expected to withdraw $1,500 a week directly from the Company until the $40,470 due to Cedar is paid in full. In the event of a default (as defined in the Cash Advance Agreement), Cedar, among other remedies, can demand payment in full of all amounts remaining due under the Cash Advance Agreement.

Arena

On August 12, 2024, the Company entered into a Securities Purchase Agreement, dated August 12, 2024 (the "Arena Purchase Agreement") with the purchasers named therein ("Arena Investors") related to a private placement of up to five tranches of secured convertible debentures after satisfaction of certain conditions specified in the Arena Purchase Agreement in the aggregate principal amount of $10,277,777 (the "Arena Debentures") together with warrants to purchase a number of shares of the Company's common stock equal to 20% of the total principal amount of the Arena Debentures sold divided by 92.5% of the lowest daily VWAP (as defined in the Arena Purchase Agreement) for the Company's common stock during the ten consecutive trading day period preceding the respective closing dates (the "Arena Warrants").

The closing of the first tranche was consummated on August 12, 2024 (the "First Closing Date") and the Company issued to the Arena Investors 10% original issue discount secured convertible debentures in the aggregate principal amount of $1,388,889 (the "First Closing Arena Debentures") and warrants (the "First Closing Arena Warrants") to purchase up to and aggregate of 1,299,242 shares of the Company's common stock (64,962 as adjusted for the Stock Split). The First Closing Arena Debentures were sold to Arena Investors for a purchase price of $1,250,000, representing an original issue discount of ten percent (10%). In connection with the closing, the Company incurred $175,000 of debt issuance costs. In connection with the closing of the first tranche, we reimbursed the Debenture Selling Stockholders $55,000 for their legal fees and expenses In addition, the initial fair value of the First Closing Arena Warrants, as described below, amounted to $214,267 and has been recorded as a debt discount and will be amortized over the effective rate method.

Each First Closing Arena Debenture matures eighteen months from its date of issuance and bears interest at a rate of 10% per annum paid-in-kind ("PIK Interest") unless there is an event of default under the applicable First Closing Arena Debenture. The PIK Interest shall be added to the outstanding principal amount of the applicable First Closing Arena Debenture on a monthly basis as additional principal obligations thereunder for all purposes thereof (including the accrual of interest thereon at the rates applicable to the principal amount generally). Each First Closing Arena Debenture is convertible, at the option of the holder, at any time, into such number of shares of the Company's common stock equal to the principal amount of such First Closing Arena Debenture plus all accrued and unpaid interest at a conversion price equal to the lesser of (i) $0.279 ($5.58 as adjusted for the Stock Split), and (ii) 92.5% of lowest daily volume weighted average price (VWAP) of our common stock during the ten trading day period ending on such conversion date, subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions, and subject to a floor price of $0.045 ($0.90 as adjusted for the Stock Split) (subject to proportional adjustment for stock splits).

The First Closing Arena Debentures are redeemable by the Company at a redemption price equal to 115% of the sum of the principal amount to be redeemed plus accrued interest, if any. While the First Closing Arena Debentures are outstanding, if the Company or any of its subsidiaries receives cash proceeds from the issuance of equity or indebtedness (other than the issuance of additional secured convertible debentures as contemplated by the Arena Purchase Agreement), in one or more financing transactions, whether publicly offered or privately arranged (including, without limitation, pursuant to the Arena ELOC (as defined below), the Company shall, within two (2) business days of Company's receipt of such proceeds, inform the holder of such receipt, following which the holder shall have the right in its sole discretion to require the Company to immediately apply up to 20% of all proceeds received by the Company to repay the outstanding amounts owed under the First Closing Arena Debentures.

The First Closing Arena Debentures contain customary events of default. Upon the occurrence and during the continuance of an event of default under the applicable First Closing Arena Debenture, interest shall accrue on the outstanding principal amount of such First Closing Debenture at the rate of two percent (2%) per month and such default interest shall be due and payable monthly in arrears in cash on the first of each month following the occurrence of any event of default for default interest accrued through the last day of the prior month. If an event of default occurs, the holder may accelerate the full indebtedness under the applicable First Closing Arena Debenture, in an amount equal to 150% of the outstanding principal amount plus 100% of accrued and unpaid interest. Subject to limited exceptions set forth in the First Closing Arena Debentures, the First Closing Arena Debentures prohibit us and, as applicable, our subsidiaries from incurring any new indebtedness that is not subordinated to our and, as applicable, any subsidiary's obligations in respect of the First Closing Debentures until the First Closing Debentures are paid in full.

The First Closing Arena Warrants expire five years from its date of issuance. The First Closing Arena Warrants are exercisable, at the option of the holder, at any time, for up to 1,299,242 of shares of the Company's common stock (64,962 as adjusted for the Stock Split) at an exercise price equal to $0.279 ($5.58 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as set forth in the First Closing Arena Warrants. The First Closing Arena Warrants provide for cashless exercise under certain circumstances.

5. Notes Payable (cont.)

We entered into a Registration Rights Agreement, dated August 12, 2024 (the "First Closing RRA"), with the Arena Investors where we agreed to file with the SEC an initial registration statement within 30 days to register the maximum number of Registrable Securities (as defined in the First Closing RRA) issuable under the First Closing Arena Debentures and the First Closing Arena Warrants as shall be permitted to be included thereon in accordance with applicable SEC rules. We have filed a registration statement registering the securities issuable upon conversion or exercise of the First Closing Arena Debentures and First Closing Arena Warrants, in order to satisfy our obligations under the First Closing RRA, and such registration statement was declared effective by the SEC on September 30, 2024. In the event the number of shares available under such registration statement is insufficient to cover the securities issuable upon conversion or exercise of the First Closing Arena Debentures or First Closing Arena Warrants, we are obligated to file one or more new registration statements until such time as all securities issuable upon conversion or exercise of the First Closing Arena Debentures or First Closing Arena Warrants have been included in registration statements that have been declared effective and the prospectus contained therein is available for use by the Arena Investprs.

Under the Arena Purchase Agreement, a closing of the second, third, fourth or fifth tranche together (the "Additional Tranches" may occur subject to the mutual written agreement of Arena Investors and the Company and satisfaction of the closing conditions set forth in the Purchase Agreement on the later (y) the fifth trading day following the First, Second, Third or Fourth Registration Statement Effectiveness Date (or if such day is not a trading day, on the next succeeding trading day) and (z) such date as the outstanding principal balance of the prior Arena Debenture issued is less than $100,000.00, unless the parties mutually agree in writing to consummate the second, third, fourth or fifth closing on a different date, upon which the Company would issue and sell to Arena Investors on the same terms and conditions a second, third, fourth or fifth 10% original issue discount secured convertible debentures each in the principal amount of $2,222,222 (the "Additional Closing Arena Debentures") and a warrant (the "Additional Closing Warrants") to purchase a number of shares of the Company's common stock equal to 20% of the total principal amount of the Additional Closing Arena Debentures divided by 92.5% of the lowest daily VWAP (as defined in the Purchase Agreement) for the common stock during the ten consecutive trading day period ended on the last trading day immediately preceding the closing of the additional tranches, provided the additional Closings are also contingent on the satisfaction of the following additional condition, unless waived mutually by the parties: the median daily turnover of the Company's common stock on its principal trading market for the thirty consecutive trading day period ended as of the last trading day immediately preceding the date of the proposed Closing must be greater than $200,000.

The Additional Closing Arena Debentures would be sold to Arena Investors each for a purchase price of $2,000,000, representing an original issue discount of ten percent (10%). In connection with each closing of the additional tranches, the Company will enter into a registration rights agreement pursuant to which the Company will agree to register the maximum number of shares of the Company's common stock issuable under the Second, Third, Fourth or Fifth Closing Debentures and the Second, Third, Fourth, or Fifth Closing Arena Warrants as shall be permitted with terms substantially similar as the terms provided in the RRA. The Company also has agreed to reimburse Arena Investors for its legal fees and expenses related to such each closing.

See "Subsequent Events - Arena Investor Second Tranche" for more details on transactions with Arena and shareholder approval of the Arena transactions.

The Arena Purchase Agreement prohibits the Company from entering into a Variable Rate Transaction (other than the Arena ELOC described below) until such time as no Arena Debentures remain outstanding. In addition, the Arena Purchase Agreement states that neither the Company nor any subsidiary may issue, during specified time periods, any Common Stock or Common Stock equivalents, except for certain exempted issuances (i.e., stock options, employee grants, shares issuable pursuant to outstanding securities, acquisitions and strategic transactions) and the Arena ELOC.

The Company entered into a Security Agreement, dated August 12, 2024 (the "Security Agreement"), with Arena Investors where it agreed to grant Arena Investors a security interest in all of its assets to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Arena Debentures. In addition, each of the Company's subsidiaries entered into a Guaranty Agreement, dated August 12, 2024 (the "Subsidiary Guaranty"), with Arena Investors pursuant to which they agreed to guarantee the prompt payment, performance and discharge in full of all of the Company's obligations under the Arena Debentures.

For the nine months ended September 30, 2024, the Company recognized amortization of debt issuance costs and debt discount of $1,658,541. For the nine months ended September 30, 2023, the Company recognized amortization of debt issuance costs of $208,412. As of September 30, 2024, the unamortized debt issuance costs and discount amounted to $638,714.

6. Business Combination and Acquisition of Assets

On February 7, 2024, the Company, entered into a Membership Interest Purchase Agreement ("MIPA") to acquire Majestic World Holdings LLC ("Majestic"). The MIPA provided that the aggregate consideration to be paid by the Company for the outstanding membership interests (the "Membership Interests") of Majestic would consist of 500,000 shares of the Company's restricted stock (20,000 as adjusted for the Stock Split) the "Stock Consideration") and $500,000 in cash (the "Cash Consideration"). The MIPA and a related side letter provided that the aggregate purchase price be paid as follows: (i) the Stock Consideration was issued at the closing (the "Closing") on February 7, 2024; and (ii) 100% of the Cash Consideration was to be paid in five equal installments of $100,000 each on the first day of each of the five quarterly periods following the Closing. In addition, pursuant to a profit sharing agreement entered into as of February 7, 2024 (the "Profit Sharing Agreement"), the Company agreed to pay the former members of Majestic a 50% share of the net profits for a period of five years that are directly derived from the technology and intellectual property utilized in the real estate focused software as a service offered and operated by Majestic and its subsidiaries. In accordance with ASC 805, the Majestic acquisition is accounted for as a business combination. The Majestic acquisition was made for the purpose of expanding the Company's footprint into technology space. See "Subsequent Events – Majestic World Holdings Amendment" for more information on the transaction with Majestic.

The purchase consideration amounted to:

Cash	$	500,000
Contingent consideration payable		945,000
Equity compensation		435,000
	$	1,880,000

As part of the Majestic acquisition, the Company recorded a contingent consideration liability for additional payments pursuant to the Profit Sharing Agreement. The initial contingent consideration liability of $945,000 was based on the fair value of the contingent consideration liability at the acquisition date, and is payable in cash.

The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed for the Majestic Acquisition:

Cash and cash equivalents	$	1,082
Intangible assets		100,468
Goodwill		1,810,787
Accounts payable and accrued expenses		(32,337)
	$	1,880,000

6. Business Combination and Acquisition of Assets (cont.)

As of September 30, 2024, the intangible assets are not in service. Once they are in service, they will be amortized over three years. As of September 30, 2024, the Company has not completed its measurement period with respect to the Majestic acquisition. The amounts above represent provisional amounts recorded at this time and are subject to adjustments once the measurement period has ended.

Below is a proforma condensed consolidated statement of operations for the nine months ended September 30, 2024, as if the Company purchased Majestic as of January 1, 2024. A proforma condensed consolidated statement of operations for the nine months ended September 30, 2023, is not presented because during that period there was no activity in Majestic.

	For the Nine Months Ended September 30, 2024
	(Unaudited)
Revenue:	
Sales	$ 245,180
Total	245,180
Operating expenses:	
Payroll and related expenses	$ 3,133,037
General and administrative expenses	1,582,765
Marketing and business development expense	374,031
Total	5,089,833
Operating loss	(4,844,653)
Other expense:	
Interest Expense	(2,583,052)
Net loss	$ (7,427,705)

As of May 7, 2024, the Company entered into an Asset Purchase Agreement (the "APA") with Dr. Axely Congress to purchase all of the assets related to the A.I technology known as My Virtual Online Intelligent Assistant ("MyVONIA"). MyVONIA, an advanced artificial intelligence (AI) assistant which utilizes machine learning and natural language processing algorithms to provide users with human-like conversational interactions, tailored to their specific needs. MyVONIA does not require an app, or website but is accessible to subscribers via text messaging.

On June 6, 2024, the Company completed the acquisition of all of the assets related to MyVONIA pursuant to the APA. The purchase price for MyVONIA is up to 500,000 shares of the Company's common stock (25,000 as adjusted for the Stock Split). Of such shares, 200,000 shares of common stock (10,000 as adjusted for the Stock Split) were issued at the closing on June 6, 2024, with an additional 300,000 shares of common stock (15,000 as adjusted for the Stock Split) issuable upon the achievement of certain benchmarks. The additional consideration will be paid at each of the following events: 100,000 shares of common stock (5,000 as adjusted for the Stock Split) at 2,500 Qualified Users, 100,000 shares of common stock (5,000 as adjusted for the Stock Split) at 5,000 Qualified Users and 100,000 shares of common stock (5,000 as adjusted for the Stock Split) at 10,000 Qualified Users The purchase of MyVONIA was determined to be an acquisition of assets, of which intangible assets were acquired. The fair value of the purchase amounted to $228,360 which resulted from the 200,000 shares of common stock issued (10,000 as adjusted for the Stock Split), and the estimated value of the contingent shares to be issued, as shown on the accompanying condensed consolidated statement of changes in stockholders' equity.

7. 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, 2024, there were 2,074,242 warrants outstanding that could potentially dilute future net loss per share.

8. Stockholder's Equity

As of September 30, 2024, the Company has 936,686 shares of common stock post-split issued and outstanding.

On September 27, 2023, Parent effected a pro rata distribution to Safe & Green Holdings Corp.'s stockholders of approximately 30% of the then outstanding shares of the Company's common stock ("Distribution"). In connection with the Distribution, each Parent stockholder received 0.930886 shares of the Company's common stock (on a pre-split basis) for every five (5) shares of Parent common stock held as of the close of business on September 8, 2023, the record date for the Distribution, as well as a cash payment in lieu of any fractional shares. Immediately after the Distribution, the Company was no longer a wholly owned subsidiary of Parent and Parent held approximately 70% of the Company's issued and outstanding securities.

During the nine months ended September 30, 2024, the Company issued 196,774 shares of common stock (9,839 adjusted for the Stock Split) for services with a value of $197,871. Additionally, during the nine months ended September 30, 2024, the Company issued 384,320 shares of common stock (19,216 adjusted for the Stock Split) for the issuance of debt and warrants with a value of $586,821, as previously disclosed.

Equity Purchase Agreement

On November 30, 2023, the Company entered into an Equity Purchase Agreement (the "EP Agreement") with Peak One, pursuant to which the Company shall have the right, but not the obligation, to direct Peak One to purchase up to $10,000,000 (the "Maximum Commitment Amount") in shares of the Company's common stock in multiple tranches upon satisfaction of certain terms and conditions. Further, under the EP Agreement and subject to the Maximum Commitment Amount, the Company has the right, but not the obligation, to submit a Put Notice (as defined in the EP Agreement) from time to time to Peak One (i) in a minimum amount not less than $25,000.00 and (ii) in a maximum amount up to the lesser of (a) $750,000 or (b) 200% of the Average Daily Trading Value (as defined in the EP Agreement).

In connection with the EP Agreement, the Company agreed, among other things, to issue to Peak One's designee 100,000 shares of its restricted common stock (5,000 as adjusted for the Stock Split) as commitment shares. As of September 30, 2024, the Company has sold approximately 986,000 shares (49,300 as adjusted for the Stock Split) under the EP Agreement for gross proceeds of approximately $749,733.

ELOC

On August 12, 2024 , the Company also entered into an ELOC Purchase Agreement, which was amended on August 30, 2024, (the "ELOC Purchase Agreement") with Arena Business Solutions Global SPC II, LTD ("Arena Global"), pursuant to which the Company shall have the right, but not the obligation, to direct Arena Global to purchase up to $50.0 million (the "Commitment Amount") in shares of the Company's common stock in multiple tranches upon satisfaction of certain terms and conditions contained in the ELOC Purchase Agreement, which includes, but is not limited to, filing a registration statement with the SEC and registering the resale of any shares sold to Arena Global. Further, under the ELOC Purchase Agreement and subject to the Commitment Amount, the Company has the right, but not the obligation, to submit an Advance Notice (as defined in the ELOC Purchase Agreement) from time to time to Arena Global calculated as follows: (a) if the Advance Notice is received by 8:30 a.m. Eastern Time. the lower of: (i) an amount equal to seventy percent (70%) of the average of the Daily Value Traded (as defined in the ELOC Purchase Agreement) of the Company's common stock on the ten trading days immediately preceding an Advance Notice, or (ii) $20.0 million, (b) if the Advance Notice is received after 8:30 a.m. Eastern Time but prior to 10:30 a.m. Eastern Time, the lower of (i) an amount equal to forty percent (40%) of the average of the Daily Value Traded of the Company's common stock on the ten trading days immediately preceding an Advance Notice, or (ii) $15.0 million, and (c) if the Advance Notice is received after 10:30 a.m. Eastern Time but prior to 12:30 p.m. Eastern Time, the lower of (i) an amount equal to twenty percent (20%) of the average of the Daily Value Traded of the Company's common stock on the ten trading days immediately preceding an Advance Notice, or (ii) $10.0 million.

8. Stockholder's Equity (cont.)

During the Commitment Period (as defined below), the purchase price to be paid by Arena Global for the common stock under the ELOC Purchase Agreement will be 96% of the Market Price, defined as the daily volume weighted average price (VWAP) of the Company's common stock, on the trading day commencing on the date of the Advance Notice.

In connection with the ELOC Purchase Agreement the Company agreed, among other things, to issue to Arena Global, in two separate tranches, as a commitment fee, that number of shares of the Company's restricted common stock equal to (i) with respect to the first tranche, 925,000 (46,250 as adjusted for the Stock Split) shares of common stock together with a warrant (the "Arena Global Warrant") to purchase 1,075,000 (53,750 as adjusted for the Stock Split) shares of the Company's common stock, at an exercise price of $4.00 ($0.20 per share as adjusted for the Stock Split) (the "Commitment Fee Warrant Shares" and together with the 925,000 (46,250 as adjusted for the Stock Split) shares of Common Stock issued to Arena Global, the "Initial Commitment Fee Shares") and (ii) with respect to the second tranche, $250,000 divided by the simple average of the daily VWAP (as defined in the ELOC Purchase Agreement) of the Company's common stock during the five trading days immediately preceding the three month anniversary of the effectiveness of the registration statement on which the Initial Commitment Fee Shares were registered (the "Second Tranche Commitment Fee Shares," and together with the Initial Commitment Fee Shares, the "Commitment Fee Shares").

The ELOC Purchase Agreement also has a provision that provides for the issuance of additional shares of rgw the Company's common stock as commitment fee shares in the event the value of the Initial Commitment Fee Shares is less than $500,000 measured during a specified period and the value of the Second Tranche Commitment Fee Shares is less than $250,000 measured during a specified period.

In connection with the ELOC Purchase Agreement, the Company agreed to file a registration statement registering the common stock issued or issuable to Arena Global under the Arena ELOC for resale with the SEC within 30 calendar days of the Arena ELOC.

The obligation of Arena Global to purchase the Company's common stock under the ELOC Purchase Agreement begins on the date of the ELOC Purchase Agreement, and ends on the earlier of (i) the date on which Arena Global shall have purchased common stock pursuant to the ELOC Purchase Agreement equal to the Commitment Amount, (ii) thirty six (36) months after the date of the Arena ELOC or (iii) written notice of termination by the Company (the "Commitment Period").

See "Subsequent Events- Arena ELOC Amendment"

Warrants

In conjunction with the issuance of the First 2023 Debenture in November 2023, the Company issued the First 2023 Warrant to purchase 350,000 shares of common stock (17,500 as adjusted for the Stock Split). The First Warrant expired five years from its date of issuance. The First Warrant was exercisable, at the option of the holder, at any time, for up to 350,000 of shares of common stock (17,500 as adjusted for the Stock Split) of the Company at an exercise price equal to $2.53 ($50.60 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events, as well as anti-dilution price protection provisions that were subject to a floor price as set forth in the First Warrant. The initial fair value of the First Warrant amounted to $294,438 and was recorded as a debt discount at the time of issuance of the Initial Debenture. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.48%
Contractual term	5 years
Dividend yield	0%
Expected volatility	103%

8. Stockholder's Equity (cont.)

In conjunction with the issuance of the second and third Peak debentures in February and March 2024, the Company issued the second and third Peak warrants to purchase an aggregate of 250,000 shares of common stock. (12,500 as adjusted for the Stock Split) The second and third Peak warrants each expire five years from their respective date of issuance. The second and third Peak warrants each is exercisable, at the option of the holder, at any time, for up to 125,000 shares of common stock (6,250 as adjusted for the Stock Split) of the Company at an exercise price equal to $2.53 ($50.60 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.39 ($7.80 as adjusted for the Stock Split). The initial fair value of the second and third Warrants amounted to an aggregate of $124,363 and was recorded as a debt discount at the time of issuance of the second and third Debenture, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.22%
Contractual term	5 years
Dividend yield	0%
Expected volatility	131%

In conjunction with the issuance of First 2024 Debenture and Second 2024 Debenture in April and May 2024, the Company issued warrants to purchase an aggregate of 525,000 shares of common stock (26,250 as adjusted for the Stock Split). The warrants each expire five years from their respective date of issuance. The warrants are exercisable, at the option of the holder, at any time, for up to 262,500 and 262,500 shares of common stock (13,125 as adjusted for the Stock Split) of the Company at an exercise price equal to $0.65 and $0.76 ($13 and $15.20 as adjusted for the Stock Split), respectively, subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price of $0.39 ($7.80 as adjusted for the Stock Split). The initial fair value of warrants amounted to an aggregate of $188,074 and was recorded as a debt discount at the time of issuance of the debentures, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	4.52 – 4.65%
Contractual term	5 years
Dividend yield	0%
Expected volatility	133-138%

In conjunction with the issuance of First Closing Arena Warrants in August 2024, the Company issued warrants to purchase an aggregate of 1,299,242 shares of common stock (64,962 as adjusted for the Stock Split). The warrants each expire five years from their respective date of issuance. The warrants are exercisable, at the option of the holder, at any time, for up to 1,299,242 shares of common stock (64,962 as adjusted for the Stock Split) of the Company at an exercise price equal to $0.279 ($5.58 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitulations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as described in the First Closing Arena Warrants agreement. The initial fair value of warrants amounted to an aggregate of $214,267 and was recorded as a debt discount at the time of issuance of the debenture, as applicable. The fair value was calculated using a Black-Scholes Value model, with the following assumptions.

Risk-free interest rate	3.75%
Contractual term	5 years
Dividend yield	0%
Expected volatility	136%

Warrant activity for the nine months ended September 30, 2024 is summarized as follows:

Warrants	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable – January 1, 2024	17,500	$ 50.60	4.90	-
Granted	103,712	$ 11.40	5.00	
Exercised	(17,500)			
Outstanding and exercisable – September 30, 2024	103,712	$ 11.40	4.80	$ -

9. Share-based Compensation

On February 28, 2023, the Company's Board of Directors approved the issuance of up to 200,000 shares of the Company's common stock in the form of incentive stock options, nonqualified stock options, options, stock appreciation rights, restricted stock, or restricted stock units ("2023 Plan"). The 2023 Plan expires February 2033 and is administered by the Company's Compensation Committee of the Board of Directors. Any employee, director, consultant, and other service provider, or affiliates, are eligible to participate in the 2023 Plan. The maximum number of shares of common stock that may be issued under the 2023 Plan will automatically increase on January 1 of each calendar years for a period of ten years commencing on January 1, 2024, in a number of shares of common stock equal to 4.5% of the total number of shares of common stock outstanding on December 31 of the preceding calendar year, provided, however that the Board of Directors may act prior to January 1 of a given calendar year to provide that the increase for such year will be a lesser number of shares of Common Stock. All available shares may be utilized toward the grant of any type of award under the 2023 Plan. On January 1, 2024, 459,000 shares of the Company's common stock were added to the 2023 Plan pursuant to the evergreen provision. The 2023 Plan imposes a $250,000 limitation on the total grant date fair value of awards granted to any non-employee director in his or her capacity as a non-employee director in any single calendar year.

As of December 31, 2023, 1,831,250 restricted stock unit awards (91,563 as adjusted for the Stock Split) had been approved to be issued to directors, officers, and service providers. During the three months ended March 31, 2024, 2,017,500 restricted stock units (100,875 as adjusted for the Stock Split) were formally accepted, which includes the 1,831,250 restricted stock unit award (91,563 as adjusted for the Stock Split) which were formally issued. These units were issued at the fair value between $0.74 and $1.10 per share, which represents the closing price of the Company's common stock upon acceptance of the grant The fair value of these units upon issuance amounted to $1,865,400.

On May 20, 2024, 150,000 restricted stock units (7,500 as adjusted for the Stock Split) were issued at a fair value of $0.84 which represents the closing price of the Company's common stock. The fair value of these units upon issuance amounted to $126,675. These restricted stock units were issued pursuant to the Director Compensation Program 2024 as follows:

For fiscal 2024, each director was given the option to select one of the following three compensation options quarterly (with payments to be made on April 1, 2024, July 1, 2024, October 1, 2024 and January 1, 2025):

Option A	Option B	Option C
• A cash retainer of $20,000, and	• A cash retainer of $10,000; and	• A grant of 40,000 RSUs that will vest after three months of continued service by the director.
• A grant of 20,000 restricted stock units ("RSUs") that will vest after three months of continued service by the director.	• A grant of 30,000 RSUs that will vest after three months of continued service by the director.	

For the three months and nine months ended September 30, 2024, the Company recorded stock-based compensation expense of $58,222 and $1,989,953, which is included in the payroll and related expenses in the accompanying consolidated statement of operations. As of September 30, 2024, there was a total of $1,905 of unrecognized compensation costs related to non-vested restricted stock units. As of September 30, 2024, there were 52,075 shares of the Company's common stock available for issuance under the 2023 Plan.

The following table summarized restricted stock unit Activities during the nine months ended September 30, 2024:

	Number of Shares
Non – vested balance at January 1,2024	-
Granted	108,375
Vested	(108,281)
Forfeited/Expired	-
Non – vested balance at September 30, 2024	94

10. Related Party Transactions

On August 9, 2023, Parent and the Company entered into a Note Cancellation Agreement, effective as of July 1, 2023, pursuant to which the Parent cancelled and forgave the remaining balance then due on that certain promissory note, dated December 19, 2021, made by the Company in favor of the Parent in the original principal amount of $4,200,000. As such, $4,000,000 was recorded as additional paid in capital during 2023.

In addition, as of September 30, 2024 and December 31, 2023, $1,720,844 is due from the Parent for advances made by the Company. As of December 31, 2023, the Company recorded a reserve against the $1,720,844, which is included in additional paid in capital.

On December 17, 2023, the Company entered into a Master Purchase Agreement with SG Echo pursuant to which the Company may engage SG Echo from time to time to provide modular construction design, engineering, fabrication, delivery and other services (collectively, the "Work") on such terms as the parties may mutually agree. The Master Purchase Agreement provides that if the Company should desire that SG Echo provide services in connection with any location, the Company will request from SG Echo a written proposal and that within 15 business days SG Echo will provide us with an itemized cost proposal for the services to be performed and a firm schedule for performing the services based upon the information contained in the request. If the proposal and schedule is satisfactory to the Company, the Master Purchase Agreement provides that the substance of such proposal will then be incorporated into a project order, including specific information regarding the project, the project site and services to be performed, to be executed by both parties.

The Master Purchase Agreement provides that SG Echo will be paid a fee equal to 12% of the agreed cost of each project. The Master Purchase Agreement further provides that payment terms for all design work and the completion of the pre-fabricated container and module shall be made in accordance with the following schedule: (a) a deposit equal to 40% of the cost of the pre- fabricated container and module only shall be paid by us to SG Echo within 5 business days of the mutual execution of a project order; (b) a progress payment (not to exceed to 35% of the cost of the pre-fabricated container and module) shall be paid by the Company to SG Echo monthly in proportion to the percentage of Work completed, which payment shall be made within 10 business days of the Company receipt of SG Echo's invoice; (c) a progress payment equal to 15% of the cost of the pre-fabricated container and module shall be paid by us to SG Echo within 10 business days of the delivery of the pre-fabricated container and module to the specific project site; and (d) the final payment equal to 10% of the cost of the pre-fabricated container and module only shall be paid by us to SG Echo within 10 business days of the substantial completion of the Work. Substantial completion of the Work shall be as defined by the applicable project order. Notwithstanding the foregoing, we may withhold 10% of the invoiced amount, as retainage, which will be paid to SG Echo once the specific project is completed (including any punch list items). The Master Purchase Agreement may be terminated by either party if there is a material default by the other party and such default continues for a period of 20 days after receipt by the defaulting party of written notice thereof. If the Company terminates the Master Purchase Agreement or any project order as a result of a default by SG Echo, SG Echo will not be entitled to receive further payment until the Work is finished. If the unpaid balance of the amount set forth in the project order for the project is less than the cost of finishing the Work, SG Echo will pay the difference to us. In no event will SG Echo be entitled to receive any compensation if the cost to the Company of performing the balance of the Work is less than the unpaid balance. In addition, the Company may terminate the Master Purchase Agreement or any project order without cause. In the event the termination by the Company is without cause, SG Echo will be entitled to payment for all work and costs incurred prior to termination date plus the applicable fee owed to SG Echo thereon as more particularly described in the applicable project order.

As of September 30, 2024 and December 31, 2023, included in accounts payable and accrued expenses is $0 and $145,000 due to the Company's board members for the payment of board compensation.

11. 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 its 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. The Company is not currently involved in any material legal proceedings.

12. Subsequent Events

Hacienda Olivia Phase II Joint Venture

On October 1, 2024, the Company entered into a Joint Venture Agreement (the "JV Agreement") with Milk & Honey LLC, a Texas limited liability company ("Milk & Honey"), for the purpose of establishing a joint venture to be conducted under the name of Hacienda Olivia Phase II LLC (the "Joint Venture") for the purpose of developing and constructing a single family homes (the "Project") on fifty-seven (57) lots of land located in Hidalgo County, Texas (the "Land"). Each of the Company and Milk & Honey are referred to as a "Joint Venturer" and collectively are referred to as the "Joint Venturers." The Company is the manager of the Joint Venture.

12. Subsequent Events (cont.)

Pursuant to JV Agreement, the Company has agreed to contribute $10,000 to the Joint Venture as an initial capital contribution for the specific purpose of satisfying the existing mortgage on the Land, and Milk & Honey has agreed to contribute the Land to the Joint Venture.

The JV Agreement provides that the Company will have a 60% interest and Milk & Honey will have a 40% interest in the Joint Venture. In addition, it provides that Milk & Honey will receive $39,000 for each lot of land sold by the Joint Venture, and that after the payment of such amount, net profits of the Joint Venture will be distributed 50% to the Company and 50% to Milk & Honey, and that all losses and disbursements in acquiring, holding and protecting the business interest and the net profits of the Joint Venture will be paid by the Joint Venturers, in the ratio which the contribution of each Joint Venturer bears to the ownership interest in the Joint Venture.

Pursuant to JV Agreement, as amended,in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Joint Venture, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $2,823,000 or the Company shall make the final decision to break the deadlock.

St. Mary's

On October 14, 2024, the Company entered into a modification for the St. Mary's Note, which extended the maturity date to March 1, 2025 and increased the interest rate form 10.99% to 11.99% per annum.

On November 13th, 2024 we entered into an amendment to the Agreement of Sale (the "Second Amendment") that amends the closing date to November 15th, 2024 and increases the purchase price to $1,400,000 payable $439,328 in cash and $960,672 by the issuance of a promissory note to us. The promissory note will bear 10% interest per annum, provide for monthly interest payments and mature on March 15th, 2025 with the option to extend up to three times by paying $10,000 for each extension.

NASDAQ Listing Qualifications Update

On April 16, 2024, we received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") stating that we were not in compliance with Nasdaq Listing Rule 5550(b)(1) (the "Rule") because our stockholders' equity of $1,887,777 as of December 31, 2023, as reported in our Annual Report on Form 10-K filed with the SEC on April 1, 2024, was below the minimum requirement of $2,500,000. Pursuant to Nasdaq's Listing Rules, we had 45 calendar days (until May 31, 2024), to submit a plan to evidence compliance with the Rule (a "Compliance Plan"). We submitted a Compliance Plan within the required time. On July 22, 2024, we received a letter from Nasdaq stating that based on the Quarterly Report on Form 10-Q that we filed with the Securities and Exchange Commission for the period ended March 31, 2024, and our submission to the Staff, dated May 29, 2024, it determined that we were in compliance with Nasdaq Listing Rule 5550(b)(1). The letter further stated that if we fail to evidence compliance with Nasdaq Listing Rule 5550(b)(1) upon filing our next periodic report we may be subject to delisting.

On August 26, 2024, we received a letter from Nasdaq stating that the Company was not in compliance with the Rule because the stockholders' equity of the Company of $2,018,263 as of June 30, 2024, as reported in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2024, was below the minimum requirement of $2,500,000.

Pursuant to Nasdaq's Listing Rules, we had 45 calendar days (until October 10, 2024), to submit a Compliance Plan. We submitted a Compliance Plan within the required time, although there can be no assurance that the Compliance Plan will be accepted by Nasdaq. If the Compliance Plan is accepted by Nasdaq, we will be granted an extension of up to 180 calendar days from August 26, 2024 to evidence compliance with the Rule. In the event the Compliance Plan is not accepted by Nasdaq, or in the event the Compliance Plan is accepted but we fail to evidence compliance within the extension period, we will have the right to a hearing before Nasdaq's Hearing Panel. The hearing request would stay any suspension or delisting action pending the conclusion of the hearing process and the expiration of any additional extension period granted by the panel following the hearing.

On October 22, 2024, the Company, received a notice (the "Notification Letter") from the Listing Qualifications Department (the "Staff") of The Nasdaq Stock Market LLC notifying the Company that the Staff has determined that for 10 consecutive business days, from October 8, 2024 to October 21, 2024, the closing bid price of the Company's common stock has been at $1.00 per share or greater. Accordingly, the Staff has determined that the Company has regained compliance with Nasdaq Listing Rule 5550(a)(2) and has indicated that the matter is now closed.

Arena Investors Second Tranche

On October 25, 2024, Safe and Green Development Corporation (the "Company") closed the second tranche of its private placement offering (the "Offering") with Arena Special Opportunities Partners II, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Partners III, LP, and Arena Special Opportunities Fund, LP (collectively, the "Arena Investors") under a Securities Purchase Agreement, dated August 12, 2024, as amended on August 30, 2024 (the "Purchase Agreement"), between the Company and the Arena Investors, pursuant to which the Company issued 10% convertible debentures (the "Second Closing Debentures") in the aggregate principal amount of Two Million Two Hundred Twenty-Two Thousand Two Hundred and Twenty-Two Dollars ($2,222,222) to the Arena Investors and warrants (the "Second Closing Warrants") to purchase up to 170,892 shares (the "Warrant Shares") of the Company's common stock, $0.001 par value per share (the "Common Stock").

12. Subsequent Events (cont.)

The Second Closing Debentures were sold to the Arena Investors for a purchase price of $2,000,000, representing an original issue discount of ten percent (10%). The Second Closing Debentures mature eighteen months from their date of issuance and bears interest at a rate of 10% per annum paid-in-kind ("PIK Interest"), unless there is an event of default under the applicable Second Closing Debenture. The PIK Interest shall be added to the outstanding principal amount of the applicable Second Closing Debenture on a monthly basis as additional principal obligations thereunder for all purposes thereof (including the accrual of interest thereon at the rates applicable to the principal amount generally). Each Second Closing Debenture is convertible, at the option of the holder, at any time, into such number of shares of our Common Stock equal to the principal amount of such Second Closing Debenture plus all accrued and unpaid interest at a conversion price equal to the lesser of (i) $3.48, and (ii) 92.5% of lowest daily volume weighted average price (VWAP) of our Common Stock during the ten trading day period ending on such conversion date (the "Conversion Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions, and subject to a floor price of $0.90 (subject to proportional adjustment for stock splits). Based upon the floor price, the maximum number of shares issuable upon conversion of the Second Closing Debentures is 3,268,197 shares of Common Stock. In connection with the closing of the second tranche, the Company reimbursed Arena Investors $10,000 for its legal fees and expenses.

The Second Closing Warrants expire five years from their date of issuance. The Second Closing Warrants are exercisable, at the option of the holder, at any time, for up to 170,892 shares of the Company's Common Stock at an exercise price equal to $3.476 (the "Exercise Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions. The Second Closing Warrants provide for cashless exercise under certain circumstances.

The Company entered into a Registration Rights Agreement, dated October 25, 2024 (the "RRA"), with the Arena Investors where it agreed to file with the Securities and Exchange Commission (the "SEC") an initial registration statement within 30 days to register the maximum number of Registrable Securities (as defined in the RRA) issuable under the Second Closing Debentures and the Second Closing Warrants as shall be permitted to be included thereon in accordance with applicable SEC rules and to use its reasonable best efforts to have the registration statement declared effective by the SEC no later than the "Second Registration Statement Effectiveness Date", which is defined in the Purchase Agreement as the 30th calendar day following the Second Closing Date (or, in the event of a "full review" by the SEC, no later than the 120th calendar day following the Second Closing Date); provided, however, that if the registration statement will not be reviewed or is no longer subject to further review and comments, the Second Registration Statement Effectiveness Date will be the fifth trading day following the date on which the Company is so notified if such date precedes the date otherwise required above.

Arena Investors First Closing Debentures Global Amendment No. 2

On October 31, 2024, the Company and the Arena Investors entered into a Global Amendment No. 2 (the "Amendment") to the 10% Original Issue Discount Secured Convertible Debentures issued on August 12, 2024, as amended (the "First Closing Debentures"). Pursuant to the Amendment, the parties to the First Closing Debentures, in order to comply with Nasdaq rules, amended the First Closing Debentures to provide that the Floor Price was set at a fixed price subject to proportional adjustment for stock splits and deleted the prior language which allowed for the floor price to be reduced upon the written consent of the Company and the holder.

Majestic World Holdings Purchase Amendment

On October 30, 2024, the Company and the members of Majestic World Holdings ("MWH") entered into an amendment to the Membership Interest Purchase Agreement dated February 7, 2024. The amendment reduced the cash consideration for the purchase of MWH from $500,000.00 to $154,675. Members receiving less than $5,000 were to be paid their share of cash consideration by October 30th, 2024. Members receiving more than $5,000 shall be paid 50% of the consideration on each of October 30th, 2024 and December 1st, 2024 (the "Payment Date"). The exception is the Vikash Jain who shall be paid over a 12-month term. On the Payment Date the remaining 31.75% interest in MWH will be transferred to the Company. The amendment also stipulates that commercial notes totaling $337,226.29 will be cancelled and deemed satisfied in full and retired.

Leighton Credit Extension

On November 12, 2024 the Company entered into Credit Extension Agreement (the "Extension") for the agreement with the Bryan Leighton Revocable Trust dated December 13, 2023. The Extension extends the maturity date from September 1, 2024 to December 15, 2024. The Company paid an extension fee of $8,750 dollars and issued an additional 2,500 shares of the Company's restricted common stock as consideration for the extension. The rate of interest also increased from 12% per annum to 14% per annum retroactive to September 1, 2024.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Introduction and Certain Cautionary Statements

As used in this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to the "Company," "SG DevCo," "we," "us," and "our" refer to Safe and Green Development Corporation and its subsidiaries. The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes and schedules included elsewhere in this Quarterly Report on Form 10-Q and with our audited condensed consolidated financial statements and notes for the year ended December 31, 2023 included in our Annual Report for the year ended December 31, 2023 filed with the Securities and Exchange Commission on April 1, 2024 (the "2023 10-K"). This discussion, particularly information with respect to our future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Special Note regarding forward-looking statements" in this Quarterly Report on Form10-Q. You should review the disclosure under the heading "Risk Factors" in this Quarterly Report on Form 10-Q and the 2023 10-K for a discussion for important factors that could cause our actual results to differ materially from those anticipated in these forward-looking statements.

Special Note regarding forward-looking statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in the forward-looking statements. The statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Statements contained in this Quarterly Report on Form 10-Q may use forward-looking terminology, such as "anticipates," "believes," "could," "would," "estimates," "may," "might," "plan," "expect," "intend," "should," "will," or other variations on these terms or their negatives. All statements other than statements of historical facts are statements that could potentially be forward-looking. We caution that forward-looking statements involve risks and uncertainties, and actual results could differ materially from those expressed or implied in these forward-looking statements or could affect the extent to which a particular objective, projection, estimate or prediction is realized.

Forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those expressed in or implied by such forward-looking statements due to a variety of factors, including:

- 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.
- Previously undetected environmentally hazardous conditions may adversely affect our business.
- Legislative, regulatory, accounting or tax rules, and any changes to them or actions brought to enforce them, could adversely affect us.
- If we were deemed to be an investment company, applicable restrictions could make it impractical for us to continue our business as contemplated and could have an adverse effect on our business.
- 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 could be impacted by our investments through joint ventures, which involve risks not present in investments in which we are the sole owner.
- 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.
- If we were to default in our obligation to repay the loan we received from BCV S&G DevCorp or Peak One, it could disrupt or adversely affect our business and our stock price could decline.
- Future outbreaks of any highly infectious or contagious diseases, could materially and adversely impact our performance, financial condition, results of operations and cash flows.
- SG Holdings beneficially owns a significant portion of our outstanding common stock, and it may therefore be able to substantially control our management and affairs.
- 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 may issue shares of preferred or common stock in the future, which could dilute your percentage ownership of the company.
- 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
- Provisions in our corporate charter documents and under Delaware law could make an acquisition of our company more difficult and may prevent attempts by our stockholders to replace or remove our management.
- 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
- Our failure to comply with continued listing requirements of Nasdaq.
- Risks relating to ownership of our common stock, including high volatility and dilution.

The risks and uncertainties included here are not exhaustive or necessarily in order of importance. Other sections of this report and other reports we file with the SEC include additional factors that could affect our business and financial performance, including discussed in "Part II – Item 1A. Risk Factors" to this Quarterly Report on Form 10-Q as well as the Risk Factors set forth in our 2023 10-K. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

In addition, certain information presented below is based on unaudited financial information. There can be no assurance that there will be no changes to this information once audited financial information is available. As a result, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this report. We will not undertake to update any forward-looking statement herein or that may be made from time to time on behalf of us.

Overview

We were formed in 2021 by Safe & Green Holdings Corp. ("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. We are focused on increasing our presence in markets with favorable job formation and a favorable demand/supply ratio for multifamily and/or single-family housing. 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. To date, we have generated minimal revenue and our activities have consisted mostly of the acquisition and entitlement of three properties, an investment in two entities that have acquired two properties to be further developed, entered into three joint ventures with the intention of developing properties in the Texas market and have invested in real-estate related AI assets and entities, as further described below.

We intend to develop the properties that we own and invest in from the proceeds of sales of our securities and 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.

In January 2024, we announced that we would strategically look to monetize our real estate holdings throughout 2024 by identifying markets where our land may have increased in value, as demonstrated by third-party appraisals. In connection with this strategy, we have entered into agreements to sell our St. Mary's site and our Lago Vista site. Additionally, we expect to subdivide our McLean property into buildable single family lots that can subsequently be sold to developers or developed internally.

Recently, we have entered two joint ventures with Milk & Honey LLC , Sugar Phase I LLC and Hacienda Olivia Phase II LLC, with the intention of developing green single-family homes in the Southern Texas market. To date, we have started construction on five single family homes in the Sugar Phase joint venture. The homes are expected to be delivered by the first quarter of 2025. We are currently developing 57 single family lots through our Hacienda Olivia joint venture and expect to begin vertical construction on those lots in the second quarter of 2025. We have also entered into a joint venture named Pulga Internacional with the intention of developing an eco-friendly commercial retail outlet.

Additionally, we acquired a majority interest in Majestic World Holdings LLC ("MWH") during the first quarter of 2024. MWH is a prop-tech company that has created an AI Software platform (the "AI Powered Platform"). The AI Powered Platform, which was launched in April 2024, aims to decentralize the real estate marketplace, creating an all-in-one solution that brings banks, institutions, home builders, clients, agents, vendors, gig workers, and insurers into a seamlessly integrated and structured AI-driven environment. In addition, we purchased all of the assets related to the A.I technology known as My Virtual Online Intelligent Assistant ("MyVONIA"). MyVONIA, an advanced artificial intelligence (AI) assistant, utilizes machine learning and natural language processing algorithms to provide users with human-like conversational interactions, tailored to their specific needs to help simplify daily tasks and improve productivity for individuals and businesses.

During the third quarter of 2024, we have generated minimal revenue and our primary source of funding has been from sales of debt and equity described in more detail below.

Recent Developments.

St. Mary's Site

On October 14, 2024, the Company entered into a Modification Agreement with Palermo Lender LLC ("Palermo"), effective as of October 2, 2024 (the "Modification Agreement"), to modify the Deed of Trust (the "Security Deed") securing the Company's promissory note issued to Palermo in the original principal amount of $148,300.00, as subsequently modified to increase the principal amount to $200,000.00, to extend the maturity date to March 1, 2025 and to change the interest rate from 10.99% with ACH to 11.99% without ACH.

On November 13th, 2024 we entered into an amendment to the Agreement of Sale (the "Second Amendment") that amends the closing date to November 15th, 2024 and increases the purchase price to $1,400,000 payable $439,328 in cash and $960,672 by the issuance of a promissory note to us. The promissory note will bear 10% interest per annum, provide for monthly interest payments and mature on March 15th, 2025 with the option to extend up to three times by paying $10,000 for each extension.

Contract for Sale of Lago Vista

On October 10, 2024, the Company retained the $45,000 of non-refundable earnest money pursuant to the terms of the Contract of Sale since the Buyer did not perform under their obligations.

As of November 13th, 2024 we are reviewing a Second Commercial Contract (the "Second Contract of Sale") with Lithe to sell our approximately 60-acre waterfront Lago Vista site in Lake Travis, Texas (the "Lago Vista Property") to Lithe for $6,500,000. The contract of sale provides for a closing date of December 20th, 2024 with no due diligence period and a $10,000 non-refundable earnest money deposit.

AI Platform Acquisition

On October 30th, 2024, the Company and the members of Majestic World Holdings ("MWH") entered into an amendment to the Membership Interest Purchase Agreement dated February 7, 2024. The amendment reduced the cash consideration for the purchase of MWH from $500,000.00 to $154,675. Members receiving less than $5,000 were to be paid their share of cash consideration by October 30th, 2024. Members receiving more than $5,000 shall be 50% of the consideration of each of October 30th, 2024 and December 1st, 2024 (the "Payment Date"). The exception is the Vikash Jain who shall be paid over a 12-month term. On the Payment Date the remaining 31.75% interest in MWH will be transferred to the Company. The amendment also stipulates those commercial notes totaling $337,226.29 will be cancelled and deemed satisfied in full and retired.

Credit Extension Agreement

On November 12th, 2024 the Company entered into Credit Extension Agreement (the "Extension") for the agreement with the Bryan Leighton Revocable Trust Dated December 13, 2023. The Extension extends the maturity date from September 1, 2024 to December 15th, 2024. The Company paid an extension fee of $8,750 dollars and issued an additional 2,500 shares of the Company's restricted common stock as consideration for the extension. The rate of interest also increased from 12% per annum to 14% per annum retroactive to September 1, 2024.

Nasdaq Notice

On April 16, 2024, we received a letter from the Listing Qualifications Department of The Nasdaq Stock Market LLC ("Nasdaq") stating that we were not in compliance with Nasdaq Listing Rule 5550(b)(1) (the "Rule") because our stockholders' equity of $1,887,777 as of December 31, 2023, as reported in our Annual Report on Form 10-K filed with the SEC on April 1, 2024, was below the minimum requirement of $2,500,000. Pursuant to Nasdaq's Listing Rules, we had 45 calendar days (until May 31, 2024), to submit a plan to evidence compliance with the Rule (a "Compliance Plan"). We submitted a Compliance Plan within the required time. On July 22, 2024, we received a letter from Nasdaq stating that based on the Quarterly Report on Form 10-Q that we filed with the Securities and Exchange Commission for the period ended March 31, 2024, and our submission to the Staff, dated May 29, 2024, it determined that we were in compliance with Nasdaq Listing Rule 5550(b)(1). The letter further stated that if we fail to evidence compliance with Nasdaq Listing Rule 5550(b)(1) upon filing our next periodic report we may be subject to delisting.

On August 26, 2024, we received a letter from Nasdaq stating that the Company was not in compliance with the Rule because the stockholders' equity of the Company of $2,018,263 as of June 30, 2024, as reported in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2024, was below the minimum requirement of $2,500,000.

Pursuant to Nasdaq's Listing Rules, we had 45 calendar days (until October 10, 2024), to submit a Compliance Plan. We submitted a Compliance Plan within the required time, although there can be no assurance that the Compliance Plan will be accepted by Nasdaq. If the Compliance Plan is accepted by Nasdaq, we will be granted an extension of up to 180 calendar days from August 26, 2024 to evidence compliance with the Rule. In the event the Compliance Plan is not accepted by Nasdaq, or in the event the Compliance Plan is accepted but we fail to evidence compliance within the extension period, we will have the right to a hearing before Nasdaq's Hearing Panel. The hearing request would stay any suspension or delisting action pending the conclusion of the hearing process and the expiration of any additional extension period granted by the panel following the hearing.

On October 22, 2024, the "Company, received a notice (the "Notification Letter") from the Listing Qualifications Department (the "Staff") of The Nasdaq Stock Market LLC notifying the Company that the Staff has determined that for 10 consecutive business days, from October 8, 2024 to October 21, 2024, the closing bid price of the Company's common stock has been at $1.00 per share or greater. Accordingly, the Staff has determined that the Company has regained compliance with Nasdaq Listing Rule 5550(a)(2) and has indicated that the matter is now closed.

Sugar Phase I Joint Venture

On July 23, 2024, we entered into a Joint Venture Agreement (the "JV Agreement") with Milk & Honey LLC, a Texas limited liability company ("Milk & Honey"), for the purpose of establishing a joint venture to be conducted under the name of Sugar Phase I LLC (the "Joint Venture") for the purpose of developing and constructing single-family homes (the "Project") on five parcels of land located in Edinburg Texas (the "Land"). We and Milk & Honey are each referred to as a "Joint Venturer" and collectively are referred to as the "Joint Venturers."

Pursuant to JV Agreement, we have agreed to contribute capital in the amount of $100,000 to the Joint Venture to be used for the development and construction of single-family homes on the Land, and Milk & Honey has agreed to contribute the Land, valued at $317,500, to the Joint Venture. The Joint Venturers shall make such other capital contributions required to enable the Joint Venture to carry out its purposes as set forth in the JV Agreement as the Joint Venturers may mutually agree upon. The Joint Venturers shall arrange for or provide any financing as may be required by the Joint Venture for carrying out the purposes of the Joint Venture.

The JV Agreement provides that we will have a 60% interest and Milk & Honey will have a 40% interest in the Joint Venture. In addition, it provides that net profits of the Joint Venture as they accrue will be distributed 45% to the Company and 55% to Milk & Honey, and that the expenses of the Joint Venture will be paid by the Joint Venturers, in the ratio which the contribution of each Joint Venturer bears to the total contributions.

Pursuant to Joint Venture in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Sugar Phase JV, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $1,100,000 or the Company shall make the final decision to break the deadlock.

Arena Investors LP Debentures

On August 12, 2024, the Company entered into a Securities Purchase Agreement, dated August 12, 2024 (the "Arena Purchase Agreement") with the purchasers named therein ("Arena Investors"), related to a private placement offering (the "Arena Offering") of up to five tranches of secured convertible debentures to Arena Investors in the aggregate principal amount of $10,277,777 (the "Arena Debentures") together with warrants to purchase a number of shares of the Company's common stock equal to 20% of the total principal amount of the Arena Debentures sold divided by 92.5% of the lowest daily VWAP (as defined in the Purchase Agreement) for the Company's common stock during the ten consecutive trading day period preceding the respective closing dates (the "Arena Warrants").

The closing of the first tranche was consummated on August 12, 2024 (the "First Closing Date") and the Company issued to Arena Investors 10% original issue discount secured convertible debentures in principal amount of $1,388,888.75 (the "First Closing Arena Debentures") and a warrant (the "First Closing Arena Warrants") to purchase up to 1,299,242 shares of the Company's common stock (64,962 as adjusted for the Stock Split). The First Closing Arena Debentures were sold to Arena Investors for a purchase price of $1,250,000, representing an original issue discount of ten percent (10%). In connection with the closing, the Company reimbursed Arena Investors $55,000 for its legal fees and expenses and placed $250,000 in escrow, to be released to the Company upon the First Registration Statement Effectiveness Date (as defined in the Purchase Agreement).

The First Closing Arena Debentures mature eighteen months from their date of issuance and bears interest at a rate of 0% per annum. The First Closing Arena Debentures are convertible, at the option of the holder, at any time, into such number of shares of common stock of the Company equal to the principal amount of the First Closing Arena Debentures plus all accrued and unpaid interest at a conversion price equal to the lesser of (i) $0.279 ($5.58 as adjusted for the Stock Split), and (ii) 92.5% of lowest daily volume weighted average price (VWAP) of the Company's common stock during the ten trading day period ending on such conversion date (the "Conversion Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions, and subject to a floor price of $0.04854 ($0.9704 as adjusted for the Stock Split).

The First Closing Arena Warrants expire five years from its date of issuance. The First Closing Arena Warrants are exercisable, at the option of the holder, at any time, for up to 1,299,242 of shares of the Company's common stock (64,962 as adjusted for the Stock Split) at an exercise price equal to $0.279 (the "Exercise Price") ($5.58 as adjusted for the Stock Split), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions that are subject to a floor price as set forth in the First Closing Arena Warrants. The First Closing Arena Warrants provide for cashless exercise under certain circumstances.

The Company entered into a Registration Rights Agreement, dated August 12, 2024 (the "RRA"), with Arena Investors where it agreed to file with the SEC an initial registration statement within 30 days to register the maximum number of Registrable Securities (as defined in the RRA) issuable under the First Closing Arena Debentures and the First Closing Arena Warrants as shall be permitted to be included thereon in accordance with applicable SEC rules and to use its reasonable best efforts to have the registration statement declared effective by the SEC no later than the "First Registration Statement Effectiveness Date", which is defined as the 30th calendar day following the First Closing Date (or, in the event of a "full review" by the SEC, no later than the 120th calendar day following the First Closing Date); provided, however, that if the registration statement will not be reviewed or is no longer subject to further review and comments, the First Registration Statement Effectiveness Date will be the fifth trading day following the date on which the Company is so notified if such date precedes the date otherwise required above.

Under the Arena Purchase Agreement, a closing of the second, third, fourth or fifth tranche together (the "Additional Tranches" may occur subject to the mutual written agreement of Arena Investors and the Company and satisfaction of the closing conditions set forth in the Purchase Agreement on the later (y) the fifth trading day following the First, Second, Third or Fourth Registration Statement Effectiveness Date (or if such day is not a trading day, on the next succeeding trading day) and (z) such date as the outstanding principal balance of the prior Arena Debenture issued is less than $100,000.00, unless the parties mutually agree in writing to consummate the second, third, fourth or fifth closing on a different date, upon which the Company would issue and sell to Arena Investors on the same terms and conditions a second, third, fourth or fifth 10% original issue discount secured convertible debentures each in the principal amount of $2,222,222 (the "Additional Closing Arena Debentures") and a warrant (the "Additional Closing Warrants") to purchase a number of shares of the Company's common stock equal to 20% of the total principal amount of the Additional Closing Arena Debentures divided by 92.5% of the lowest daily VWAP (as defined in the Purchase Agreement) for the common stock during the ten consecutive trading day period ended on the last trading day immediately preceding the closing of the additional tranches, provided the additional Closings are also contingent on the satisfaction of the following additional condition, unless waived mutually by the parties: the median daily turnover of the Company's common stock on its principal trading market for the thirty consecutive trading day period ended as of the last trading day immediately preceding the date of the proposed second Closing must be greater than $200,000, subject to a floor price.

The Additional Closing Arena Debentures would be sold to Arena Investors each for a purchase price of $2,000,000, representing an original issue discount of ten percent (10%). In connection with each closing of the additional tranches, the Company will enter into a registration rights agreement pursuant to which the Company will agree to register the maximum number of shares of the Company's common stock issuable under the Second, Third, Fourth or Fifth Closing Debentures and the Second, Third, Fourth, or Fifth Closing Arena Warrants as shall be permitted with terms substantially similar as the terms provided in the RRA. The Company also has agreed to reimburse Arena Investors for its legal fees and expenses related to such each closing.

Without giving effect to the Exchange Cap discussed below, assuming the Company issued all of the Arena Debentures and converted accrued interest in full on each of the Debentures into its common stock at the floor price (assuming each of such Arena Debentures accrued interest for a period one year), approximately 232,912,128 shares of the Company's common stock would be issuable upon conversion.

The Arena Purchase Agreement prohibits the Company from entering into a Variable Rate Transaction (other than the Arena ELOC described below) until such time as no Arena Debentures remain outstanding.

The Company entered into a Security Agreement, dated August 12, 2024 (the "Security Agreement"), with Arena Investors where it agreed to grant Arena Investors a security interest in all of its assets to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Arena Debentures. In addition, each of the Company's subsidiaries entered into a Guaranty Agreement, dated August 12, 2024 (the "Subsidiary Guaranty"), with Arena Investors pursuant to which they agreed to guarantee the prompt payment, performance and discharge in full of all of the Company's obligations under the Arena Debentures.

The Arena Purchase Agreement and the Registration Rights Agreement contain customary representations, warranties, agreements and conditions to completing future sale transactions, indemnification rights and obligations of the parties. Among other things, Arena Investors represented to the Company, that it is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act")), and the Company sold the securities in reliance upon an exemption from registration contained in Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder.

Arena Investors ELOC

On August 12, 2024 , the Company also entered into an Purchase Agreement (the "Arena ELOC") with Arena Business Solutions Global SPC II, LTD ("Arena Global"), pursuant to which the Company shall have the right, but not the obligation, to direct Arena Global to purchase up to $50,000,000.00 (the "Maximum Commitment Amount") in shares of the Company's common stock in multiple tranches upon satisfaction of certain terms and conditions contained in the Arena ELOC, which includes, but is not limited to, filing a registration statement with the SEC and registering the resale of any shares sold to Arena Global. Further, under the Arena ELOC and subject to the Maximum Commitment Amount, the Company has the right, but not the obligation, to submit an Advance Notice (as defined in the Arena ELOC) from time to time to Arena Global calculated as follows: (a) if the Advance Notice is received by 8:30 a.m. Eastern Time. the lower of: (i) an amount equal to seventy percent (70%) of the average of the Daily Value Traded (as defined in the Arena ELOC) of the Company's common stock on the ten trading days immediately preceding an Advance Notice, or (ii) $20 million, (b) if the Advance Notice is received after 8:30 a.m. Eastern Time but prior to 10:30 a.m. Eastern Time, the lower of (i) an amount equal to forty percent (40%) of the average of the Daily Value Traded of the Company's common stock on the ten trading days immediately preceding an Advance Notice, or (ii) $15 million, and (c) if the Advance Notice is received after 10:30 a.m. Eastern Time but prior to 12:30 p.m. Eastern Time, the lower of (i) an amount equal to twenty percent (20%) of the average of the Daily Value Traded of the Company's common stock on the ten trading days immediately preceding an Advance Notice, or (ii) $10 million.

During the Commitment Period (as defined below), the purchase price to be paid by Arena Investors for the common stock under the EP Agreement will be 96% of the Market Price, defined as the daily volume weighted average price (VWAP) of the Company's common stock, on the trading day commencing on the date of the Advance Notice.

In connection with the Arena ELOC, the Company agreed, among other things, to issue to Arena Global, in two separate tranches, as a commitment fee, that number of shares of its restricted common stock ("Commitment Fee Shares") equal to (i) with respect to the first tranche ("First Tranche"), 500,000 divided by the simple average of the daily VWAP of the common stock during the five trading days immediately preceding the effectiveness of the initial registration statement (the "Initial Registration Statement") on which the Commitment Fee Shares are registered (the "First Tranche Price"), promptly the effectiveness of the Registration Statement (the "Initial Issuance") and (ii) with respect to the second tranche ("Second Tranche"), 250,000 divided by the simple average of the daily VWAP of the Common Shares during the five trading days immediately preceding the three month anniversary (the "Anniversary") of the effectiveness of the registration statement on which the Commitment Fee Shares are registered (the "Second Tranche Price"), promptly after the Anniversary.

The Commitment Fee Shares shall be subject to a true-up after each issuance pursuant to which the Company shall issue to Arena Global common stock having an aggregate dollar value equal to (i) with respect to the First Tranche, 500,000 based on the lower of (A) the First Tranche Price and (B) the lower of (a) the simple average of the three lowest daily intraday trade prices over the twenty trading days after (and not including) the date of effectiveness of the Initial Registration Statement and (b) the closing price on the twentieth trading day after the effectiveness of the Registration Statement, and (ii) with respect to the Second Tranche, 250,000 based on the lower of (A) the Second Tranche Price and (B) the lower of (a) the simple average of the three lowest daily intraday trade prices over the twenty trading days after (and not including) the Anniversary and (b) the closing price on the twentieth trading day after the Anniversary.

In connection with the Arena ELOC, the Company agreed to file a registration statement registering the common stock issued or issuable to Arena Global under the Arena ELOC for resale with the SEC within 30 calendar days of the Arena ELOC.

The obligation of Arena Global to purchase the Company's common stock under the Arena ELOC begins on the date of the Arena ELOC, and ends on the earlier of (i) the date on which Arena Global shall have purchased common stock pursuant to the Arena ELOC equal to the Commitment Amount, (ii) thirty six (36) months after the date of the Arena ELOC or (iii) written notice of termination by the Company (the "Commitment Period"). The Arena ELOC contains customary representations, warranties, agreements and conditions to completing future sale transactions, indemnification rights and obligations of the parties. Among other things, Arena Global represented to the Company, that it is an "accredited investor" (as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and the Company will sell the securities in reliance upon an exemption from registration contained in Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder.

On August 30, 2024, the Company and Arena Global entered into an amendment (the "Amendment") to the purchase agreement dated August 12, 2024 (as amended, the "ELOC Purchase Agreement).

The Amendment revises the manner in which the Company's obligation to issue shares of the Company's common stock, par value $0.001 per share (the "Common Stock"), to Arena Global as a commitment fee is determined. The Amendment provides that the Company issue or cause to be issued to Arena Global, in two separate tranches, that number of Common Stock equal to (i) with respect to the first tranche (the "First Tranche"): 925,000 shares of Common Stock together with a warrant to purchase 1,075,000 shares of Common Stock, at an exercise price of $0.01 per share, (the "Warrant Shares" and together with the 925,000 shares of Common Stock issued to Arena Global, the "Initial Commitment Fee Shares") and (ii) with respect to the second tranche ("Second Tranche"), $250,000 divided by the simple average of the daily VWAP (as defined in the ELOC Purchase Agreement) of the Company's Common Stock during the five (5) trading days immediately preceding the three month anniversary (the "Anniversary") of the effectiveness of the registration statement on which the Initial Commitment Fee Shares are registered (the "Second Tranche Price"), promptly (but in no event later than one (1) trading day) after the Anniversary (the "Second Tranche Commitment Fee Shares," and together with the Initial Commitment Fee Shares, the "Commitment Fee Shares")."

The Amendment also has a provision that provides for the issuance of additional shares of Common Stock as commitment fee shares in the event the value of the Initial Commitment Fee Shares is less than $500,000 measured during a specified period and the value of the Second Tranche Commitment Fee Shares is less than $250,000 measured during a specified period.

In addition, the Amendment adjusts the Company's obligation related to registering the resale of shares of the Company's Common Stock issued or issuable pursuant to the ELOC Purchase Agreement. The Amendment provides that the Company will (i) register the resale of the Initial Commitment Fee Shares as soon as practicable and (ii) prepare and file a registration statement registering the Common Stock issuable to Arena Global under the equity line pursuant to the ELOC Purchase Agreement and the Commitment Fee Shares (to the extent then outstanding or issuable pursuant to a then outstanding convertible security) for resale as soon as practicable following the earlier of (A) the Company filing an amendment to its amended and restated certificate of incorporation to increase the number of shares of Common Stock authorized for issuance, or (B) the Company effecting a reverse stock split of its Common Stock.

On September 19, 2024, the Company and Arena Special Opportunities Partners II, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Partners III, LP, and Arena Special Opportunities Fund, LP (collectively, the "Arena Investors") entered into a Global Amendment to 10% Original Issue Discount Secured Convertible Debentures (the "Amendment"). The Amendment amends the interest provision of the debentures issued on August 12, 2024 (the "First Closing Debentures") to the Arena Investors. The First Closing Debentures were issued together with warrants (the "First Closing Warrants") to purchase up to 1,299,242 shares of the Company's common stock pursuant to a Securities Purchase Agreement, dated August 12, 2024 (the "SPA") between the Company and the Arena Investors. The SPA related to a private placement offering of up to five secured convertible debentures to the Arena Investors in the aggregate principal amount of $10,277,777 together with warrants to purchase a number of shares of the Company's common stock equal to 20% of the total principal amount of the Debentures sold divided by 92.5% of the lowest daily VWAP (as defined in the SPA) for the Company's common stock during the ten consecutive trading day period preceding the respective closing dates.

Pursuant to the Amendment, the First Closing Debentures bear interest at a rate of 10% per annum paid-in-kind ("PIK Interest") unless there is an event of default under the applicable First Closing Debenture. The PIK Interest shall be added to the outstanding principal amount of the applicable First Closing Debenture on a monthly basis as additional principal obligations thereunder for all purposes thereof (including the accrual of interest thereon at the rates applicable to the principal amount generally). Upon the occurrence and during the continuance of an event of default under the applicable First Closing Debenture, interest shall accrue on the outstanding principal amount of such First Closing Debenture at the rate of two percent (2%) per month and such default interest shall be due and payable monthly in arrears in cash on the first of each month following the occurrence of any event of default for default interest accrued through the last day of the prior month.

The ELOC Agreement referenced above provides that the Company shall have the right, but not the obligation, to direct Arena Global to purchase up to $50.0 million in shares of the Company's common stock. Pursuant to the ELOC Agreement, the Company issued 925,000 commitment shares together with a warrant (the "Arena Global Warrant") to purchase 1,075,000 shares of the Company's common stock, at an exercise price of $0.01 per share (the "Commitment Fee Warrant Shares" and together with the 925,000 shares of Common Stock issued to Arena Global, the "Initial Commitment Fee Shares").

Hacienda Olivia Phase II Joint Venture

On October 1, 2024, the Company entered into a Joint Venture Agreement (the "JV Agreement") with Milk & Honey LLC, a Texas limited liability company ("Milk & Honey"), for the purpose of establishing a joint venture to be conducted under the name of Hacienda Olivia Phase II LLC (the "Joint Venture") for the purpose of developing and constructing a single family homes (the "Project") on fifty-seven (57) lots of land located in Hidalgo County, Texas (the "Land"). Each of the Company and Milk & Honey are referred to as a "Joint Venturer" and collectively are referred to as the "Joint Venturers." The Company is the manager of the Joint Venture.

Pursuant to JV Agreement, the Company has agreed to contribute $10,000 to the Joint Venture as an initial capital contribution for the specific purpose of satisfying the existing mortgage on the Land, and Milk & Honey has agreed to contribute the Land to the Joint Venture.

The JV Agreement provides that the Company will have a 60% interest and Milk & Honey will have a 40% interest in the Joint Venture. In addition, it provides that Milk & Honey will receive $39,000 for each lot of land sold by the Joint Venture, and that after the payment of such amount, net profits of the Joint Venture will be distributed 50% to the Company and 50% to Milk & Honey, and that all losses and disbursements in acquiring, holding and protecting the business interest and the net profits of the Joint Venture will be paid by the Joint Venturers, in the ratio which the contribution of each Joint Venturer bears to the ownership interest in the Joint Venture.

Pursuant to Joint Venture in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Sugar Phase JV, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $2,823,000 or the Company shall make the final decision to break the deadlock.

Arena Investors Second Tranche

On October 25, 2024, Safe and Green Development Corporation (the "Company") closed the second tranche of its private placement offering (the "Offering") with Arena Special Opportunities Partners II, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Partners III, LP, and Arena Special Opportunities Fund, LP (collectively, the "Arena Investors") under a Securities Purchase Agreement, dated August 12, 2024, as amended on August 30, 2024 (the "Purchase Agreement"), between the Company and the Arena Investors, pursuant to which the Company issued 10% convertible debentures (the "Second Closing Debentures") in the aggregate principal amount of Two Million Two Hundred Twenty-Two Thousand Two Hundred and Twenty-Two Dollars ($2,222,222) to the Arena Investors and warrants (the "Second Closing Warrants") to purchase up to 170,892 shares (the "Warrant Shares") of the Company's common stock, $0.001 par value per share (the "Common Stock").

The Second Closing Debentures were sold to the Arena Investors for a purchase price of $2,000,000, representing an original issue discount of ten percent (10%). The Second Closing Debentures mature eighteen months from their date of issuance and bears interest at a rate of 10% per annum paid-in-kind ("PIK Interest"), unless there is an event of default under the applicable Second Closing Debenture. The PIK Interest shall be added to the outstanding principal amount of the applicable Second Closing Debenture on a monthly basis as additional principal obligations thereunder for all purposes thereof (including the accrual of interest thereon at the rates applicable to the principal amount generally). Each Second Closing Debenture is convertible, at the option of the holder, at any time, into such number of shares of our Common Stock equal to the principal amount of such Second Closing Debenture plus all accrued and unpaid interest at a conversion price equal to the lesser of (i) $3.48, and (ii) 92.5% of lowest daily volume weighted average price (VWAP) of our Common Stock during the ten trading day period ending on such conversion date (the "Conversion Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations and similar events, as well as anti-dilution price protection provisions, and subject to a floor price of $0.90 (subject to proportional adjustment for stock splits). Based upon the floor price, the maximum number of shares issuable upon conversion of the Second Closing Debentures is 3,268,197 shares of Common Stock. In connection with the closing of the second tranche, the Company reimbursed Arena Investors $10,000 for its legal fees and expenses.

The Second Closing Warrants expire five years from their date of issuance. The Second Closing Warrants are exercisable, at the option of the holder, at any time, for up to 170,892 shares of the Company's Common Stock at an exercise price equal to $3.476 (the "Exercise Price"), subject to adjustment for any stock splits, stock dividends, recapitalizations, and similar events, as well as anti-dilution price protection provisions. The Second Closing Warrants provide for cashless exercise under certain circumstances.

The Company entered into a Registration Rights Agreement, dated October 25, 2024 (the "RRA"), with the Arena Investors where it agreed to file with the Securities and Exchange Commission (the "SEC") an initial registration statement within 30 days to register the maximum number of Registrable Securities (as defined in the RRA) issuable under the Second Closing Debentures and the Second Closing Warrants as shall be permitted to be included thereon in accordance with applicable SEC rules and to use its reasonable best efforts to have the registration statement declared effective by the SEC no later than the "Second Registration Statement Effectiveness Date", which is defined in the Purchase Agreement as the 30th calendar day following the Second Closing Date (or, in the event of a "full review" by the SEC, no later than the 120th calendar day following the Second Closing Date); provided, however, that if the registration statement will not be reviewed or is no longer subject to further review and comments, the Second Registration Statement Effectiveness Date will be the fifth trading day following the date on which the Company is so notified if such date precedes the date otherwise required above.

On October 31, 2024, the Company and the Arena Investors entered into a Global Amendment No. 2 (the "Amendment") to the 10% Original Issue Discount Secured Convertible Debentures issued on August 12, 2024, as amended (the "First Closing Debentures"). Pursuant to the Amendment, the parties to the First Closing Debentures, in order to comply with Nasdaq rules, amended the First Closing Debentures to provide that the Floor Price was set at a fixed price subject to proportional adjustment for stock splits and deleted the prior language which allowed for the floor price to be reduced upon the written consent of the Company and the holder.

Results of Operations for the Three Months Ended September 30, 2024 and Three Months Ended September 30, 2023

The following table sets forth, for the periods indicated, the dollar value represented by certain items in our Statements of Operations:

	For the Three Months Ended September 30, 2024	For the Three Months Ended September 30, 2023
Sales	$ 81,210	$ -
Total Payroll and related expenses	521,305	228,779
Total Other operating expenses	950,668	355,208
Operating loss	$ (1,399,763)	(583,987)
Interest expense	(951,239)	(339,877)
Other income	-	321
Net loss	$ (2,342,002)	$ (923,543)

Sales

During the three months ended September 30, 2024 we generated revenues from commissions on residential real estate purchases and sale transactions amounting to $81,210. There were no sales for the three months ended September 30, 2023. This was due to the new lines of business entered into during 2024.

Payroll and Related Expenses

Payroll and related expenses for the three months ended September 30, 2024 were $521,305 compared to $228,779 for the three months ended September 30, 2023. This increase of $292,526 in expenses resulted primarily from stock-based compensation of $58,222 being recognized during the three months ended September 30, 2024, as well as increased salaries during 2024.

Other Operating Expenses (General and administrative expenses and marketing and business development expenses)

Other operating expenses for three months ended September 30, 2024 were $950,668 compared to $355,208 for the three months ended September 30, 2023. During the three months ended September 30, 2023, these expenses were primarily allocated to us by SG Holdings and consisted of legal fees, professional fees, rent, office expenses, insurance and other general and administrative expenses. During the three months ended September 30, 2024, these expenses were primarily professional and consulting fees. This increase of $595,460 resulted primarily from the increased cost of professional fees in relation of being a public company.

Interest Expense

During the three months ended September 30, 2024 and 2023, we incurred $951,239 and $339,877 of interest expense. This increase resulted from an increase in the balance of our notes payable.

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.

Results of Operations for the Nine Months Ended September 30, 2024 and Nine Months Ended September 30, 2023

The following table sets forth, for the periods indicated, the dollar value represented by certain items in our Statements of Operations:

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Sales	$ 173,188	$ -
Total Payroll and related expenses	3,133,037	898,876
Total Other operating expenses	1,835,562	902,488
Operating loss	$ (4,795,411)	(1,801,364)
Interest expense	(2,583,053)	(814,922)
Other income	-	321
Net loss	$ (7,378,464)	$ (2,615,965)

Sales

During the nine months ended September 30, 2024 we generated revenues from commissions on residential real estate purchases and sale transactions amounting to $173,188. There were no sales for the nine months ended September 30, 2023. This was due to the new lines of business entered into during 2024.

Payroll and Related Expenses

Payroll and related expenses for the nine months ended September 30, 2024 were $3,133,037 compared to $898,876 for the nine months ended September 30, 2023. This increase of $2,234,161 in expenses resulted primarily from stock-based compensation of $1,990,170 being recognized during the nine months ended September 30, 2024.

Other Operating Expenses (General and administrative expenses and marketing and business development expenses)

Other operating expenses for nine months ended September 30, 2024 were $1,835,562 compared to $902,488 for the nine months ended September 30, 2023. During the nine months ended September 30, 2023, these expenses were primarily allocated to us by SG Holdings and consisted of legal fees, professional fees, rent, office expenses, insurance and other general and administrative expenses. During the nine months ended September 30, 2024, these expenses were primarily professional and consulting fees. This increase of $933,074 resulted primarily from the increased cost of professional fees in relation of being a public company.

Interest Expense

During the nine months ended September 30, 2024 and 2023, we incurred $2,583,053 and $814,922 of interest expense. This increase resulted from an increase in the balance of our notes payable.

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.

Liquidity and Capital Resources

We have generated limited revenue and have incurred significant net losses in each year since inception. For the nine months ended September 30, 2024 and the year ended December 31, 2023 we incurred a net loss of $7,378,464 and $4,200,541, respectively. We expect to incur increasing losses in the future when we commence development of our McLean Property. As of September 30, 2024 and December 31, 2023, we had cash of $13,707 and $3,236, respectively. Prior to us becoming a public company, our operations were primarily funded through advances from SG Holdings and we had been largely dependent upon SG Holdings for funding. We have recently funded our operations through bridge note financing, project level financing, and the issuance of our equity and debt securities. We intend to develop the properties that we own from the proceeds of sales of our securities to Arena Investors LP and future financings, both at the corporate and project level, and/or sale proceeds from properties that are sold. Additional financing will be required to continue operations, which may not be available at acceptable terms, if at all. If we are unable to obtain additional funding when it becomes necessary, we would likely be forced to delay, reduce, or terminate some or all of our operating activities, including selling some of our properties. There is no guarantee we will be successful in raising capital outside of our current sources, we also have amounts owed to us from SG Holdings for advances we made to them in the amount of $1,720,844, the collectability of which is uncertain. These and other factors raise substantial doubt about our ability to continue as a going concern.

Financing Activities

SG Holdings. As of December 31, 2023, $1,720,844 is due from SG Holdings for advances made by us, which we have written off due to the financial position of SG Holdings.

BCV Loan Agreement. On June 23, 2023, we entered into the BCV Loan Agreement with BCV S&G DevCorp, a Luxembourg-based specialized investment fund, to receive up to $2,000,000 as a secured loan. To date, we have received $1,750,000 as a secured loan from BCV S&G DevCorp. The loan matures on December 1, 2024 and is secured by 1,999,999 of SG Holdings' shares of our common stock (100,000 as adjusted for the Stock Split), which were pledged pursuant to an escrow agreement with our transfer agent. The BCV Loan Agreement provides that the loan provided thereunder will bear interest at 14% per annum. The loan may be repaid by us at any anytime following the twelve-month anniversary of its issue date.

Lago Vista Financing. On July 14, 2021, we issued a Real Estate Lien Note, dated July 14, 2021, in the principal amount of $2,000,000 (the "Short Term 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 $1,945,234 after fees. This Short-Term 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 Short-Term Note") also secured by a Deed of Trust on the Lake Travis project site in Lago Vista, Texas. The Second Short-Term Note originally matured on January 14, 2023, which maturity date was extended until February 1, 2024.

On March 31, 2023, LV Holding, pursuant to a Loan Agreement, dated March 30, 2023 (the "Loan Agreement"), issued a promissory note, in the principal amount of $5,000,000 (the "LV Note"), secured by a Deed of Trust and Security Agreement, dated March 30, 2023 (the "Deed of Trust") on our Lake Travis project site in Lago Vista, Texas, a related Assignment of Contract Rights, dated March 30, 2023 ("Assignment of Rights"), on our project site in Lago Vista, Texas and McLean site in Durant, Oklahoma and a Mortgage, dated March 30, 2023 ("Mortgage"), on our site in Durant, Oklahoma. The LV Note requires monthly installments of interest only, is due on April 1, 2024 and bears interest at the prime rate as published in the Wall Street Journal (currently 8.0%) plus five and 50/100 percent (5.50%), currently equaling 13.5%; provided that in no event will the interest rate be less than a floor rate of 13.5%. The LV Holding obligations under the LV Note have been guaranteed by us pursuant to a Guaranty, dated March 30, 2023 (the "Guaranty"), and may be prepaid by LV Holding at any time without interest or penalty. The net loan proceeds were approximately $1,337,000, after loan commission fees of $250,000, broker fees of $125,000, the escrow of a 12-month $675,000 interest reserve, other closing fees and the repayment of the Short-Term Note and Second Short-Term Note.

On April 3, 2024, LV Holding entered into a Modification and Extension Agreement, to extend to April 1, 2025 the maturity date of the LV Note. As consideration for the Extension Agreement, LV Holding agreed to pay an extension fee of $50,000.00. Additionally, the Extension Agreement provides for the LV Note's interest rate to be increased to a fixed rate of 17.00%. In addition, pursuant to the 2nd Lien Loan Agreement, LV Holding issued a promissory note, in the principal amount of $1,000,000 (the "2nd Lien Note"), secured by the Revised Deed of Trust on the Lago Vista site, and Mortgage Modification, to the mortgage, dated March 30, 2023, on the Company's McLean site in Durant, Oklahoma. The 2nd Lien Note is subordinate to the LV Note. The 2nd Lien Note requires monthly installments of interest only, is due in full on April 1, 2025, bears interest at fixed rate of 17.00% and may be prepaid by LV Holding at any time without interest or penalty. LV Holding's obligations under the 2nd Lien Note have been guaranteed by the Company.

St. Mary's Financing. In connection with the purchase of the St. Mary's Site, we entered into a promissory note in the amount of $148,300. The secured note on the St. Mary's Site had a maturity date of September 1, 2023, subject to our right to extend for 6 months upon payment 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. During August 2023, such note was extended for a one-year period. This note could be prepaid without penalty. In addition, at the time of payment in full of the note, we 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. On March 7, 2024, the Company entered into a modification agreement to the promissory note to increase the loan amount to $200,000.On October 14, 2024, the Company entered into a Modification Agreement effective as of October 2, 2024 to modify the Deed of Trust securing the Company's promissory note issued to Palermo extend the maturity date to March 1, 2025 and to change the interest rate from 10.99% with ACH to 11.99% without ACH.

Peak One Private Placement. On November 30, 2023, we entered into a Securities Purchase Agreement with Peak One pursuant to which we issued, in a private placement offering the following securities in three tranches: (i) first tranche: an 8% convertible debenture in the principal amount of $700,000, a warrant to purchase up to 350,000 shares of our common stock and 100,000 of our restricted common stock (5,000 as adjusted for the Stock Split) as commitment shares, (ii) second tranche: an 8% convertible debenture in the principal amount of $250,000, a warrant to purchase up to 125,000 shares of our common stock and 35,000 of our restricted common stock (1,750 as adjusted for the Stock Split) as commitment shares, and (iii) third tranche: an 8% convertible debenture in the principal amount of $250,000, a warrant to purchase up to 125,000 shares of our common stock (6,250 as adjusted for the Stock Split) and 35,000 of our restricted common stock (1,7500 as adjusted for the Stock Split) as commitment shares. During the three months ended March 31, 2024, the balance of $700,000 from the first tranche debenture was converted into 1,098,904 shares of common stock (54,495 as adjusted for the Stock Split) and we issued 305,831 shares of our common stock in connection with the exercise, in full, of the first tranche warrant, on a cashless basis.

On April 29, 2024, we entered into the April 2024 Purchase Agreement with Peak One, pursuant to which we agreed to issue, in the April 2024 Offering upon the satisfaction of certain conditions specified in the April 2024 Purchase Agreement, three debentures to Peak One in the aggregate principal amount of $1,200,000. The closing of the first tranche was consummated on April 29, 2024 and the Company issued securities including an 8% convertible debenture in principal amount of $350,000.00 to Peak One and a warrant to purchase up to 262,500 shares of the Company's common stock (13,125 as adjusted for the Stock Split), to Peak One's designee. On May 24, 2024, we closed the second tranche of our private placement offering with Peak One under the April 2024 Purchase Agreement , as amended between the Company and issued an 8% convertible debenture in principal amount of $350,000.00to Peak One and a warrant to purchase up to 262,500 shares of our common stock (13,125 as adjusted for the Stock Split). The Second Debenture was sold to Peak One for a purchase price of $315,000, representing an original issue discount of ten percent (10%). The Second Debenture matures twelve months from its date of issuance and bears interest at a rate of 8% per annum payable on the maturity date. Common Stock See "Recent Developments-The Peak One Transactions" for additional information regarding transactions with Peak One.

ELOC. On November 30, 2023, we also entered into an Equity Purchase Agreement with Peak One, pursuant to which we have the right, but not the obligation, to direct Peak One to purchase up to $10,000,000 in shares of our common stock in multiple tranches. Pursuant to the terms of the Equity Purchase Agreement, we issued 100,000 shares of our common stock as commitment shares. To date, we have issued 986,000 shares of our common stock (49,300 as adjusted for the Stock Split) pursuant to the terms of the Equity Purchase Agreement for approximately $757,970. Accordingly, we currently have the right, but not the obligation, to direct Peak One to purchase up to $9,242,031 in shares of our common stock pursuant to the Equity Purchase Agreement. On August 19th, 2024 we terminated the ELOC with Peak One.

Credit Agreement. On March 1, 2024, we entered into a Credit Agreement with the Bryan Leighton Revocable Trust Dated December 13th, 2023 pursuant to which the Lender agreed to provide us with a Line of Credit up to the maximum amount of $250,000 from which the Company may draw down, at any time and from time to time, during the term of the Line of Credit. The "Maturity Date" of the Line of Credit is September 1, 2024. At any time prior to the Maturity Date, upon mutual written consent of us and the Lender, the Maturity Date may be extended for up to an additional six-month period. The advanced and unpaid principal of the Line of Credit from time to time outstanding will bear interest at a Fixed Rate per annum equal to 12.0%. On the first day of each month, we will pay to the Lender interest, in arrears, on the aggregate outstanding principal indebtedness of the Line of Credit at the Fixed Rate. The entire principal indebtedness of the Line of Credit and any accrued interest thereon will be due and payable on the Maturity Date. In consideration for the extension of the Line of Credit, we issued 154,320 shares of the Company's restricted common stock (7,716 as adjusted for the Stock Split) to Lender. During the nine months ended September 30, 2024, we drew down $250,000 from the Line of Credit. On November 1st, 2024 the Company entered into Credit Extension Agreement (the "Extension") for the agreement with the Bryan Leighton Revocable Trust Dated December 13, 2023. The Extension extends the maturity date from September 1, 2024 to December 15th, 2024. The Company paid an extension fee of $8,750 dollars and issued an additional 2,500 shares of the Company's restricted common stock as consideration for the extension. The rate of interest also increased from 12% per annum to 14% per annum retroactive to September 1, 2024.

Arena Private Placement. On August 12, 2024, the Company entered into a Securities Purchase Agreement, dated August 12, 2024 (the "Arena Purchase Agreement") with the purchasers named therein ("Arena Investors"), related to a private placement offering (the "Arena Offering") of up to five tranches of secured convertible debentures to Arena Investors in the aggregate principal amount of $10,277,777 (the "Arena Debentures") together with warrants to purchase a number of shares of the Company's common stock equal to 20% of the total principal amount of the Arena Debentures sold divided by 92.5% of the lowest daily VWAP (as defined in the Purchase Agreement) for the Company's common stock during the ten consecutive trading day period preceding the respective closing dates (the "Arena Warrants").

The closing of the first tranche was consummated on August 12, 2024 (the "First Closing Date") and the Company issued to Arena Investors 10% original issue discount secured convertible debentures in principal amount of $1,388,888.75 (the "First Closing Arena Debentures") and a warrant (the "First Closing Arena Warrants") to purchase up to 1,299,242 shares of the Company's common stock (64,962 as adjusted for the Stock Split). The First Closing Arena Debentures were sold to Arena Investors for a purchase price of $1,250,000, representing an original issue discount of ten percent (10%). In connection with the closing, the Company reimbursed Arena Investors $55,000 for its legal fees and expenses and placed $250,000 in escrow, to be released to the Company upon the First Registration Statement Effectiveness Date (as defined in the Purchase Agreement).

On October 25, 2024, Safe and Green Development Corporation (the "Company") closed the second tranche of its private placement offering (the "Offering") with Arena Special Opportunities Partners II, LP, Arena Special Opportunities (Offshore) Master, LP, Arena Special Opportunities Partners III, LP, and Arena Special Opportunities Fund, LP (collectively, the "Arena Investors") under a Securities Purchase Agreement, dated August 12, 2024, as amended on August 30, 2024 (the "Purchase Agreement"), between the Company and the Arena Investors, pursuant to which the Company issued 10% convertible debentures (the "Second Closing Debentures") in the aggregate principal amount of Two Million Two Hundred Twenty-Two Thousand Two Hundred and Twenty-Two Dollars ($2,222,222) to the Arena Investors and warrants (the "Second Closing Warrants") to purchase up to 170,892 shares (the "Warrant Shares") of the Company's common stock, $0.001 par value per share (the "Common Stock").

Arena ELOC. On August 12, 2024 , the Company also entered into an Purchase Agreement (the "Arena ELOC") with Arena Business Solutions Global SPC II, LTD ("Arena Global"), pursuant to which the Company shall have the right, but not the obligation, to direct Arena Global to purchase up to $50,000,000.00 (the "Maximum Commitment Amount") in shares of the Company's common stock in multiple tranches upon satisfaction of certain terms and conditions contained in the Arena ELOC, which includes, but is not limited to, filing a registration statement with the SEC and registering the resale of any shares sold to Arena Global. Accordingly, we currently have the right, but not the obligation, to direct Arena Global to purchase up to $50,000,000.00 of our common stock.

Cash Flow Summary

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Net cash provided by (used in):		
Operating activities	$ (1,545,078)	$ (4,553,095)
Investing activities	(240,551)	(81,819)
Financing activities	1,796,100	4,667,559
Net increase in cash and cash equivalents	$ 10,471	$ 32,645

Operating activities used net cash of $1,545,078 during the nine months ended September 30, 2024, and used cash of $4,553,095 during the nine months ended September 30, 2023. Cash used in operating activities decreased by $3,008,017 due to an increase of net loss of $4,762,499, depreciation of $1,724, increase in amortization of debt issuance cost of $1,450,127, stock based compensation of $1,990,170, common stock for services of $784,692, increase change in prepaid assets of $788,583, a decrease in change in accounts payable of $530,324 and an increase in due to affiliates of $2,010,627.

Investing activities used net cash of $240,551 during the nine months ended September 30, 2024, and $81,819 net cash during the nine months ended September 30, 2023, which is a decrease in cash used of $158,732. This change results from a decrease in assets held for sale of $3,535, an increase of cash acquired from a business combination of $1,082, increase in intangible assets of $187,521, decrease in the purchase of computers and software of $2,803, an increase in project pre-development costs of $30,900, and a decrease in equity-based investments of $42,662.

Cash provided from financing activities was $1,796,100 during the nine months ended September 30, 2024, which resulted from $1,509,852 debt issuance costs paid, increased by $3,081,489 proceeds from short-term note payable, $526,256 in repayments of short-term notes payable and $750,719 from issuance of common stock. Cash provided from financing activities was $4,667,559 during the nine months ended September 30, 2023, which resulted from $441,825 debt issuance costs paid, increased by $6,650,000 proceeds from short-term note payable, decreased by $2,500,000 from issuance of common stock, and increased by $959,384 contributions from SG Holdings.

Off-Balance Sheet Arrangements

As of September 30, 2024 and December 31, 2023, 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 nine months ended September 30, 2024 and the year ended December 31, 2023 included elsewhere in this Form 10-Q. 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, 2024 and the year ended December 31, 2023, 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, 2024.

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. In addition, during 2024, through its JV Agreements, the Company acquired land with a value of $482,395 in Texas.

Project Development Costs – Project development costs are stated at cost. At September 30, 2024 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.

Assets Held For Sale – During 2023, 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 $824,231, the book value is now $4,400,361.

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.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of our disclosure controls and procedures, as such term is defined in Exchange Act Rule 13a-1I). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures, as defined in Rule 13-15(e), were ineffective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the fiscal quarter ended September 30, 2024, other than the material weakness discussed below, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Material Weakness

During the course of the review of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, we identified a material weakness in our controls relating to the ineffective design of certain management review controls across a portion of the Company's financial statements. Specifically, the controls related to the review of internal and externally prepared reports and analysis utilized in the financial reporting process of outside consultants that aid in the preparation of our financial statements.

In order to remediate these material weaknesses, we added four more external consultants to assist in the preparation of our financial statements.

We are committed to maintaining a strong internal control environment and implementing measures designed to help ensure that control deficiencies contributing to the material weaknesses are remediated as soon as possible.

Notwithstanding the material weaknesses described above, management has concluded that the consolidated financial statements included in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The information included in "Note 11 - Commitments and Contingencies" of our condensed consolidated financial statements included elsewhere in this Quarterly Report Form 10-Q is incorporated by reference into this Item.

ITEM 1A. Risk Factors

Except as set forth below, there have been no material changes in our risk factors from the risks previously reported in Part 1, Item 1A, "Risk Factors" of our 2023 10-K. You should carefully consider the factors discussed in Form 10-K, which could materially affect our business, financial condition or future results. The risks described in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

Our auditors have expressed substantial doubt about our ability to continue as a going concern.

We have generated limited revenue and have incurred significant net losses in each year since inception. For the nine months ended September 30, 2024, we incurred a net loss of $7,378,464 as compared to a net loss of $2,615,965 for the nine months ended September 30, 2023. We expect to incur increasing losses in the future when we commence development of our McLean Property. 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. In addition, we can provide no assurance that we will be able to collect amounts owed to us from SG Holdings and have taken a reserve against the $1,720,844 owed to us by SG Holdings, which is included in additional paid-in capital. 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. A significant portion of our funding was historically provided by SG Holdings. 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.

We identified a material weakness in our internal control over financial reporting and determined that our disclosure controls and procedures were ineffective as of June 30, 2024. In the future, we may identify additional material weaknesses or otherwise fail to maintain an effective system of internal control over financial reporting or adequate disclosure controls and procedures, which may result in material errors in our financial statements or cause us to fail to meet our period reporting obligations.

Management and our Audit Committee, in consultation with M&K CPAS PLLC ("M&K"), our independent registered public accounting firm, determined that there was a material weakness in our internal controls as of September 30, 2024. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, our management is required to report on the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. Annually, we perform activities that include reviewing, documenting and testing our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. If we fail to achieve and maintain an effective internal control environment, we could suffer misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could result in significant expenses to remediate any internal control deficiencies and lead to a decline in our stock price.

We cannot provide assurance that we have identified all, or that we will not in the future have additional, material weaknesses in our internal control over financial reporting. As a result, we may be required to implement further remedial measures and to design enhanced processes and controls to address deficiencies. If we do not effectively remediate the material weaknesses identified by management and maintain adequate internal controls over financial reporting in the future, we may not be able to prepare reliable financial reports and comply with our reporting obligations under the Exchange Act on a timely basis. Any such delays in the preparation of financial reports and the filing of our periodic reports may result in a loss of public confidence in the reliability of our financial statements, which, in turn, could materially adversely affect our business, the market value of our common stock and our access to capital markets.

Our failure to meet the continued listing requirements of the Nasdaq could result in a de-listing of our common stock.

On April 16, 2024, we received a letter from Nasdaq stating that we were not in compliance with Nasdaq Listing Rule 5550(b)(1) (the "Rule") because our stockholders' equity of $1,887,777 as of December 31, 2023, as reported in our Annual Report on Form 10-K filed with the SEC on April 1, 2024, was below the minimum requirement of $2,500,000. Pursuant to Nasdaq's Listing Rules, we had 45 calendar days (until May 31, 2024), to submit a plan to evidence compliance with the Rule (a "Compliance Plan"). We submitted a Compliance Plan within the required time. On July 22, 2024, we received a letter from Nasdaq stating that based on the Quarterly Report on Form 10-Q that we filed with the Securities and Exchange Commission for the period ended March 31, 2024, and our submission to the Staff, dated May 29, 2024, it determined that we were in compliance with Nasdaq Listing Rule 5550(b)(1). The letter further stated that if we fail to evidence compliance with Nasdaq Listing Rule 5550(b)(1) upon filing our next periodic report we may be subject to delisting.

On August 26, 2024, we received a letter from Nasdaq stating that the Company was not in compliance with the Rule because the stockholders' equity of the Company of $2,018,263 as of June 30, 2024, as reported in the Company's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2024, was below the minimum requirement of $2,500,000.

Pursuant to Nasdaq's Listing Rules, we had 45 calendar days (until October 10, 2024), to submit a Compliance Plan. We submitted a Compliance Plan within the required time, although there can be no assurance that the Compliance Plan will be accepted by Nasdaq. If the Compliance Plan is accepted by Nasdaq, we will be granted an extension of up to 180 calendar days from August 26, 2024 to evidence compliance with the Rule. In the event the Compliance Plan is not accepted by Nasdaq, or in the event the Compliance Plan is accepted but we fail to evidence compliance within the extension period, we will have the right to a hearing before Nasdaq's Hearing Panel. The hearing request would stay any suspension or delisting action pending the conclusion of the hearing process and the expiration of any additional extension period granted by the panel following the hearing.

We intend to monitor our stockholders' equity and, if appropriate, consider further available options to evidence compliance with the stockholders' equity requirement.

On April 25, 2024, we received written notice from Nasdaq notifying us that for the preceding 30 consecutive business days (March 14, 2024 through April 24, 2024), our Common Stock did not maintain a minimum closing bid price of $1.00 ("Minimum Bid Price Requirement") per share as required by Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we were provided a 180-calendar day period, or until October 22, 2024, to regain compliance with the minimum bid price requirement. To regain compliance with the Nasdaq Listing Rules, following stockholder approval at our 2024 Annual Meeting of Stockholders held on July 2, 2024, we effected a reverse stock split at a ratio of one (1) to twenty (20) on October 8, 2024, at which time our Common Stock began trading on a post-split basis.

On October 22, 2024, we received a notification letter (the "Notification Letter") from Nasdaq, informing us that we have regained compliance with the Minimum Bid Price Requirement set forth in Nasdaq Listing Rule 5550(a)(2). To regain compliance with the Minimum Bid Price Requirement, the closing bid of our shares of common stock needed to be at least $1.00 per share for a minimum of ten (10) consecutive business days. The Notification Letter confirmed that we achieved a closing bid price of $1.00 or greater per common share for ten (10) consecutive business days from October 8, 2024 to October 21, 2024, thereby regaining compliance with the Minimum Bid Price Requirement.

If we fail to meet any of Nasdaq's listing standards, our Common Stock will be subject to delisting. If that were to occur, our Common Stock would be subject to rules that impose additional sales practice requirements on broker-dealers who sell our securities. The additional burdens imposed upon broker-dealers by these requirements could discourage broker-dealers from effecting transactions in our Common Stock. This would adversely affect the ability of investors to trade our Common Stock and would adversely affect the value of our Common Stock. Delisting from Nasdaq would cause us to pursue eligibility for trading of our Common Stock on other markets or exchanges, or on an over-the-counter market. In such case, our stockholders' ability to trade or obtain quotations of the market value of our Common Stock would be severely limited because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask prices of these securities. There can be no assurance that our Common Stock, if delisted from the Nasdaq, would be listed on a national securities exchange, a national quotation service or the over-the-counter markets. Delisting from the Nasdaq could also result in negative publicity, adversely affect the market liquidity of our Common Stock, decrease securities analysts' coverage of us or diminish investor, supplier and employee confidence. In addition, our stock could become a "penny stock," which would make trading of our Common Stock more difficult.

The delisting of our Common Stock from Nasdaq may make it more difficult for us to raise capital on favorable terms in the future, or at all. Such a delisting would likely have a negative effect on the price of our Common Stock and would impair your ability to sell or purchase our Common Stock when you wish to do so. Further, if our Common Stock were to be delisted from Nasdaq, our Common Stock would cease to be recognized as a covered security, and we would be subject to additional regulation in each state in which we offer our securities. Moreover, there is no assurance that the actions that we have taken to restore our compliance with the Nasdaq Minimum Bid Price Requirement will stabilize the market price or improve the liquidity of our Common Stock, prevent our Common Stock from falling below the Nasdaq minimum bid price required for continued listing again or prevent future non-compliance with other applicable Nasdaq listing requirements.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any equity securities during the quarter ended September 3, 2024, in transactions that were not registered under the Securities Act other than as previously disclosed in our filings with the SEC and as described below.

On October 15th, 2024, we issued 35,335 shares of our Common Stock to a marketing firm for services provided. The marketing firm was a sophisticated investor, received shares that had a restricted legend and had adequate access, though their relationship with the Company, to information about the Company. We believe that such transaction was exempt from the registration requirements of the Securities Act by virtue of Section 4(a)(2) thereof.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

ITEM 5. Other Information

During the third quarter of 2024, none of our directors or executive officers adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Registration S-K).

On November 8th, 2024 the Company entered into an amendment to the Joint Venture Agreement for Hacienda Olivia Phase II. Pursuant to the amendment, in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Joint Venture, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $2,823,000 or the Company shall make the final decision to break the deadlock.

On November 8th, 2024 the Company entered into an amendment to the Joint Venture Agreement for Pulga Internacional. Pursuant to the amendment, in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Joint Venture, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $4,000,000 or the Company shall make the final decision to break the deadlock.

On November 8th, 2024 the Company entered into an amendment to the Joint Venture Agreement for Sugar Phase 1. Pursuant to the amendment, in the event the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of Joint Venture, a deadlock shall be deemed to have occurred in which the Company (the "Offerer") may elect to purchase the Joint Venture interest of the other Joint Venturer (the "Offeree") at an agreed upon valuation of $1,100,000 or the Company shall make the final decision to break the deadlock.

On November 12th, 2024 the Company entered into Credit Extension Agreement (the "Extension") for the agreement with the Bryan Leighton Revocable Trust Dated December 13, 2023. The Extension extends the maturity date from September 1, 2024 to December 15th, 2024. The Company paid an extension fee of $8,750 dollars and issued an additional 2,500 shares of the Company's restricted common stock as consideration for the extension. The rate of interest also increased from 12% per annum to 14% per annum retroactive to September 1, 2024.

On November 13th, 2024 we entered into an amendment to the Agreement of Sale (the "Second Amendment") that amends the closing date to November 15th, 2024 and increases the purchase price to $1,400,000 payable $439,328 in cash and $960,672 by the issuance of a promissory note to us. The promissory note will bear 10% interest per annum, provide for monthly interest payments and mature on March 15th, 2025 with the option to extend up to three times by paying $10,000 for each extension.

ITEM 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on September 19, 2023 (File No. 001-41581)).
3.2	Amended and Restated Bylaws (incorporated herein by reference to Exhibit 3.2 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on September 19, 2023 (File No. 001-41581)).
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 8, 2024, File No. 001-41581)
4.1	Form of Debenture dated August 12, 2024 (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
4.2	Form of Warrant, dated August 12, 2024 (incorporated by reference to Exhibit 4.2 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
4.3	Form of Warrant to Arena Business Solutions Global SPC II Ltd (incorporated by reference to Exhibit 4.13 to the Registration Statement on Form S1 filed by the Registrant with the Securities and Exchange Commission on August 30, 2024, File No. 333,281889)
4.4	Global Amendment to 10% Original Issue Discount Secured Convertible Debentures (incorporated by reference to Exhibit 4.14 to the Registration Statement on Form S-1/A filed by the Registrant with the Securities and Exchange Commission on September 20, 2024, File No. 333-281889)
4.5	Form of Debenture dated October 25, 2024 (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 31, 2024, File No. 001-41581)
4.6	Form of Warrant dated October 25, 2024 (incorporated by reference to Exhibit 4.2 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 31, 2024, File No. 001-41581)
4.7	Global Amendment No. 2 to 10% Original Issue Discount Secured Convertible Debentures dated October 31, 2024 (incorporated by reference to Exhibit 4.3 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 31, 2024, File No. 001-41581)
10.1+	Commercial Contract Amendment between Safe and Green Development Corporation and Lithe Development Inc. effective as of July 18, 2024 (incorporated by reference to Exhibit 10.14 to the Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.2	Joint Venture Agreement dated July 23, 2024 between Safe and Green Development Corporation and Milk & Honey LLC (Sugar Phase I LLC) (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on July 29, 2024, File No. 001-41581)

10.3+	Commercial Contract Amendment between Safe and Green Development Corporation and Lithe Development Inc. effective as of July 25, 2024 (incorporated by reference to Exhibit 10.15 to the Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.4+	Commercial Contract Amendment between Safe and Green Development Corporation and Lithe Development Inc. effective as of August 8th, 2024 (incorporated by reference to Exhibit 10.16 to the Form 10-Q filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.5	Securities Purchase Agreement, dated August 12, 2024 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.6	Registration Rights Agreement, dated August 12, 2024 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.7	Security Agreement, dated August 12, 2024 (incorporated by reference to Exhibit 10.3 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.8	Guaranty, dated August 12, 2024 (incorporated by reference to Exhibit 10.4 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.9	Purchase Agreement, dated August 12, 2024 (incorporated by reference to Exhibit 10.5 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on August 14, 2024, File No. 001-41581)
10.10	Amendment to Purchase Agreement, dated August 30, 2024 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on September 6, 2024, File No. 001-41581)
10.11	Joint Venture Agreement, dated September 2, 2024 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 7, 2024, File No. 001-41581)
10.12	Joint Venture Agreement dated October 2, 2024 between Safe and Green Development Corporation and Properties by Milk & Honey LLC (Hacienda Oliva Phase II LLC) (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 7, 2024, File No. 001-41581)
10.13	Modification Agreement, effective October 2, 2024 between SGB Development Corp. and Palermo Lender LLC (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 18, 2024, File No. 001-41581)
10.14+	Credit Extension Agreement between Safe and Green Development Corporation and Bryan Leighton Revocable Trust dated 13 December 2023. effective as of October 21, 2024
10.15	Registration Rights Agreement dated October 25, 2024, (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on October 31, 2024, File No. 001-41581)
10.16	Amendment, to the Membership Interest Purchase Agreement November 4, 2024 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Registrant with the Securities and Exchange Commission on November 5, 2024, File No. 001-41581)

10.17+	Amendment to Joint Venture Agreement between Safe and Green Development Corporation and Properties by Milk & Honey LLC effective as of November 8, 2024 (amending JV Agreement with Sugar Phase I LLC dated July 23, 2024)
10.18+	Amendment to Joint Venture Agreement between Safe and Green Development Corporation and Milk & Honey LLC effective as of November 8, 2024 (amending JV Agreement with Pulga Internacional LLC dated September 2, 2024)
10.19+	Amendment to Joint Venture Agreement between Safe and Green Development Corporation and Milk & Honey LLC effective as of November 8, 2024 (amending JV Agreement with Hacienda Olivia Phase II dated September 24, 2024)
31.1+	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2+	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1+	Certification by Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2+	Certification by Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS+	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as the XBRL tags are embedded within the Inline XBRL document.
101.SCH+	Inline XBRL Taxonomy Extension Schema Document.
101.CAL+	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF+	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB+	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE+	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

\+ **Filed herewith.**

SIGNATURES

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

SAFE AND GREEN DEVELOPMENT CORPORATION
(Registrant)

By: /s/ David Villarreal
David Villarreal
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Nicolai Brune
Nicolai Brune
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Date: November 14, 2024

Exhibit 10.14

Credit Extension Agreement

This **CREDIT EXTENSION AGREEMENT** ("**Extension**") is dated as of October 21st, 2024 (the "**Effective Date**"), by and between Safe and Green Development Corporation, located at 100 Biscayne Boulevard, Suite 1201, Miami, Florida 33132 ("the "**Company**""), and Bryan Leighton Revocable TRUST DATED 13 DECEMBER 2023 ("the "**Lender**""), (collectively, the "Parties").

RECITALS

WHEREAS, the Parties entered into a Credit Agreement on March 1st, 2024 (the "**Original Contract**").

WHEREAS, the Parties hereby agree to extend the term of the Original Contract in accordance with the terms of the Original Contract as well as the terms provided herein.

NOW THEREFORE, in consideration of the mutual covenants contained herein, each of the "Company" and the "Lender" mutually covenant and agree as follows:

AGREEMENT

Section 1. Purpose.

i. The Original Contract, which is attached hereto as **Exhibit A** to this Extension, will end on September 1st, 2024.

ii. The parties agree to extend the Original Contract for an additional period, which will begin immediately upon the expiration of the original time period and will end on three (3) months after the Effective Date on December 15th, 2024 (the "**Maturity Date**").

iii. In addition, the following provisions of the Original Contract are amended as described herein:

Section 2. Maturity Date.

i. Maturity Date shall mean three (3) months from the Effective Date, provided that if such date falls on a weekend or a legal holiday, the Maturity Date shall be the next business day thereafter. At any time prior to the Maturity Date, upon mutual written consent of the Company and the Lender, the Maturity Date may be extended for up to an additional six-month period, in which case the "Maturity Date" shall mean such later date as agreed upon by the parties, subject to the same provision regarding weekends and legal holidays.

Section 3. Interest Rate.

i. The advanced and unpaid principal of the Line of Credit from time to time outstanding will bear interest at a fixed rate per annum equal to fourteen percent (14.0%) (the "**Fixed Rate**"). Interest on the Principal Indebtedness and other sums payable hereunder will be computed on the basis of a year of 365 days and paid for the actual number of days elapsed.

Section 4. Payments of Interest.

i. On the first day of each month, the Company will pay to the Lender interest, in arrears, on the aggregate outstanding Principal Indebtedness of the Line of Credit at a fixed interest rate of 14%.

Section 5. Payments of Principal.

i. The entire Principal Indebtedness of the Line of Credit and any accrued interest thereon shall be due and payable on the Maturity Date (as the same may be extended as herein provided).

Section 6. Prepayment.

i. The Company may prepay, in whole or in part, the Principal Indebtedness of the Line of Credit, and all interest accrued on any outstanding Advances at any time prior to the Maturity Date, without the prior written consent of Lender and without payment of any premium or penalty.

Section 7. Restricted Stock Issuance.

i. **Board Approval and Share Issuance:** The issuance of shares as described herein was approved by the Company's Board of Directors on October 15th, 2024. In consideration for the extension of the Line of Credit, the Company will issue 2,500 shares of SGD restricted common stock (the "**Shares**") to Lender. The Lender has sufficient knowledge and experience in financial, tax, and business matters to be capable of evaluating the merits and risks of its acquisition of the Shares.

Section 8. Cash- Payment Consideration.

i. **One-Time Cash Payment:** In addition to the issuance of shares described in Section 7, as further consideration for the extension of the Line of Credit, the Company agrees to pay a one-time cash payment of eight thousand and seven-hundred fifty dollars ($8,750) to the Lender. This payment will be made in full ten (10) business days following the execution of this Agreement. The Lender acknowledges that this cash payment is a separate and additional consideration apart from the issuance of the Shares.

Section 9. Entire Agreement.

i. **Preservation of Other Terms:** Except as expressly amended or modified by this Extension, all other Articles of the original agreement shall retain their original language and remain in full force and effect from the Effective Date of this Extension. This Extension binds and benefits both Parties and any successors or assigns. This document, including the attached Original Contract, is the entire agreement between the Parties.

This Agreement shall be signed on behalf of Safe and Green Development Corporation by Nicolai A. Brune, its Chief Financial Officer, and on behalf of Bryan Leighton Revocable TRUST DATED 13 DECEMBER 2023 by Bryan Leighton, its Trustee.

the "Company"

By: /s/ Nicolai A. Brune Date:
Nicolai Brune
Chief Financial Officer

By: /s/ Bryan Leighton Date:
Bryan Leighton

the "Lender"

Exhibit A

Credit Agreement (ORIGINAL)

This Agreement is made and entered into on March 1st, 2024 (the "Effective Date"), between the BRYAN LEIGHTON REVOCABLE TRUST DATED DECEMBER 13, 2023 (the "Lender") and Safe and Green Development Corporation (the "Company").

1. **Establishment of Account and Term**

The Lender shall provide the Company with a line of credit facility (the "Line of Credit").up to the maximum amount of $250,000, representing the maximum aggregate principal amount of the advances of funds from the Line of Credit (each an "Advance") that may be outstanding at any time under the Line of Credit (the "Principal Indebtedness"), from which Company may draw down, at any time and from time to time during the period from and including the Effective Date through the day immediately preceding the Maturity Date (as defined below). Within the limits of time and amount set forth herein, the Company may borrow, repay and reborrow under this Line of Credit.

2. **Maturity Date**

The Maturity Date shall mean the six-month anniversary of the Effective Date. At any time prior to the Maturity Date upon mutual written consent of the Company and the Lender, the Maturity Date may be extended for up to an additional six-month period, in which case the "Maturity Date" shall mean such later date as is agreed upon by the parties.

3. **Interest Rate**

The advanced and unpaid principal of the Line of Credit from time to time outstanding will bear interest at a fixed rate per annum equal to 12.0% (the "Fixed Rate"). Interest on the Principal Indebtedness and other sums payable hereunder will be computed on the basis of a year of 365 days and paid for the actual number of days elapsed.

4. **Payments of Interest**

On the first day of each month, the Company will pay to the Lender interest, in arrears, on the aggregate outstanding Principal Indebtedness of the Line of Credit at the Fixed Rate.

5. **Payments of Principal**

The entire Principal Indebtedness of the Line of Credit and any accrued interest thereon shall be due and payable on the Maturity Date (as the same may be extended as herein provided).

6. **Prepayment**

The Company may prepay, in whole or in part, the Principal Indebtedness of the Line of Credit, and all interest accrued on any outstanding Advances at any time prior to the Maturity Date, without the prior written consent of Lender and without payment of any premium or penalty.

7. **Restricted Stock**

Subject to the approval of the Company's Board of Directors, in consideration for the extension of the Line of Credit, the Company will issue $125,000 of SGD restricted common stock (the "Shares") to Lender. The number of shares issuable will be calculated as of closing price of the Company's common stock on Nasdaq on the Effective Date. Lender is an "accredited Lender" within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended. The Lender has such knowledge and experience in financial, tax and business matters that the Lender is capable of evaluating the merits and risks of its acquisition of the Shares.

8. **Successors and Assigns**

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties. Except as otherwise agreed in writing, the Company may not transfer, assign or delegate any of its duties or obligations hereunder and the Lender shall not sell, assign or otherwise transfer any of its rights or obligations hereunder.

7. **Modification**

No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed by the Lender and the Company.

8. **Governing Law**

This agreement and all matters relating hereto will be governed by the laws of the State of Florida without giving effect to principles of conflicts of laws.

This Agreement shall be signed by on behalf of the BRYAN LEIGHTON REVOCABLE TRUST DATED DECEMBER 13, 2023, and by Safe and Green Development Corporation. The Agreement is effective as of March 1st, 2024.

LENDER:

By:  Date: 2/29/24

BRYAN LEIGHTON REVOCABLE TRUST DATED DECEMBER 13, 2023

By: David Villarreal Date: 03/01/2024
Safe and Green Development Corporation

Exhibit 10.17

Amendment to Joint Venture Agreement

As of November 08th, 2024, the contract entitled **JOINT VENTURE AGREEMENT** between the following parties: Safe and Green Development Corporation, a publicly traded Delaware corporation ("**SGD**"), of 100 Biscayne Boulevard, Suite 1201, Miami, Florida 33132, and Properties by Milk & Honey LLC, a Texas limited liability company ("**Milk & Honey**"), of 1716 W Loop P, Palmview, Texas 78572. The parties are hereinafter sometimes referred to together as the "Joint Venturers" or the "Parties" and individually as a "Joint Venturer" or "Party.

RECITALS

WHEREAS, the Parties entered into a Joint Venture Agreement dated July 23rd, 2024 (the **"Original Agreement**"), to establish a joint venture entity named **Sugar Phase I LLC,** a Texas Limited liability company**,** for the purpose of developing single-family homes in Texas; and

WHEREAS, the Parties desire to amend certain provisions of the Original Agreement to address decision-making in the event of a deadlock between the Parties, specifically revising **Section 18** "**Deadlock**" to clarify that SGD shall have the exclusive right to either control the final decision or initiate a buyout of the other Party's interest in the event of a deadlock; and

WHEREAS, the Parties have mutually agreed to amend the Original Agreement as set forth in this Amendment, effective as of the date written above.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree to amend the Original Agreement as follows:

ARTICLES

Section 18 "Deadlock" of the Original Agreement shall be deleted in its entirety and replaced with the following language:

i. In the event that the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of the Joint Venture, a deadlock shall be deemed to have occurred. Upon the occurrence of a deadlock, SGD shall have the exclusive right to either: (a) make the final decision on the disputed matter in order to break the deadlock, or (b) elect to purchase the Joint Venture interest of the other Joint Venturer (hereinafter referred to as the "**Other Party**"). If SGD elects to purchase the Other Party's interest, it shall notify the Other Party in writing, specifying a purchase price for the Other Party's interest based on the agreed-upon valuation of $1,100,00.00 (the "**designated price)** for the Joint Venture assets.

ii. The Other Party shall have the right only to accept SGD's offer to sell its interest to SGD at this designated price and under the specified terms. SGD's offer shall remain irrevocable for thirty (30) days, during which time the Other Party may respond in writing to accept the offer to sell its interest. If the Other Party does not respond within this period, it shall be deemed to have accepted SGD's offer to purchase its interest under the specified terms. SGD shall have twenty (20) days from receipt of the Other Party's written acceptance or the lapse of the thirty-day period to complete the purchase of the Other Party's interest by paying the designated price and satisfying the purchase terms.

These changes are the only changes to the original contract. The entire remainder of the original contract remains in full force. This Amendment shall be effective once signed by both parties.

This Amendment shall be signed by the following:

SAFE AND GREEN DEVELOPMENT CORPORATION

By: /s/ Nicolai A. Brune Date: November 12, 2024
Nicolai A. Brune
Chief Financial Officer

PROPERTIES BY MILK & HONEY LLC

By: /s/ Matthew Pierson Date: November 12, 2024
Matthew Pierson
Manager

Exhibit 10.18

Amendment to Joint Venture Agreement

As of November 8th, 2024, the contract entitled **JOINT VENTURE AGREEMENT** between the following parties: Safe and Green Development Corporation, a publicly traded Delaware corporation ("**SGD**"), of 100 Biscayne Boulevard, Suite 1201, Miami, Florida 33132, and Properties by Milk & Honey LLC, a Texas limited liability company ("**Milk & Honey**"), of 1716 W Loop P, Palmview, Texas 78572. The parties are hereinafter sometimes referred to together as the "Joint Venturers" or the "Parties" and individually as a "Joint Venturer" or "Party.

RECITALS

WHEREAS, the Parties entered into a Joint Venture Agreement dated September 2nd, 2024 (the **"Original Agreement**"), to establish a joint venture entity named **Pulga Internacional LLC,** a Texas Limited liability company**,** for the purpose of developing single-family homes in Texas; and

WHEREAS, the Parties desire to amend certain provisions of the Original Agreement to address decision-making in the event of a deadlock between the Parties, specifically revising **Section 20** "**Deadlock**" to clarify that SGD shall have the exclusive right to either control the final decision or initiate a buyout of the other Party's interest in the event of a deadlock; and

WHEREAS, the Parties have mutually agreed to amend the Original Agreement as set forth in this Amendment, effective as of the date written above.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree to amend the Original Agreement as follows:

ARTICLES

Section 20 "Deadlock" of the Original Agreement shall be deleted in its entirety and replaced with the following language:

i. In the event that the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of the Joint Venture, a deadlock shall be deemed to have occurred. Upon the occurrence of a deadlock, SGD shall have the exclusive right to either: (a) make the final decision on the disputed matter in order to break the deadlock, or (b) elect to purchase the Joint Venture interest of the other Joint Venturer (hereinafter referred to as the "**Other Party**"). If SGD elects to purchase the Other Party's interest, it shall notify the Other Party in writing, specifying a purchase price for the Other Party's interest based on the agreed-upon valuation of $4,000,000.00 (the "**designated price)** for the Joint Venture assets.

ii. The Other Party shall have the right only to accept SGD's offer to sell its interest to SGD at this designated price and under the specified terms. SGD's offer shall remain irrevocable for thirty (30) days, during which time the Other Party may respond in writing to accept the offer to sell its interest. If the Other Party does not respond within this period, it shall be deemed to have accepted SGD's offer to purchase its interest under the specified terms. SGD shall have twenty (20) days from receipt of the Other Party's written acceptance or the lapse of the thirty-day period to complete the purchase of the Other Party's interest by paying the designated price and satisfying the purchase terms.

These changes are the only changes to the original contract. The entire remainder of the original contract remains in full force. This Amendment shall be effective once signed by both parties.

This Amendment shall be signed by the following representatives of the Parties:

SAFE AND GREEN DEVELOPMENT CORPORATION

By: /s/ Nicolai A. Brune Date:
Nicolai A. Brune
Chief Financial Officer

PROPERTIES BY MILK & HONEY LLC

By: /s/ Matthew Pierson Date:
Matthew Pierson
Manager

Exhibit 10.19

Amendment to Joint Venture Agreement

As of November 8th, 2024, the contract entitled **JOINT VENTURE AGREEMENT** between the following parties: Safe and Green Development Corporation, a publicly traded Delaware corporation ("**SGD**"), of 100 Biscayne Boulevard, Suite 1201, Miami, Florida 33132, and Properties by Milk & Honey LLC, a Texas limited liability company ("**Milk & Honey**"), of 1716 W Loop P, Palmview, Texas 78572. The parties are hereinafter sometimes referred to together as the "Joint Venturers" or the "Parties" and individually as a "Joint Venturer" or "Party.

RECITALS

WHEREAS, the Parties entered into a Joint Venture Agreement dated September 24th, 2024 (the **"Original Agreement**"), to establish a joint venture entity named **Hacienda Olivia Phase II,** a Texas Limited liability company**,** for the purpose of developing single-family homes in Texas; and

WHEREAS, the Parties desire to amend certain provisions of the Original Agreement to address decision-making in the event of a deadlock between the Parties, specifically revising **Section 21** "**Deadlock**" to clarify that SGD shall have the exclusive right to either control the final decision or initiate a buyout of the other Party's interest in the event of a deadlock; and

WHEREAS, the Parties have mutually agreed to amend the Original Agreement as set forth in this Amendment, effective as of the date written above.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties hereby agree to amend the Original Agreement as follows:

ARTICLES

Section 21 "Deadlock" of the Original Agreement shall be deleted in its entirety and replaced with the following language:

i. In the event that the Joint Venturers are divided on a material issue and cannot agree on the conduct of the business and affairs of the Joint Venture, a deadlock shall be deemed to have occurred. Upon the occurrence of a deadlock, SGD shall have the exclusive right to either: (a) make the final decision on the disputed matter in order to break the deadlock, or (b) elect to purchase the Joint Venture interest of the other Joint Venturer (hereinafter referred to as the "**Other Party**"). If SGD elects to purchase the Other Party's interest, it shall notify the Other Party in writing, specifying a purchase price for the Other Party's interest based on the previously agreed-upon appraisal value of $2,823,000.00 (the "**designated price**") for the Joint Venture assets.

ii. The Other Party shall have the right only to accept SGD's offer to sell its interest to SGD at this designated price and under the specified terms. SGD's offer shall remain irrevocable for thirty (30) days, during which time the Other Party may respond in writing to accept the offer to sell its interest. If the Other Party does not respond within this period, it shall be deemed to have accepted SGD's offer to purchase its interest under the specified terms. SGD shall have twenty (20) days from receipt of the Other Party's written acceptance or the lapse of the thirty-day period to complete the purchase of the Other Party's interest by paying the designated price and satisfying the purchase terms.

These changes are the only changes to the original contract. The entire remainder of the original contract remains in full force. This Amendment shall be effective once signed by both parties.

This Amendment shall be signed by the following representatives of the Parties:

SAFE AND GREEN DEVELOPMENT CORPORATION

By: /s/ Nicolai A. Brune Date:
Nicolai A. Brune
Chief Financial Officer

PROPERTIES BY MILK & HONEY LLC

By: /s/ Matthew Pierson Date:
Matthew Pierson
Manager

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) AND 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Villarreal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Safe and Green Development Corporation.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2024

/s/ David Villarreal
David Villarreal
Chairman, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) AND 15D-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Nicolai Brune, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Safe and Green Development Corporation.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2024

/s/ Nicolai Brune

Nicolai Brune
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Safe and Green Development Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Villarreal, the Chief Executive Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

November 14, 2024

/s/ David Villarreal

Name: David Villarreal
Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Safe and Green Development Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nicolai Brune, the Chief Financial Officer of the Company, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

November 14, 2024

/s/ Nicolai Brune

Name: Nicolai Brune
Title: Chief Financial Officer
(Principal Financial Officer)

This certification accompanies each Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.