

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 25, 2023

Appreciate Holdings, Inc.

(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>001-39758</u> (Commission File Number)	<u>83-2426917</u> (I.R.S. Employer Identification No.)
<u>6101 Baker Road, Suite 200 Minnetonka, MN</u> (Address of principal executive offices)		<u>55345</u> (Zip Code)
	<u>(952) 470-8888</u> (Registrant's telephone number, including area code)	

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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

Title of Each Class	Trading Symbols	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	SFR	The Nasdaq Stock Market LLC
Warrants to purchase Class A Common Stock, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share	SFRWW	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

Following the purported notice described in the Current Report on Form 8-K filed May 1, 2023, by letter dated May 3, 2023, Cohen & Company sent Appreciate Holdings, Inc. (the "Company") a Notice of Default and Early Termination and Notice of Settlement Amount that purports to provide notice of the occurrence of an event of default under the Confirmation Re: OTC Equity Prepaid Forward Transaction dated November 29, 2022. The notice states, among other things, that the notice is premised on the Company's failure to pay amounts due as a result of the previously reported VWAP Trigger Event Notice. The amount of the maturity consideration demanded is described in the May 1, 2023 Form 8-K. Cohen has also demanded reimbursement of a portion of their out of pocket costs. The full text of the purported notice, and notice of settlement amount, is set out in Exhibits 99.1 and 99.2 attached hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Notice of Default and Early Termination from Vellar Opportunity Fund SPV LLC dated May 3, 2023
99.2	Notice of Settlement Amount from Vellar Opportunity Fund SPV LLC dated May 3, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto

duly authorized.

Appreciate Holdings, Inc.

Date: May 9, 2023

By: /s/ Christopher Laurence

Name: Christopher Laurence

Title: Chief Executive Officer



Columbus Circle 24th Floor
 New York, NY 10019
 T 646 792 5600 F 212 489 1310
 www.cohenandcompany.com

Appreciate Holdings Inc.
 6101 Baker Road, Suite 200
 Minnetonka, Minnesota 55345
 Attention: Chris Laurence
 claurence@renterswarehouse.com

NOTICE OF DEFAULT AND EARLY TERMINATION

May 3, 2023

Ladies and Gentlemen:

Reference is made to (i) the Confirmation Re: OTC Equity Prepaid Forward Transaction, dated as of November 20, 2022 (as amended and supplemented from time to time, the “**Confirmation**”), by and among Appreciate Holdings Inc. (previously PropTech Investment Corporation II) (“**Counterparty**”), RW National Holdings, LLC, a Delaware limited liability company, and Vellar Opportunity Fund SPV LLC – Series 9 (“**Seller**”); (ii) the form of the ISDA 2002 Master Agreement incorporated by reference therein (the “**Agreement**”); and (iii) the VWAP Trigger Event Notice dated April 25, 2023, which (a) described the occurrence of a VWAP Trigger Event and (b) designated a Valuation Date and a Maturity Date of April 25, 2023 and a Settlement Date of April 27, 2023 in connection therewith.

Defined terms used herein are used with the meaning assigned to such terms in the Agreement or Confirmation, as applicable.

This letter serves as a notice of the occurrence of an Event of Default under Section 5(a)(i) of the Agreement with respect to Counterparty as a result of Counterparty’s failure to pay the requisite amounts pursuant to the VWAP Trigger Event Notice on the Settlement Date. Accordingly, Seller hereby designates May 4, 2023 as the Early Termination Date for all Transactions with Seller under the Agreement. Seller will notify Counterparty, on or as soon as reasonably practicable following the Early Termination Date, of the amount due to Seller under the Agreement.

Seller reserves all rights under law and under the Agreement, including, without limitation, to declare Counterparty to be in default in respect of any other default that may occur under the terms of the Agreement, and all rights we may have with respect to other transactions and other agreements with Counterparty or Counterparty’s affiliates.

IN WITNESS WHEREOF, the undersigned has caused this Notice of Default and Early Termination to be executed by its duly authorized representative.

Very truly yours,
VELLAR OPPORTUNITY FUND SPV LLC – SERIES 9

By:

A handwritten signature in black ink, appearing to read 'Solomon Cohen', written over a horizontal line.

Name: Solomon Cohen
 Title: Authorized Signatory



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 New York, NY 10019
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Appreciate Holdings Inc.
 6101 Baker Road, Suite 200
 Minnetonka, Minnesota 55345
 Attention: Chris Laurence
 claurence@renterswarehouse.com

NOTICE OF SETTLEMENT AMOUNT

May 3, 2023

Ladies and Gentlemen:

Reference is made to (i) the Confirmation Re: OTC Equity Prepaid Forward Transaction, dated as of November 20, 2022 (as amended and supplemented from time to time, the “**Confirmation**”), by and among Appreciate Holdings Inc. (previously PropTech Investment Corporation II) (“**Counterparty**”), RW National Holdings, LLC, a Delaware limited liability company, and Vellar Opportunity Fund SPV LLC – Series 9 (“**Seller**”); (ii) the form of the ISDA 2002 Master Agreement incorporated by reference therein (the “**Agreement**”); (iii) the VWAP Trigger Event Notice dated April 25, 2023, which (a) described the occurrence of a VWAP Trigger Event and (b) designated a Valuation Date and a Maturity Date of April 25, 2023 and a Settlement Date of April 27, 2023 in connection therewith; and (iv) the Notice of Default and Early Termination dated May 3, 2023 (the “**Notice of Default**”) served by Seller on Counterparty in respect of the occurrence of an Event of Default under Section 5(a)(i) of the Agreement.

Defined terms used herein are used with the meaning assigned to such terms in the Agreement or Confirmation, as applicable.

The Notice of Default designated May 4, 2023 as the Early Termination Date in respect of all outstanding Transactions under the Agreement as a result of the Event of Default specified therein. Schedule A to this notice constitutes the statement required by Section 6(d)(i) of the Agreement of the calculations contemplated by Section 6(d) of the Agreement. Seller has made these calculations in accordance with the methodology set out in Section 6(e).

As stated in Schedule A, pursuant to Section 6(e)(i), Seller’s Close-out Amount consists of an amount provided, in the sole discretion of Counterparty, in either cash (as set forth in clause (a)) or Shares (as set forth in clause (b)) that is due to Seller pursuant to Section 6(d)(ii) of the Agreement.

- (a) In the case of cash, \$6,000,000. Seller is entitled to the Maturity Cash Consideration, which is equal to the product of (i)(x) the Maximum Number of Shares less (y) the number of Terminated Shares and (ii) \$2.00 in the event of a Registration Failure. In this case, the Maximum Number of Shares is 3,000,000 and the number of Terminated Shares is 0, and accordingly, the Maturity Cash Consideration equals \$6,000,000.
- (b) In the case of Shares, if the Share Conditions are met, 5,144,901 newly issued Shares. Seller is entitled to a number of Shares equal to the Maturity Cash Consideration divided by the average daily VWAP Price over 30 scheduled trading days ending on the Maturity Date. In this case, the Maturity Cash Consideration is \$6,000,000 and the applicable VWAP price is \$0.75, and thus Seller is entitled to 8,045,556 total consideration Shares. The Seller may retain the existing 2,900,655 Number of Shares, which would be netted from the 8,045,556 Share consideration, amounting to 5,144,901 newly issued Shares to Seller. If the Counterparty cannot deliver Maturity Shares used to pay the Maturity Consideration that meet with Share Conditions, the Counterparty must issue an amount of Penalty Shares equal to the product of (a) three and (b) the Maximum Number of Shares minus the Terminated Shares. In this Instance Seller would be entitled to 9,000,000 Penalty Shares. The Seller may retain the existing 2,900,655 Number of Shares, which would be netted from the 9,000,000 Penalty Shares, amounting to 6,099,345 newly issued Shares to Seller. If the Penalty Shares satisfy the Share Conditions within 120 days after the Maturity Date, Seller shall return to Counterparty such number of Penalty Shares that are valued in excess of the Maturity Consideration based on the 10-day VWAP ending on date that such Shares satisfied the Share Conditions.

In addition, pursuant to Section 11 of the Agreement, Seller is entitled to reasonable out-of-pocket expenses incurred by Seller in connection with the enforcement and protection of its rights under the Confirmation and Agreement. These expenses amount to \$250,000. The Seller will permit Counterparty to pay this amount, at the option of Counterparty, in cash or in newly issued Shares at the 30-day VWAP Price set forth in clause (b) above.



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 New York, NY 10019
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Please pay such amounts (i) in the case of Shares, deposited in an account designated by Seller maintained on the books of the transfer agent for the Shares; and (ii) in the case of cash, in immediately available funds via wire transfer payable to Seller to the following account:

Bank: CIBC Bank USA
 Address: 120 South LaSalle Street, Chicago, IL 60603
 ABA#: 0710-0648-6
 SWIFT Code: PVTBUS44
 Favor of (“F/O”): Vellar Opportunity Fund SPV LLC – Series 9
 Account (“A/C”): 2599929

Seller hereby reserves all of its rights in respect of the Agreement whether arising under the Agreement, at law or otherwise (and for the avoidance of doubt this letter does not constitute a waiver of any such rights) including but not limited to the right to serve any further notice on Counterparty.

Please note that, with effect from (and including) the Early Termination Date, interest is due on this amount in accordance with section 6(d)(ii) of the Agreement.

This letter is governed by the laws of New York.

IN WITNESS WHEREOF, the undersigned has caused this Notice of Settlement Amount to be executed by its duly authorized representative.

Very truly yours,
VELLAR OPPORTUNITY FUND SPV LLC – SERIES 9

By:



Name: Solomon Cohen
Title: Authorized Signatory



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New York, NY 10019
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		Schedule A	
	Maturity Date		25-Apr-24
	Maximum Number of Shares:		9,000,000
	Vollar Portion		3,000,000
	Dollar Multiple		\$2.00
	Average Daily VWAP		\$0.75
①	Legal Reimbursement Execution of Rights - Cash		\$250,000
	Legal Reimbursement Execution of Rights - Shares		335,231
	Such amount to be added each of A,B,C Maturity Consideration payment settlement option		
Ⓐ	Maturity Consideration - Cash		\$6,000,000
Ⓑ	Newly Issued Freely Tradable Shares		5,144,901
	Existing FPA Shares		2,900,655
	Maturity Consideration - Existing FPA Shares + Freely Tradable Shares		8,045,556
Ⓑ	Newly Issued Penalty Shares		6,099,345
	Existing FPA Shares		2,900,655
	Maturity Consideration - Existing FPA Shares + Penalty Shares		9,000,000