Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

SPROUT TINY HOMES, INC.

822 Hays Circle
Longmont, CO 80504
Phone: 720.810.4228
Email: info@sproutinghomes.com
Website: http://sprouttinyhomes.com
SIC: 1522 - Residential construction, misc.

Quarterly Report

For the Period Ending September 30, 2023 (the "Reporting Period")

Outstanding Shares
The number of shares outstanding of our Common Stock was:

100,924,718 as of September 30, 2023

99,924,718 as of December 31, 2022

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The legal name of the Company is Sprout Tiny Homes, Inc. See Corporate History for the names of predecessor companies.

Corporate History

On February 26, 2015, we were incorporated as a Delaware corporation named “Sprout Tiny Homes (DE), Inc.” On February 27, 2015, RG America, Inc., a Nevada corporation, merged into its wholly owned Delaware subsidiary, RG America Merger Corp. This moved RG America, Inc.’s state of incorporation from Nevada to Delaware. On March 5, 2015, RG America Merger Corp. merged into its wholly owned Delaware subsidiary RG America (DE), Inc. (“RG Delaware”) as part of a Delaware Section 251(g) holding company reorganization. Sprout Tiny Homes (DE), Inc. was designated as the public holding company and RG Delaware became its wholly owned subsidiary, with all the assets and liabilities of the pre-existing insurance related business of RG America Inc. Under the plan of merger, each shareholder of RG Merger Corp. received shares of stock of Sprout Tiny Homes (DE), Inc. on a one-for-one basis. On March 19, 2015, Sprout Tiny Homes (DE), Inc. changed its domicile to Colorado; as part of this process our corporate name changed to Sprout Tiny Homes, Inc., a Colorado corporation. On March 27, 2015, a 1 for 150 reverse split was approved by the Company’s Board of Directors and a majority of the voting power of its shareholders.

The above corporate actions were approved by the Company’s Board of Directors and a majority of the voting power of the Company’s stockholders. These corporate actions required approval by FINRA, which was granted on April 20, 2015, effective April 21, 2015. The Company’s new trading symbol, “STHI,” became effective 20 business days later.

On April 22, 2015, the Company acquired Sprout Tiny Homes, LLC, a Colorado limited liability company. We issued 35,000,000 shares of common stock to Rod Stambaugh as the purchase price for Sprout Tiny Homes, LLC.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer’s current standing in its state of incorporation (e.g. active, default, inactive):

Colorado - The Company is in good standing.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

The Company has no trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

The Company has had no stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months. The Company has not, nor any of its predecessors have, been in bankruptcy, receivership, or any similar proceeding in the past five years.

The address(es) of the issuer’s principal executive office:

The Company executive office is located at 822 Hays, Longmont, CO 80504. The Company vacated its 45,000 sq. ft. manufacturing facility in September 2020. The Company also moved manufacturing equipment, delivery equipment and tools associated with the manufacturing of its homes, into moveable storage containers. The Company's contact information is: Phone: 720.810.4228; Email:info@sprouttinyhomes.com; Website: http://sprouttinyhomes.com.

The address(es) of the issuer's principal place of business:

☒ *Check if principal executive office and principal place of business are the same address:*

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Transfer Agent

Name:	Madison Stock Transfer, Inc.
Address 1:	2500 Coney Island Ave
Address 2:	Brooklyn, NY 11223
Phone:	718-627-4453

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

The Company has two classes of stock (common and preferred). Under the Articles of Incorporation of the Company, the authorized capital stock of the Company consists of 300,000,000 shares of common stock, $0.001 par value (the "Common Stock"), and 35,000,000 shares of Preferred Stock (the "Preferred Stock"), $0.001 par value, of which 1,000,000 are designated Series A preferred stock. No shares of the Company's capital stock are redeemable.

Trading symbol:	STHI	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	85208W100	
Par or stated value:	$0.001	
Total shares authorized:	300,000,000	As of September 30, 2023
Total shares outstanding:	100,924,718	As of September 30, 2023
Total number of shareholders of record:	488	As of September 30, 2023

All additional class(es) of publicly quoted or traded securities (if any):

None

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Trading symbol:	STHI	
Exact title and class of securities outstanding:	Series A Convertible Preferred Stock	
CUSIP:	N/A	
Par or stated value:	$0.001	
Total shares authorized:	35,000,000	As of September 30, 2023
Total shares outstanding:	0	As of September 30, 2023
Total number of shareholders of record:	0	As of September 30, 2023

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

   The common stock shall have unlimited voting rights. Each share of Common Stock shall entitle the holder thereof to one vote on each matter submitted to a vote of holders of Common Stock.

   Subject to the prior rights and preferences of the Preferred Stock set forth in any resolution or resolutions providing for the issue of a series of Preferred Stock, and to the extent permitted by the laws of the State of Incorporation, the holders of Common Stock shall be entitled to receive such cash dividends as may be declared and made payable by the Board.

   After payment shall have been made in full to the holders of any series of Preferred Stock having preferred liquidation rights, upon any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the corporation, the remaining net assets and funds of the corporation shall be distributed among the holders of the Common Stock according to their respective shares.

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

   We have no preferred stock outstanding

3. **Describe any other material rights of common or preferred stockholders.**

   None

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

   None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Number of Shares outstanding as of Second Most Recent Fiscal Year End: Date: December 31, 2020 Opening Balance Common: 71,678,957 Preferred: 0		*Right-click the rows below and select "Insert" to add rows as needed.

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued ($/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
03/10/2021	Issuance	360,000	Common	0.58	No	Peter Winn	Consulting	Restricted	Exempt
04/26/2021	Issuance	1,000,000	Common	0.26	No	Maxin Partners, LLC Justin Rabinowitz	Consulting	Restricted	Exempt
06/28/2021	Issuance	250,000	Common	0.25	No	Evergreen Capital Jeff Pazdro	Consulting	Restricted	Exempt
07/26/2021	Issuance	3,000,000	Common	0.30	No	DHN Enterprises David Roberts	Consulting	Restricted	Exempt
08/10/2021	Issuance	375,000	Common	0.20	No	Burke Revocable Trust - Gary Burke	Prepaid expenses	Restricted	Exempt
09/03/2021	Issuance	333,333	Common	0.15	No	Daniel and Susan Scroggin	Cash	Restricted	Exempt
09/20/2021	Issuance	4,550,000	Common	0.20	No	Brian L. Miller	Acquisition of Legacy Homes	Restricted	Exempt
09/20/2021	Issuance	2,450,000	Common	0.20	No	Christina H. Haney	Acquisition of Legacy Homes	Restricted	Exempt
02/14/2022	Issuance	5,731,000	Common		No	Pueblo West CD Warehouse, LLC c/o Greg Jensen	Inducement to fund working capital for Pure Zero Construction	Restricted	Exempt
02/24/2022	Issuance	196,428	Common	0.08	No	Black Iron Development Ralph Gianella	Cash	Restricted	Exempt
02/24/2022	Issuance	3,500,000	Common	0.06	No	Rod Stambaugh	Acquisition of Pure Zero Construction LLC	Restricted	Exempt
02/24/2022	Issuance	3,500,000	Common	0.09	No	Pueblo West CD Warehouse, LLC c/o Greg Jensen	Acquisition of Pure Zero Construction LLC	Restricted	Exempt
02/24/2022	Issuance	3,000,000	Common	0.09	No	Black Iron Development Ralph Gianella	Consulting	Restricted	Exempt
04/18/2023	Issuance	1,000,000	Common	0.07	No	Jim Gilbertson	Cash	Restricted	Exempt

Number of Shares outstanding as of The Most Recent Fiscal Period: Date: September 30, 2023 Opening Balance Common: 100,924,718 Preferred: 0	

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

<u>None</u>

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Loans and Related Party Convertible notes at September 30, 2023

Date of Note Issuance	Outstanding Balance $	Principal Amount at Issuance $	Interest Accrued $	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)	Secured or Unsecured Note	Status of Note (Default, Payment)
09/14/2020	334,703	334,703	85,387	09/14/2020		Gary Burke	Loan	Unsecured	Convertible Short-term
09/14/2020	334,703	334,703	85,387	09/14/2020		Greg Jensen	Loan	Unsecured	Convertible Short-Term
10/01/2021	472,235	472,235	65,798	09/23/2023		Greg Jensen	Loan	Unsecured	Convertible Short-Term
03/15/2021	115,000	115,000	-	03/15/2022		Puebloplex Chris Turner	Loan	Unsecured	Convertible Short-Term
06/30/2021	105,000	105,000	-	06/30/2022		Evergreen Capital Jeff Pazdro	Loan	Unsecured	Convertible Short-Term
03/29/2023	68,77	228,000	-	open		Agile Capital Funding Caesar	Loan	Draw on Revenue	Short-term
04/18/2023	138,000	138,000	-	12/01/2028		Greg Jensen (Carpet Direct)	Loan	Unsecured	Long-term
TOTAL OTHER	**1,568,368**	**1,727,641**	**236,572**						

Non-Convertible Notes at September 30, 2023

Date of Note Issuance	Outstanding Balance $	Principal Amount at Issuance $	Interest Accrued $	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)	Secured or Unsecured Note	Status of Note (Default, Payment)
8/10/2016	15,000	15,000	10,363	7/11/2021	None	Akin, Mary Ellen	Loan	Secured	Default
10/21/2014	-	-	8,982	12/10/2015	None	Alires-Palomarez, Barbara	Loan	Secured	Repaid
8/5/2015	11,543	12,432	15,525	8/1/2021	None	Alires-Palomarez, Barbara	Loan	Secured	Default
5/23/2016	27,000	27,000	14,134	6/23/2021	None	Alires-Palomarez, Barbara	Loan	Secured	Default
7/1/2016	19,000	19,000	13,053	7/1/2021	None	Ayala, George	Loan	Secured	Default
7/31/2015	35,045	35,045	-	7/1/2021	None	Boddie, Lorraine	Loan	Secured	Default
8/10/2015	35,000	35,000	-	7/1/2021	None	Boddie, Lorraine	Loan	Secured	Default
11/12/2015	40,000	40,000	-	7/1/2021	None	Boddie, Lorraine	Loan	Secured	Default
12/4/2015	50,000	50,000	113,221	7/1/2021	None	Boddie, Lorraine	Loan	Secured	Default
12/8/2015	50,000	50,000	63,250	7/1/2021	None	Boddie, Lorraine	Loan	Secured	Default
5/1/2016	25,000	25,000	-	7/1/2021	None	Boddie, Lorraine	Loan	Secured	Default
12/5/2017	-	665,003	722	1/0/1900	None	Broadmark Jeffrey Pyatt	Loan	Secured	Repaid
5/20/2016	9,000	9,000	7,024	6/18/2021	None	Brown-Sawyer, Mary Sue	Loan	Secured	Default
7/1/2016	10,000	10,000	3,975	6/30/2021	None	Brown-Sawyer, Mary Sue	Loan	Secured	Default

1/23/2016	100,000	100,000	-	6/3/2021	None	Collette, Carolyn	Loan	Secured	Default
4/29/2016	90,002	90,002	-	8/1/2021	None	Collette, Carolyn	Loan	Secured	Default
6/3/2016	380,000	380,000	433,046	6/3/2021	None	Collette, Carolyn	Loan	Secured	Default
7/1/2016	100,000	100,000	-	6/3/2021	None	Collette, Carolyn	Loan	Secured	Default
11/9/2015	10,000	10,000	12,114	11/5/2016	None	Fortino, Carol	Loan	Secured	Default
9/22/2016	15,000	15,000	-	9/22/2021	None	Fortino, Carol	Loan	Secured	Default
5/23/2016	10,000	10,000	4,942	6/23/2021	None	Gomez, Maria	Loan	Secured	Default
10/21/2014	-	-	8,021	12/9/2015	None	Gonzalez, Patricia	Loan	Secured	Repaid
5/23/2016	17,500	17,500	62,647	6/23/2021	None	Gonzalez, Patricia	Loan	Secured	Default
7/1/2016	75,000	75,000	646	6/30/2021	None	Gonzalez, Patricia	Loan	Secured	Default
7/1/2016	30,000	30,000	21,730	7/1/2021	None	Holcomb, Dean	Loan	Secured	Default
7/1/2016	1,000	1,000	811	7/1/2021	None	Ikelman, Richard	Loan	Secured	Default
5/23/2016	18,000	18,000	8,445	6/23/2021	None	Lopez, Patricia	Loan	Secured	Default
7/1/2016	10,000	10,000	6,749	7/1/2021	None	Masters, Ronnie	Loan	Secured	Default
10/1/2014	-	-	5,756	9/1/2015	None	Oreskovich, Karen	Loan	Secured	Repaid
5/23/2016	30,000	30,000	13,825	6/23/2021	None	Oreskovich, Karen	Loan	Secured	Default
8/5/2015	5,224	5,668	4,548	8/1/2021	None	Oreskovich, Michael	Loan	Secured	Default
5/23/2016	40,000	40,000	25,860	6/23/2021	None	Oreskovich, Michael	Loan	Secured	Default
7/1/2016	10,000	10,000	3,987	7/1/2021	None	Oreskovich, Michael	Loan	Secured	Default
1/6/2015	17,935	19,560	13,176	12/23/2015	None	Quintana, Luis	Loan	Secured	Default
8/5/2016	10,000	10,000	7,155	7/4/2021	None	Ramos, Darlene	Loan	Secured	Default
8/5/2016	12,000	12,000	8,587	7/4/2021	None	Ramos, Vinicio	Loan	Secured	Default
7/1/2016	8,484	16,817	14,029	7/1/2021	None	Rodriguez, John	Loan	Secured	Default
5/23/2016	50,000	50,000	9,116	6/23/2021	None	Rodriguez, Patricia	Loan	Secured	Default
7/1/2016	3,333	11,667	21,901	7/1/2021	None	Rodriguez, Patricia	Loan	Secured	Default
8/2/2018	25,000	25,000	29,211	12/1/2018	None	Rodriguez, Patricia	Loan	Secured	Default
12/24/2015	-	-	499	6/30/2018	None	Vigil Land & Cattle Praxie Vigil	Loan	Secured	Default
TOTAL NON-CONVERTIBLE	**$1,395,065**	**$1,414,690**	**$967,050**						

Convertible Notes at September 30, 2023

Date of Note Issuance	Outstanding Balance $	Principal Amount at Issuance $	Interest Accrued $	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)	Class of Stock Upon Conversion	Secured or Un-secured Note	Status of Note
12/11/2017	50,000	50,000	-	12/8/2018	Convert 1sh/$debt	Alires-Palomarez, Barbara	Loan	Common	Unsecured	Default
6/28/2018	20,000	20,000	-	12/29/2018	Convert 1sh/$debt	Alires-Palomarez, Barbara	Loan	Common	Unsecured	Default
8/21/2018	30,000	30,000	28,443	12/1/2018	Convert 1sh/$debt	Alvarado, Anna	Loan	Common	Unsecured	Default
12/11/2017	50,000	50,000	23,219	12/7/2018	Convert 1sh/$debt	Boddie, Lorraine / Joshua	Loan	Common	Unsecured	Default
12/11/2017	15,000	15,000	6,966	12/11/2018	Convert 1sh/$debt	Boddie, Lorraine / Orona, Linda	Loan	Common	Unsecured	Default
12/31/2017	(57,507)	(57,507)	-	6/30/2021	Convert 1sh/$debt	Boddie, Lorraine / Orona, Linda	Loan	Common	Unsecured	Default
12/31/2017	(57,507)	(57,507)	-	6/30/2021	Convert 1sh/$debt	Boddie, Lorraine / Orona, Rudy	Loan	Common	Unsecured	Default
10/10/2019	350,000	350,000	111,310	3/30/2020	Convert 1sh/$debt	Burke, J. Gary	Loan	Common	Unsecured	Default
7/31/2015	-	-	107	8/1/2016	Convert 1sh/$debt	Chamberlin, Catherin	Loan	Common	Secured	Default
8/21/2018	30,000	40,000	30,048	12/1/2018	Convert 1sh/$debt	Cisneros, James	Loan	Common	Unsecured	Default
9/27/2017	200,000	200,000	110,000	9/27/2021	Convert 1sh/$debt	Donohue, James	Loan	Common	Unsecured	Default
9/28/2017	200,000	200,000	(4,000)	9/29/2021	Convert 1sh/$debt	Donohue, James	Loan	Common	Unsecured	Default
10/4/2017	100,000	100,000	55,000	10/2/2021	Convert 1sh/$debt	Donohue, James	Loan	Common	Unsecured	Default
10/10/2017	100,000	100,000	183,409	10/10/2021	Convert 1sh/$debt	Donohue, James	Loan	Common	Unsecured	Default
11/3/2017	400,000	400,000	463	11/3/2021	Convert 1sh/$debt	Donohue, James	Loan	Common	Unsecured	Default
7/1/2016	-	-	2,782	7/1/2021	Convert 1sh/$debt	Fearhighly, Raymond	Loan	Common	Secured	Default
12/14/2017	8,000	8,000	183,409	12/13/2018	Convert 1sh/$debt	Fernandez, Robert	Loan	Common	Unsecured	Default

8/21/2018	25,000	25,000	25,893	12/1/2018	Convert 1sh/$debt	Fernandez, Robert	Loan	Common	Unsecured	Default
12/6/2017	15,000	15,000	9,073	12/6/2018	Convert 1sh/$debt	Fortino, Carol	Loan	Common	Secured	Default
8/21/2018	111,000	111,000	48,030	12/1/2018	Convert 1sh/$debt	Fred E Williams Trust, c/o Diane L Graham	Loan	Common	Unsecured	Default
2/1/2018	125,000	125,000	106,907	2/20/2019	Convert 1sh/$debt	FV Williams & Co, c/o Diane L Graham	Loan	Common	Unsecured	Default
10/25/2017	-	-	599	10/20/2021	Convert 1sh/$debt	Gale, Karen	Loan	Common	Unsecured	Default
8/24/2018	25,000	25,000	23,674	12/1/2018	Convert 1sh/$debt	Gonzalez, Angelina	Loan	Common	Unsecured	Default
8/22/2018	30,000	30,000	30,225	12/1/2018	Convert 1sh/$debt	Gonzalez, Patricia	Loan	Common	Unsecured	Default
12/4/2018	50,000	50,000	19,003	12/4/2019	Convert 1sh/$debt	Gonzalez, Patricia	Loan	Common	Unsecured	Default
7/15/2016	-	-	1,514	7/14/2021	Convert 1sh/$debt	Graves, Gary	Loan	Common	Secured	Default
9/6/2018	50,000	50,000	48,923	12/1/2018	Convert 1sh/$debt	Gray, Michael	Loan	Common	Unsecured	Default
10/23/2018	25,000	25,000	-	12/1/2018	Convert 1sh/$debt	Gray, Michael	Loan	Common	Unsecured	Default
8/22/2018	12,500	12,500	12,910	12/1/2018	Convert 1sh/$debt	Griggs, Thomas (Cathy Chamberlin)	Loan	Common	Unsecured	Default
3/12/2018	100,000	100,000	20,113	3/12/2019	Convert 1sh/$debt	JDKH Family Partners LLLP, James D. Cochran	Loan	Common	Trailer VIN1A9T1BJ3 0JN99295	Default
9/4/2019	100,000	-	31,255	9/4/2020	Convert 1sh/$debt	Kennedy, Rose	Loan	Common	Unsecured	Default
7/22/2019	75,000	75,000	25,200	6/26/2021	Convert 1sh/$debt	Mansch, Hans	Loan	Common	Unsecured	Default
10/03/2019	75,000	75,000	24,037	6/26/2021	Convert 1sh/$debt	Mansch, Hans	Loan	Common	Unsecured	Default
6/28/2018	15,000	15,000	6,319	12/29/2018	Convert 1sh/$debt	Martinez, Esther	Loan	Common	Unsecured	Default
12/23/2015	-	-	4,629	6/30/2016	Convert 1sh/$debt	McWhorter, Paul	Loan	Common	Secured	Default
5/20/2016	-	-	2,346	6/19/2021	Convert 1sh/$debt	McWhorter, Paul	Loan	Common	Secured	Default
6/28/2018	10,000	10,000	-	12/29/2018	Convert 1sh/$debt	McWhorter, Paul	Loan	Common	Unsecured	Default
8/6/2018	10,000	10,000	7,450	12/1/2018	Convert 1sh/$debt	McWhorter, Paul	Loan	Common	Unsecured	Default
8/28/2018	25,000	25,000	23,614	12/1/2018	Convert 1sh/$debt	Medina, Linda	Loan	Common	Unsecured	Default
6/28/2018	15,000	15,000	7,273	12/29/2018	Convert 1sh/$debt	Medina, Nicole	Loan	Common	Unsecured	Default
12/13/2018	20,000	20,000	-	12/13/2019	Convert 1sh/$debt	Oreskovich, Karen	Loan	Common	Unsecured	Default
12/14/2018	10,000	10,000	(217)	12/13/2019	Convert 1sh/$debt	Oreskovich, Michael	Loan	Common	Unsecured	Default
12/11/2017	88,836	88,836	82,266	12/11/2018	Convert 1sh/$debt	Oreskovich, Robert	Loan	Common	Unsecured	Default
12/11/2017	10,000	10,000	2,151	12/7/2018	Convert 1sh/$debt	Orona, Linda	Loan	Common	Unsecured	Default
12/31/2017	57,507	57,507	33,068	6/30/2021	Convert 1sh/$debt	Orona, Linda	Loan	Common	Unsecured	Default
12/31/2017	4,790	37,507	9,234	6/30/2021	Convert 1sh/$debt	Orona, Rudy	Loan	Common	Unsecured	Default
8/21/2018	25,000	25,000	26,840	12/1/2018	Convert 1sh/$debt	Perkins, Catherine (Paul McWhorter)	Loan	Common	Unsecured	Default
12/14/2017	5,000	5,000	1,725	12/13/2018	Convert 1sh/$debt	Rodriguez, John	Loan	Common	Unsecured	Default
8/02/2018	25,000	25,000	10,280	12/1/2018	Convert 1sh/$debt	Rodriguez, John	Loan	Common	Unsecured	Default
9/4/2018	12,500	12,500	11,356	12/1/2018	Convert 1sh/$debt	Rodriguez, John	Loan	Common	Unsecured	Default
10/1/2018	25,000	25,000	24,394	12/1/2018	Convert 1sh/$debt	Rodriguez, John	Loan	Common	Unsecured	Default
11/9/2018	20,000	20,000	12,767	11/9/2019	Convert 1sh/$debt	Rodriguez, Tina	Loan	Common	Unsecured	Default
12/30/2015	-	-	1,876	6/30/2016	Convert 1sh/$debt	Sanchez, Pete	Loan	Common	Secured	Default
9/4/2019	100,000	-	31,255	9/4/2020	Convert 1sh/$debt	Steinman, Francis	Loan	Common	Unsecured	Default
7/1/2016	-	-	125	7/1/2021	Convert 1sh/$debt	Steir, Terry	Loan	Common	Secured	Default
7/18/2019	55,000	-	18,504	6/26/2021	Convert 1sh/$debt	Stickel, Ingmar	Loan	Common	Unsecured	Default
9/4/2018	50,000	50,000	21,659	12/1/2018	Convert 1sh/$debt	Vargas, Terry	Loan	Common	Unsecured	Default
4/12/2018	100,000	100,000	16,883	4/12/2019	Convert 1sh/$debt	Wolf, Ashly (Trust)	Loan	Common	Unsecured	Default
9/4/2018	23,000	23,000	21,753	12/1/2018	Convert 1sh/$debt	Woods, Edna L.	Loan	Common	Unsecured	Default
TOTAL CONVERTIBLE	**$2,940,119**	**$2,750,836**	**$1,350,653**							
COMBINED LOANS, NON-CONVERTIBLE AND CONVERTIBLE TOTAL										
	Outstanding Balance $	**Principal Amount at Issuance $**	**Interest Accrued $**							
	$5,903,553	**$5,893,168**	**$2,554,275**							

Use the space below to provide any additional details, including footnotes to the table above:

None

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. (Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

   Sprout Tiny Homes is a leading designer, developer, and manufacturer of high-quality, Zero Energy Ready Homes with chemical free interiors.

B. List any subsidiaries, parent company, or affiliated companies.

On February 26, 2015, we were incorporated as a Delaware corporation named "Sprout Tiny Homes (DE), Inc." On February 27, 2015, RG America, Inc., a Nevada corporation, merged into its wholly owned Delaware subsidiary, RG America Merger Corp. This moved RG America, Inc.'s state of incorporation from Nevada to Delaware. On March 5, 2015, RG America Merger Corp. merged into its wholly owned Delaware subsidiary RG America (DE), Inc. ("RG Delaware") as part of a Delaware Section 251(g) holding company reorganization. Sprout Tiny Homes (DE), Inc. was designated as the public holding company and RG Delaware became its wholly owned subsidiary, with all the assets and liabilities of the pre-existing insurance related business of RG America Inc. Under the plan of merger, each shareholder of RG Merger Corp. received shares of stock of Sprout Tiny Homes (DE), Inc. on a one-for-one basis. On March 19, 2015, Sprout Tiny Homes (DE), Inc. changed its domicile to Colorado; as part of this process our corporate name changed to Sprout Tiny Homes, Inc., a Colorado corporation. On March 27, 2015, a 1 for 150 reverse split was approved by the Company's Board of Directors and a majority of the voting power of its shareholders.

The Company has never been in bankruptcy, receivership, or any similar proceeding, nor has there been any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.

On February 5, 2019, the Company entered into a cross-licensing agreement with Utopian Villas of Texas, LLC to debut an enhanced line of tiny homes on wheels. This collaboration is centered around Utopian Villas granting Sprout the rights to manufacture the floor plans and designs of Utopian Villa's RVIA Certified Park Models in the Colorado market. With Utopian Villas unique designs and Sprouts production facility located in Pueblo, CO the goal of both companies is that the collaboration will focus on new technology integration around HVAC systems, zero energy ready home certification and increasing loft headroom. The Agreement leverages both companies' strengths in design, technology and manufacturing capacity that will be delivered to commercial clients in Colorado that demand cutting edge design and technology in the expanding small home market. Under the terms of the agreement, the Company will elect one member to its Board of Directors. In addition, the Company will issue 1,200,000 shares of its restricted common stock and agreed to issue future share grants commensurate with the value and manufacturing capacity created for each phase of expansion. The future grants will be defined and agreed to in a separate share grant Agreement.

On May 13, 2019, the Company entered into an operating agreement with Champion Homes to increase production capacity and reduce the time to market for its high-quality homes on wheels. This collaboration is centered around some process changes on the production line and integration of Sprout technology and innovation. Under the agreement, Champion Homes will supply major components and production efficiencies out of its Mansfield, TX production facility.

In 2021, the Company formed a relationship with a well-capitalized developer to address outstanding debt on NVH and move the project forward. The Company agreed to sell the NVH project to a new LLC for $3,080,000 and is in the process of completing the incremental cost of approximately $4 million of infrastructure for the 162 lots. Simultaneously, the Company agreed that the developer would retire the existing debt with NVH lenders before the notes reach maturity, and the NVH lenders agreed to settle all debt at a substantial discount, thereby avoiding discussions of foreclosure. On a go forward basis, the Company agreed that the new owner/developer would complete most of the vertical construction of homes at NVH. It is anticipated that vertical construction will begin late May/early June 2021 and provides the Company with an opportunity to realize profits from the vertical building and sales of homes. In 2020, the Company recorded a $3,474,822 write-down in the carrying value of the land and undeveloped land to reflect the sales price received at the close of the 2021 transaction.

On January 25, 2021, the Company announced the signing of a term sheet to acquire 100% of the Common Stock of Pure Zero Construction, LLC a modern technology and home building company. Upon execution of a definitive agreement Pure Zero will be an outward facing home builder brand focused on building affordable, healthy, Zero Energy Ready homes in a post pandemic market. The plan is to scale Pure Zero through an aggressive acquisition strategy as it builds single family homes in the North Vista Highlands housing development in Pueblo, CO. The homes being constructed in North Vista Highlands will set a standard for the future of housing. Technology innovation will highlight nontoxic interiors, superior indoor air quality, water filtration, EMF reduction, a COVID sanitation locker, virus resistant flooring / surfaces, new kitchen technology, and innovative work / workout space with HVAC technology to take comfort to a new level. A resort style clubhouse and pool is in final planning stages to create day one living for its residents. The mixed use / downtown area will feature a variety of retail, restaurants, and community centric activities.

On February 22, 2021, the Company announced the next step in its acquisition and growth strategy with its subsidiary, Pure Zero Construction, executing a letter of intent to acquire 100% of the Common Stock of Legacy Homes of Pueblo. Legacy is a home builder that has been building quality homes for over 29 years and is recognized as a high-quality home builder that utilizes the latest technology in home building practices, pride it its work ethic, material quality, and understands the comfort, joy, and longevity a high-quality home brings. The Legacy Homes management team will head up the combined entity and bring its network of sub-contractors, suppliers, and 29 years of experience to establish Pure Zero Construction as the scalable builder in the North Vista subdivision with the first homes beginning construction in May 2021.

On March 1, 2022, the Company officially announced that its residential construction division, Pure Zero Construction, has begun vertical construction of 28 high-performance single-family homes in the recently completed North Vista Highlands residential subdivision. There will be 3 different all electric floor plans ranging from 1580 to 1980 sq ft on the main level with basements built and certified to the Zero Energy Ready specification resulting in significantly lower energy bills when compared to traditional building codes. With solar PV panels, the homes achieve net zero energy status meaning no electric energy usage bills other than the monthly service fee.

Pure Zero Construction is building the initial 28 single family homes under contract with a developer that will begin vertical construction upon receipt of foundation engineering and building permits. The high performance homes will feature high indoor air quality through the use of high performance Energy Recovery Ventilation (ERV) HVAC systems that exchange the energy contained in normally exhausted air of the home using it to treat (precondition) the incoming outdoor ventilation air. During the warmer seasons, the ERV system pre-cools and dehumidifies; During cooler seasons the system humidifies and pre-heats and significantly improves HVAC design to meet and exceed ventilation and energy standards. Other attributes include a focus on healthy living interiors through the use of no VOC paints, clear coats, flooring and other interior finish materials that reduce volatile organic compounds that release chemicals or off-gas into the indoor air we breathe. In summary, Pure Zero Construction is committed to building healthy, high performance, energy efficient all electric homes with high indoor air quality.

On March 28, 2022, the Company received a large production order from a major ski development company. Preparation for the construction of several homes began immediately, with the completion of all homes by the end of spring 2023.

From time to time, the Company has notes payable where maturities have expired, and thus are reflected as in default. The Company is engaged in on-going discussions with the noteholders with respect to settlement of outstanding notes payable.

C. Describe the issuers' principal products or services.

Sprout Tiny Homes is a **DOE Zero Energy Ready Home Partner** with a unique and experienced team to scale production of high-quality tiny homes with useful design, personality and chemical free interiors in mind. From our streamlined manufacturing facility to our network of innovative vendors, HVAC, furniture and high-tech features, we are the most innovative manufacturer of tiny homes on wheels and modular homes on foundations. Sprout homes are built with modern building practices and focuses exclusively on building commercial grade homes to satisfy the growing demand of affordable housing communities, employee housing, overnight hotel / resort markets and homes for disabled and exceptional people. Sprout homes are built with structural insulated panels resulting in stronger, greener and straighter homes that are highly energy efficient and feature chemical free interiors to encourage healthy living lifestyles. Using sustainable building materials where possible and pushing the boundaries of design and energy efficiency are key attributes of Sprout homes. Further, Sprout Tiny Homes is proud to meet the ANSI-119.5 safety standards in all homes that we build. This standard requires that all models meet or exceed more than 500 building and safety standards. We pride ourselves on being able to deliver high quality tiny homes in volume. Sprout manufactures Zero Energy Ready homes on foundations up to 1700 sq. ft. of living space. The company provides consulting and custom design services to customers that engage the Company to build homes on-site.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company executive office is located at 822 Hays, Longmont, CO 80504. The Company vacated its 45,000 sq. ft. manufacturing facility in September 2020. The Company also moved manufacturing equipment, delivery equipment and tools associated with the manufacturing of its homes, into moveable storage containers.

The Company, through its wholly owned subsidiary Pure Zero Construction, leases office space in Pueblo, CO. The lease is approximately $2,530 on a month-to-month basis. During the quarter ended September 30, 2023, the Company terminated this lease.

The Company, through its wholly owned subsidiary Pure Zero Construction, leases production space for the Ski company contract, in Pueblo, CO. The lease is approximately $3,500 on a month-to-month basis. Subsequent to September 31, 2023, the Company terminated this lease.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of**

the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Rod L. Stambaugh	Chairman of the Board of Directors, Control Person	Pueblo, CO USA	19,962,500	Common	19.78%	N/A
Brian L. Miller	CEO, Legacy Homes and Pure Zero Construction subsidiaries	Pueblo, CO USA	4,550,000	Common	4.50%	N/A
Kelly Green	Director		1,200,000	Common	1.19%	N/A
Greg Jensen	Director	Westcliffe, CO USA	14,693,709	Common	14.56%	N/A
The Burke Revocable Declaration of Trust - Gary Burke Control person Gary Burke	Owner of more than 5%	Del Mar, CA USA	15,625,209	Common	15.48%	N/A
Pueblo Sprout Development, LLC – Control Person Gary Burke, managing partner	Owner of more than 5%	Hubbard, OH USA	5,000,000	Common	4.95%	N/A
DHN Enterprises, LLC – Control person David Roberts	Owner of more than 5%	Denver, CO USA	5,860,000	Common	5.8%	N/A
Ken Taylor	Acting Financial Officer**	Longmont, CO	250,000	Common	.23%	N/A

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

None of the persons listed in Item 6) above have, in the last five years, been the subject of: (1) a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses); (2) the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities; (3) a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or (4) the entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Contact Name:	David F. Murray, Esq.
Firm Name:	Davis Murray Law, LLC
Address 1:	1001 Bannock Street, Suite 133
Address 2:	Denver, CO 80204
Phone Number:	303-808-9369
Email:	dmurray@dmurraylaw.com

Accountant or Auditor

Contact Name:	Open
Firm Name:	Open
Address 1:	Open
Address 2:	Open
Phone Number:	Open
Email:	Open

Investor Relations

Contact Name:	Open
Firm Name:	Open
Address 1:	Open
Address 2:	Open
Phone Number:	Open
Email:	Open

All other means of Investor Communication:

Twitter:	None
Discord:	None
LinkedIn	None
Facebook:	None
[Other]	None

Other Service Providers

Provide the name of any other service provider(s) **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Contact Name:	Ken Taylor
Firm Name:	Aragonite Consulting LLC
Nature of Services:	Accounting and Finance (Acting CFO)
Address 1:	822 Hays Cir
Address 2:	Longmont, CO 80504
Phone Number:	(720) 470-0147
Email:	ken.e.taylor@gmail.com

9) Financial Statements

A. The following financial statements were prepared in accordance with:

☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)[2]:

Name:	**Ken Taylor**
Title:	**Interim Financial Officer**
Relationship to Issuer:	**Contractor**

Describe the qualifications of the person or persons who prepared the financial statements:

Mr. Taylor is the acting CFO through his consulting practice, Aragonite Consulting LLC. Mr. Taylor has been running Aragonite since 1994, has over 40 years as a business consultant providing finance and accounting expertise to over 30 clients in oil and gas, mining of precious minerals, manufacturing, construction, service and media companies, acting in the capacity of Corporate Controller/CFO, and held full fiduciary responsibility.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

a. Audit letter, if audited;
b. Balance Sheet;
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

Important Notes:

- Financial statements must be "machine readable". Do not publish images/scans of financial statements.

- All financial statements for a fiscal period must be published together with the disclosure statement in one Annual or Quarterly Report.

[2] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Rod Stambaugh certify that:

1. I have reviewed this Disclosure Statement for Sprout Tiny Homes, Inc., for the period ending September 30, 2023;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 15, 2023

/s/ [Rod Stambaugh]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Ken Taylor certify that:

1. I have reviewed this Disclosure Statement for Sprout Tiny Homes, Inc. for the period ending September 30, 2023;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 15, 2023

/s/ [Ken Taylor]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Sprout Tiny Homes, Inc.

Financial Statements

September 30, 2023 (unaudited) and December 31, 2022 (unaudited)

Sprout Tiny Homes, Inc.
Financial Statements
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Unaudited Financial Statements

Sprout Tiny Homes, Inc.
Balance Sheets
As of September 30, 2023 and December 31, 2022

		(unaudited) September 30, 2023		(unaudited) December 31, 2022
ASSETS				
Current Assets:				
Cash and cash equivalents	$	896	$	122
Accounts receivable, net		96,800		161,054
Prepaid and other assets		32,190		75,750
Total Current Assets		**129,886**		**236,926**
Property, plant and equipment, net		330,590		390,590
Land and undeveloped land		70,098		-
Other assets		1,859,898		1,859,898
Total Assets	$	**2,390,472**	$	**2,487,414**
LIABILITIES AND SHAREHOLDERS' DEFICIT				
Current Liabilities:				
Accounts payable and accrued liabilities	$	3,588,647	**$**	3,358,145
Accounts payable and accrued liabilities - related parties		350,236		379,336
Customer deposits, factory-built homes		18,190		18,190
Customer deposits, land sales		2,387		2,387
Convertible notes payable, in default		1,087,202		1,087,202
Convertible notes payable, net of discounts, - related party		-		56,011
Convertible notes payable, in default - related party		350,000		350,000
Notes payable, current		287,427		220,000
Notes payable, in default		2,717,889		2,717,889
Total Current Liabilities		**8,401,978**		**8,189,160**
Notes payable, long-term - related party		138,000		-
Total liabilities		**8,539,978**		**8,189,160**
Shareholders' Deficit				
Series A Preferred stock, $0.001 par value, 5,000,000 shares authorized and -0- and 1,000,000 shares outstanding at December 31, 2020 and December 31, 2019, respectively		-		-
Common stock, $0.001 par value, 300,000,000 shares authorized, 100,924,718 and 99,924,718 issued and outstanding at September 30, 2023 and December 31, 2022, respectively		100,930		99,930
Common stock issuable, 1,375,000 and 1,375,000 shares outstanding at September 30, 2023 and December 31, 2022, respectively		36,994		36,994
Additional paid in capital		16,782,506		16,713,507
Accumulated deficit		(23,069,936)		(22,552,177)
Total Shareholders' Deficit		(6,149,506)		(5,701,746)
Total Liabilities and Shareholders' Deficit	**$**	**2,390,472**	**$**	**2,487,414**

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

Sprout Tiny Homes, Inc.
Statements of Operations
For the three and nine months ending September 30, 2023 and September 30, 2022

	(unaudited) Three Months Ended September 30, 2023	(unaudited) Three Months Ended September 30, 2022	(unaudited) Nine Months Ended September 30, 2023	(unaudited) Nine Months Ended September 30, 2022
Total Revenue	$ 271,781	$ 2,517,510	$ 2,310,526	$ 6,106,456
Cost of goods sold	193,604	2,595,638	2,059,670	5,599,411
Gross Margin	78,177	(78,128)	250,856	507,045
Costs and Expenses				
Sales and marketing expense	-	10,030	1,285	27,900
General and administrative expense	20,487	184,339	258,730	773,185
Accounting and finance expense	1,356	46,774	31,150	229,676
Facilities expense	(8,648)	24,277	61,647	58,743
Depreciation and amortization expense	20,000	-	60,000	-
Total Costs and Expenses	33,195	265,420	412,812	1,089,504
Operating Income (Loss)	$ 44,982	$ (343,548)	$ (161,956)	$ (582,459)
Other Income (Expense)				
Other income (expense)	5	264	188	645
Interest (expense)	(137,977)	(260,888)	(355,991)	(713,794)
Total Other Income (Expense)	(137,972)	(260,624)	(355,803)	(713,149)
Net Income (Loss)	$ (92,990)	$ (604,172)	$ (517,759)	$ (1,295,608)
Weighted Average common shares outstanding				
Basic	100,924,718	99,924,718	100,529,114	93,667,124
Fully Diluted	100,924,718	99,924,718	100,529,114	93,667,124
Net Income (loss) per share:				
Basic	$(0.00)	$(0.01)	$(0.01)	$(0.01)
Fully Diluted	$(0.00)	$(0.01)	$(0.01)	$(0.01)

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

Sprout Tiny Homes, Inc.
Statements of Shareholders' Deficit
For the periods ended September 30, 2023 and December 31, 2022

	Preferred Stock		Common Stock		Common Stock Issuable		Additional Paid-in Capital	Accumulated Deficit	Shareholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at Dec 31, 2021 (unaudited)	**-**	**$ -**	**83,997,290**	**$ 83,999**	**1,375,000**	**$ 36,994**	**$ 14,674,699**	**$ (20,669,202)**	**$ (5,873,510)**
Shares issued for cash	-	-	196,428	197	-	-	10,806	-	11,003
Shares issued for consulting services	-	-	3,000,000	3,000	-	-	263,100	-	266,100
Shares issued as debt discount, related party	-	-	5,731,000	5,734	-	-	466,502	-	472,236
Shares issued for purchase of Pure Zero Construction LLC	-	-	7,000,000	7,000	-	-	613,900	-	620,900
Non-cash contributions by shareholders	-	-	-	-	-	-	684,500	-	684,500
Net (loss)	-	-	-	-	-	-	-	(1,882,975)	(1,882,975)
Balance at Dec 31, 2022 (unaudited)	**-**	**$ -**	**99,924,718**	**$ 99,930**	**1,375,000**	**$ 36,994**	**$ 16,713,506**	**$ (22,552,177)**	**$ (5,701,747)**
Shares issued for cash	-	-	1,000,000	1,000	-	-	69,000	-	70,000
Net (loss)	-	-	-	-	-	-	-	(517,759)	(517,759)
Balance at September 30, 2023 (unaudited)	**-**	**$ -**	**100,924,718**	**$ 100,930**	**1,375,000**	**$ 36,994**	**$ 16,782,506**	**$ (23,069,936)**	**$ (6,149,506)**

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

Sprout Tiny Homes, Inc.
Statements of Cash Flows
For the nine months ended September 30, 2023 and September 30, 2022

	(unaudited) September 30, 2023		(unaudited) September 30, 2022	
Cash flows from operating activities				
Net income (loss) for the period	$	(517,759)	$	(1,295,608)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities				
Depreciation		60,000		-
Amortization of debt discounts		(56,011)		305,334
Changes in operating assets and liabilities				
Accounts receivable		64,254		(431,909)
Earnings in excess of billings and estimated earnings on		-		(142,135)
Prepaid expenses and other assets		43,560		-
Accounts payable and accrued liabilities		201,401		952,387
Customer deposits		-		(113,400)
Net Cash Provided by (Used by) Operating		(204,555)		(725,331)
Cash flows (used in) investing activities				
Assets acquired, liabilities assumed, and Goodwill		(70,098)		(1,098,729)
Net Cash Provided by (Used by) Investing		(70,098)		(1,098,729)
Cash flows from financing activities				
Repayment of short-term notes payable		(160,573)		-
Proceeds from issuance of notes payable		366,000		-
Proceeds from issuance of convertible notes payable		-		472,235
Common stock issued for cash		70,000		11,000
Common stock issued for services		-		266,100
Common stock issued for prepaid operating expenses		-		100,000
Common stock issued for purchase of Pure Zero		-		620,900
Net Cash Provided by (Used by) Financing		275,427		1,470,235
Net Increase (Decrease) in Cash		774		(353,825)
Cash at Beginning of Period		122		355,152
Cash at End of Period	$	896	$	1,327
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for interest	$	-	$	-

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

Throughout this report, terms “our”, “we”, “us” and the “Company” refer to Sprout Tiny Homes, Inc. The accompanying financial statements, presented in U.S. dollars, are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and revenue and expenses during the reporting periods. Our actual results could differ from those estimates and assumptions. In management’s opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation to make our financial statements not misleading have been included. The results of operations for the three and nine months ended September 30, 2023 and September 30, 2022 presented are not necessarily indicative of the results to be expected for the future periods.

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Business

On February 26, 2015, we were incorporated as a Delaware corporation named “Sprout Tiny Homes (DE), Inc.” On February 27, 2015, RG America, Inc., a Nevada corporation, merged into its wholly owned Delaware subsidiary, RG America Merger Corp. This moved RG America, Inc.’s state of incorporation from Nevada to Delaware.

On March 5, 2015, RG America Merger Corp. merged into its wholly owned Delaware subsidiary RG America (DE), Inc. (“RG Delaware”) as part of a Delaware Section 251(g) holding company reorganization. Sprout Tiny Homes (DE), Inc. was designated as the public holding company and RG Delaware became its wholly owned subsidiary, with all the assets and liabilities of the pre-existing insurance related business of RG America Inc. Under the plan of merger, each shareholder of RG Merger Corp. received shares of stock of Sprout Tiny Homes (DE), Inc. on a one-for-one basis. On March 19, 2015, Sprout Tiny Homes (DE), Inc. changed its domicile to Colorado; as part of this process our corporate name changed to Sprout Tiny Homes, Inc., a Colorado corporation. On March 27, 2015, a 1 for 150 reverse split was approved by the Company’s Board of Directors and a majority of the voting power of its shareholders. The above corporate actions were approved by the Company’s Board of Directors and a majority of the voting power of the Company’s stockholders. These corporate actions required approval by FINRA, which was granted on April 20, 2015, effective April 21, 2015. The Company’s new trading symbol, “STHI,” became effective 20 business days later.

On April 22, 2015, the Company acquired Sprout Tiny Homes, LLC, a Colorado limited liability company. We issued 35,000,000 shares of common stock to Rod Stambaugh as the purchase price for Sprout Tiny Homes, LLC.

On January 22, 2021, the Company finalized a term sheet to acquire 100% of the Common Stock of Pure Zero Construction, LLC a modern technology and home building company. Upon execution of a definitive agreement Pure Zero will be an outward facing home builder brand focused on building affordable, healthy, Zero Energy Ready homes in a post pandemic market. The plan is to scale Pure Zero through an aggressive acquisition strategy as it builds single family homes in the North Vista Highlands housing development in Pueblo, CO. The homes being constructed in North Vista Highlands will set a standard for the future of housing. Technology innovation will highlight nontoxic interiors, superior indoor air quality, water filtration, EMF reduction, a COVID sanitation locker, virus resistant flooring / surfaces, new kitchen technology, and innovative work / workout space with HVAC technology to take comfort to a new level. A resort style clubhouse and pool is in final planning stages to create day one living for its residents. The mixed use / downtown area will feature a variety of retail, restaurants, and community centric activities.

On February 1, 2021, the Company finalized its next step in its acquisition and growth strategy with its subsidiary, Pure Zero Construction, to acquire 100% of the Common Stock of Legacy Homes of Pueblo. Legacy is a home builder that has been building quality homes for over 29 years and is recognized as a high-quality home builder that utilizes the latest technology in home building practices, pride it its work ethic, material quality, and understands the comfort, joy, and longevity a high-quality home brings. The Legacy Homes management team will head up the combined entity and bring its network of sub-contractors, suppliers, and 29 years of experience to establish Pure Zero Construction as the scalable builder in the North Vista subdivision with the first homes anticipated to begin construction in Spring 2022.

On March 1, 2022, the Company officially announced that its residential construction division, Pure Zero Construction, has begun vertical construction of 28 high-performance single-family homes in the recently completed North Vista Highlands residential subdivision. There are 3 different all electric floor plans ranging from 1580 to 1980 sq ft on the main level with basements built and certified to the Zero Energy Ready specification resulting in significantly lower energy bills when compared to traditional building codes. With solar PV panels, the homes achieve net zero energy status meaning no electric energy usage bills other than the monthly service fee.

Pure Zero Construction is building the initial 28 single family homes under contract with a developer that will begin vertical construction upon receipt of foundation engineering and building permits. The high performance homes will feature high indoor air quality through the use of high performance Energy Recovery Ventilation (ERV) HVAC systems that exchange the energy contained in normally exhausted air of the home using it to treat (precondition) the incoming outdoor ventilation air. During the warmer seasons, the ERV system pre-cools and dehumidifies; During cooler seasons the system humidifies and pre-heats and significantly improves HVAC design to meet and exceed ventilation and energy standards. Other attributes include a focus on healthy living interiors through the use of no VOC paints, clear coats, flooring and other interior finish materials that reduce volatile organic compounds that release chemicals or off-gas into the indoor air we breathe. In summary, Pure Zero Construction is committed to building healthy, high performance, energy efficient all electric homes with high indoor air quality.

On March 28, 2022, the Company received a large production order from a major ski development company. Preparation for the construction of several homes began immediately, with the completion of all homes by the end of spring 2023.

Sprout Tiny Homes is a leading designer, developer and manufacturer of high-quality, Zero Energy Ready Homes with chemical free interiors. Sprout Tiny Homes is a DOE Zero Energy Ready Home Partner with a unique and experienced team to scale production of high-quality tiny homes with useful design, personality and chemical free interiors in mind. From our streamlined manufacturing facility to our network of innovative vendors, HVAC, furniture and high-tech features, we are the most innovative manufacturer of tiny homes on wheels and modular homes on foundations. Sprout homes are built with modern building practices and focuses exclusively on building commercial grade homes to satisfy the growing demand of affordable housing communities, employee housing, overnight hotel / resort markets and homes for disabled and exceptional people. Sprout homes are built with structural insulated panels resulting in stronger, greener and straighter homes that are highly energy efficient and feature chemical free interiors to encourage healthy living lifestyles. Using sustainable building materials where possible and pushing the boundaries of design and energy efficiency are key attributes of Sprout homes. Further, Sprout Tiny Homes is proud to meet the ANSI-119.5 safety standards in all homes that we build. This standard requires that all models meet or exceed more than 500 building and safety standards. We pride ourselves on being able to deliver high quality tiny homes in volume. The company provides consulting and custom design services to customers that engage the Company to build homes on-site. The Company's SIC is: 1522 - Residential construction, misc. The Company's fiscal year end is December 31.

Basis of Presentation

The accompanying financial statements, presented in U.S. dollars, are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and revenue and expenses during the reporting periods. Our actual results could differ from those estimates and assumptions. Certain prior period amounts have been reclassified to conform to the current period presentation. The Company's fiscal year end is December 31.

Going Concern Uncertainty, Liquidity, and Capital Resources

Since our incorporation in 2015, the Company has relied primarily on periodic equity financings to fund on-going operations and has successfully raised over $0.6 million in equity (net of expenses) and more recently $1.03 million of convertible and non-convertible debt in 2018. In August of 2018, the Company opened a new $0.5 million offering of its Common Stock at $0.10 per share. Through December 31, 2018 the Company had raised $278,000 from this offering (net of offering expenses). In December of 2018, the Company opened a new $0.5 million offering of its Common Stock at $0.40 per share. During 2019, the Company raised an additional $150,000 from the sale of 375,000 shares of the Company's common stock, did not raise capital from any offerings in 2020, raised $50,000 from the sale of 333,333 shares of the Company's common stock in 2021, and raised $11,003 from the sale of 196,428 shares of the Company's common stock in 2022. Since the Company has not completed these new offerings, fundraising efforts will continue throughout 2023, including management's exploring and considering additional funding strategies.

The Company generated net losses of $517,759 and $1,295,608 for the nine months ended September 30, 2023 and the year ended December 31, 2022, respectively, and had an accumulated deficit of $23,069,936 and $22,552,177 at September 30, 2023 and December 31, 2022, respectively. At September 30, 2023, the Company had cash on hand of $896. Given these circumstances together with continued planned production and other minimally necessary operating expenditures, management currently believes that our cash resources will be insufficient to fund our ongoing production operations general and administrative expenses. This cash resources assessment assumes the continued and potential availability of cash resources provided by recently issued short term convertible debt assuming its maturities are extended or it converts to equity at or prior to maturity. Our ability to continue as a going concern will be dependent therefore on our ability to raise sufficient additional capital to fund our general operations and meet our obligations on a timely basis. If we are unable to successfully raise sufficient additional capital, we may not have sufficient cash and liquidity to fund our operations, forcing us to delay, discontinue or prevent production or curtail our activities and ultimately, potentially cease operations. Even if we are able to raise additional capital, such financings may only be available on unattractive terms, or result in significant dilution of shareholder's interests. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. No adjustments have been made to the carrying value of assets and liabilities as a result of this uncertainty.

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses during the year reported. Actual results may differ from those estimates.

Revenue Recognition

Contracts with Customers

Most of the Company's revenue is derived from real estate sales of energy efficient homes and commercial property at North Vista Highlands. The majority of the Company's contracts contain a single performance obligations involving significant real estate development activities that are performed together to deliver real estate property to customers. Revenues arising from real estate sales are recognized when or as the control of the asset is transferred to the customer. The control of the asset may transfer over time or at a point in time. For the sales of individual homes in a real estate development project, the Company has an enforceable right to payment for performance completed to date, revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

Under percentage completion method, revenue and profit from the sales of long-term real estate development properties is recognized by the percentage of completion method on the sale of individual units when all the following criteria are met:

a. Construction is beyond a preliminary stage.
b. The buyer is committed to the extent of being unable to require a refund except for non-delivery of the home or interest.
c. Sales prices are collectible.
d. Aggregate sales proceeds and costs can be reasonably estimated.

If any of the above criteria is not met, proceeds shall be accounted for as deposits until the criteria are met.

Under the percentage of completion method, revenues from individual real estate homes sold under development and related costs are recognized over the course of the construction period, based on the completion progress of a project. The progress towards complete satisfaction of the performance obligation is measured based on the Company's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract. In relation to any project, revenue is determined by calculating the ratio of incurred costs, including land use rights costs and construction costs, to total estimated costs and applying that ratio to the contracted sales amounts. Cost of sales is recognized by determining the ratio of contracted sales during the period to total estimated sales value and applying that ratio to the incurred costs. Current period amounts are calculated based on the difference between the life-to-date project totals and the previously recognized amounts.

Any changes in significant judgments and/or estimates used in determining construction and development revenue could significantly change the timing or amount of construction and development revenue recognized. Changes in total estimated project costs or losses, if any, are recognized in the period in which they are determined.

Total revenue from the sales of completed real estate homes is recognized at the time of the closing of an individual unit sale. This occurs when the customer obtains the physical possession, the legal title, or the significant risks and rewards of ownership of the assets and the Company has present right to payment and the collection of the consideration is probable. For municipal road construction projects, fees are generally recognized at the time of the projects are completed.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less.

Accounts Receivable, net

Accounts Receivable, net relates primarily to milestone and progress billing from sales of homes. The Company performs ongoing credit evaluations of its customers and generally does not require collateral for accounts receivable. Allowances are maintained for potential credit losses based on historical experience, present economic conditions and other factors considered relevant by the Company. These allowances are recorded against the Company's accounts receivable. The Company had $96,800 in accounts receivable recorded at September 30, 2023, and $161,054 in accounts receivable recorded at December 31, 2022.

Earnings in excess of billings and estimated earnings on uncompleted contracts

Under the percentage completion method of accounting for contracts with customers, where calculated revenues are greater than actual contract amounts billed, the Company records an asset "Earnings in excess of billings and estimated earnings on uncompleted contracts" on its Balance Sheet. Allowances are maintained for potential credit losses based on historical experience, present economic conditions and other factors considered relevant by the Company. These allowances are recorded against the Company's accounts receivable. The Company had $0 in Earnings in excess of billings and estimated earnings on uncompleted contracts at September 30, 2023 and December 31, 2022.

Inventory

Inventory consists of raw materials, construction in process, or inventory held for resale manufactured for construction and sale of tiny homes. Such costs are charged to cost of goods sold on our statements of operations simultaneously with revenue recognition as discussed above. Incidental direct costs for consumables and other costs used in the construction of tiny homes are expensed to cost of goods sold as incurred. All inventory is valued at the lower of cost or net realizable value, is periodically evaluated for recoverability based on its intended use and is determined using the average cost method. During 2020, the Company exited its production facilities in Pueblo, and disposed of all production inventories. The Company had no inventory at September 30, 2023 and December 31, 2022.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in other expense on the Statements of Operations.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to five years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment, there was no impairment at September 30, 2023 or December 31, 2022.

The Company had $350,590 in Property and Equipment (net of depreciation) at September 30, 2023, and $390,590 in Property and Equipment (net of depreciation) at December 31, 2022. During the year ended December 31, 2022, company shareholders contributed $460,000 in equipment and other assets.

Land

During the nine months ended September 30, 2023, the Company purchased a lot in the North Vista Highlands residential subdivision for $69,098 and placed a deposit of $1,000 on an additional lot. The Company plans on building a home on each of these lots and selling once completed, through its wholly owned subsidiary, Pure Zero Construction.

Income Taxes

We account for income taxes in interim periods in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"). We have determined an estimated annual effective tax rate. The rate will be revised, if necessary, as of the end of each successive interim period during our fiscal year to our best current estimate. As of September 30, 2023, and December 31, 2022, the estimated effective tax rate for the year was zero as we currently have generated tax losses.

There are open statutes of limitations for taxing authorities in federal and state jurisdictions to audit our tax returns from 2015 through the current period. Our policy is to account for income tax related interest and penalties in income tax expense in the statement of operations. There have been no income tax related interest or penalties, assessed to date.

ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The pronouncement also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Stock-Based Compensation

Stock-based compensation expense reflects the fair value of stock-based awards measured at the grant date and recognized at the grant date due to immediate vesting.

Net Loss per Share

We calculate net loss per share in accordance with ASC Topic 260, *Earnings per Share*. Basic net loss per share is computed using the two-class method by dividing net loss attributed to common stockholders by the weighted average number of shares of common stock outstanding for the period, and diluted earnings per share is computed by including common stock equivalents outstanding for the period in the denominator. At September 30, 2023 and December 31, 2022, any equivalents would have been anti-dilutive as we had losses for the periods ended.

Diluted loss per share is calculated by adjusting both the numerator (net loss) and the denominator (weighted-average number of shares outstanding) for the dilutive effects of potentially dilutive securities, including options, warrants and convertible promissory notes.

- Net loss per share is computed using the two-class method which is an allocation formula that determines net loss per share for common stock and participating securities, which for the Company is the Series A preferred stock. The Company has determined that holders of our outstanding Series A preferred stock share in earnings and losses of the Company on a pro-rata shares allocated basis with our common shareholders.

- The if-converted method is used for convertible promissory notes and Series A preferred stock. Under the if-converted method, interest expense (including interest expense related to the debt discount) in the period on the convertible promissory notes payable is added to net income, and the number of shares that would be obtained upon conversion is added to the denominator. Under the if-converted method, preferred dividends and deemed dividends in the period on the Series A preferred stock are added back to the net income, and the number of shares that would be obtained upon conversion is added to the denominator.

Risk and Uncertainties

The Company is subject to various risks and uncertainties frequently encountered by early-stage home-building companies. Such risks and uncertainties include, but are not limited to, limited operating history, competition from other already approved products, dependence on key personnel, the need for ongoing capital to fund operations, and management of rapid growth. To address these risks, the Company must, among other things, successfully execute on its production development plan, develop its customer base, execute its business and marketing strategy, successfully develop and commercialize its product lines, raise capital on acceptable terms to the Company, and attract and motivate qualified personnel. There can be no guarantee that the Company will be successful in addressing these or other such risks.

Fair Value of Financial Instruments

The Company's financial instruments consist principally of convertible notes payable. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels defined as follows:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial instruments consist of warrants and convertible notes. The convertible notes are classified within Level 2 of the fair value hierarchy. The fair value of the convertible notes approximates carrying value as the interest rate is considered to approximate a market interest rate.

The Company calculates the fair value of its warrants using various models which are all Level 3 inputs.

The Company does not have any non-financial assets or liabilities that it measures at fair value. During the nine months ended September 30, 2022 and the year ended December 31, 2022, there were no transfers of assets or liabilities between levels.

Recent Pronouncements Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, to improve financial reporting about leasing transactions. This ASU will require organizations that lease assets ("lessees") to recognize a lease liability and a right-of-use asset on its balance sheet for all leases with terms of more than twelve months. A lease liability is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset represents the lessee's right to use, or control use of, a specified asset for the lease term. The amendments in this ASU leaves the accounting for the organization that own the assets leased to the lessee ("lessor") largely unchanged except for targeted improvements to align it with the lessee accounting model and Topic 606, Revenue from Contracts with Customers.

The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. During 2020, the Company vacated its production facility. During 2021, the Company settled its facility lease obligations by issuing a Note Payable of $115,000, at an annualized interest rate of 6%, with a maturity date of March 15, 2022. The Company recorded an additional expense (loss) in 2020 of $41,496 related to this settlement. As the Company agreed to settle the leased production facility in 2021, and under ASU 2016-02, there was no impact on the 2021 financial statements.

Recent Pronouncements Not Yet Adopted

From time to time, new accounting pronouncements are issued that we adopt as of the specified effective date or elect to early adopt. We believe that the impact of recently issued standards not yet effective may have an impact on our results of operations and financial position.

Note 2 - Capital Stock

The Company has two classes of stock (common and preferred). Under the Articles of Incorporation of the Company, the authorized capital stock of the Company consists of 300,000,000 shares of common stock, $0.001 par value (the "Common Stock"), and 5,000,000 shares of preferred stock, $0.001 par value, of which 1,000,000 are designated Series A preferred stock. No shares of the Company's capital stock are redeemable.

Common Stock Transactions – 2023

During the nine months ended September 30, 2023, the Company issued 1,000,000 shares of common stock for cash proceeds of $70,000.

Common Stock Transactions – 2022

During the year ended December 31, 2022, the Company issued 7,000,000 shares at $0.0887 per share, to related parties for the acquisition of Pure Zero Construction LLC.

During the year ended December 31, 2022, the Company issued 5,731,000 shares at $0.0824 per share, to a related party as inducement to fund working capital needs for Pure Zero Construction LLC. The issuance of shares was recorded as a debt discount on the Balance Sheet at December 31, 2022 (capped at the value of the note payable).

During the year ended December 31, 2022, the Company issued 196,428 shares at $0.056 per share, for cash totaling $11,000.00

During the year ended December 31, 2022, the Company issued 3,000,000 shares at $0.0887 per share, for consulting services.

Preferred Stock

We are authorized to issue 5,000,000 shares of preferred stock, par value $0.001. We currently have one series of Preferred stock outstanding, our Series A Convertible Preferred Stock. On November 25, 2015, our Board of Directors approved the designation of 1,000,000 preferred shares of Series A Convertible Preferred Stock, par value $0.001. The rights of both classes of stock are outlined below.

The rights and preferences of Series A are set forth in our Articles of Incorporation as filed with the Secretary of State of Colorado. The Series A Convertible Preferred Stock are not entitled to receive dividends. The holders of each share of Series A Convertible Preferred Stock then outstanding shall be entitled to be paid, out of the Available Funds and Assets, and prior and in preference to any payment or distribution (or any setting apart of any payment or distribution) of any Available Funds and Assets on any shares of Common Stock or subsequent series of preferred stock, an amount per share equal to the Original Issue Price of the Series A Convertible Preferred Stock plus all declared but unpaid dividends on the Series A Convertible Preferred Stock. Each share of Series A Convertible Preferred Stock shall be convertible, at the option of the holder thereof, at any time after issuance of such share into 100 shares of common stock. Each share of Series A Convertible Preferred Stock shall be entitled to 100 votes on any matter brought before our common stockholders. The Series A Convertible Preferred Stock is not redeemable. The Company may not take any of the following actions without the approval of a majority of the holders of the outstanding Series A Convertible Preferred Stock: (i) effect a sale of all or substantially all of our assets or which results in the holders of our capital stock prior to the transaction owning less than fifty percent (50%) of the voting power of the our capital stock after the transaction, (ii) alter or change the rights, preferences, or privileges of the Series A Convertible Preferred Stock, (iii) increase or decrease the number of authorized shares of Series A Convertible Preferred Stock, (iv) authorize the issuance of securities having a preference over or on par with the Series A Convertible Preferred Stock, or (v) effectuate a forward or reverse stock split or dividend of the Corporation's common stock.

During the year ending December 31, 2021, the holder of our preferred stock, rescinded all shares outstanding. As of December 31, 2021, and 2020, we had -0- and 1,000,000 shares, respectively, of our Series A Convertible Preferred Stock issued and outstanding. There was no activity of Series A preferred stock during the year ended December 31, 2020.

Note 3 - Net Loss Per Share

The Company computes net loss per share using the two-class method which is an allocation formula that determines net loss per share for common stock and participating securities, which for the Company is the preferred stock. The Company's preferred stock does not provide for dividends, and as such is not included in the calculation.

The following table sets forth the computation of net loss:

	Nine Months Ended September 30, 2023	*Year Ended December 31,* 2022
Numerator		
Net loss	$ (517,759)	$ (1,882,975)
Denominator		
Weighted average common shares outstanding	100,529,114	97,681,708
Potential diluted shares	-	-
Weighted average diluted shares outstanding	100,529,114	97,681,708
Net loss per share		
Basic	$ (0.01)	$ (0.02)
Diluted	$ (0.01)	$ (0.02)

The potentially dilutive securities outstanding have been excluded from the computations of diluted weighted average shares outstanding because such securities have an anti-dilutive impact due to losses reported (in common stock equivalent shares). To have a dilutive effect, the securities need to be "in-the-money" which is defined as having an exercise price that is lower than the average fair market price of the shares during the period.

There are no weighted average "in-the-money" warrants outstanding and the net shares have been excluded from dilutive Net Loss Per Share for the nine months ended September 30, 2023 and the year ended December 31, 2022.

In addition, "in-the-money" potentially dilutive securities at September 30, 2023 and December 31, 2022, include convertible notes payable to acquire 10,879,877 and 10,879,877 shares, respectively, of common stock if converted, have not been included in the calculation of loss per common share because their effect would be anti-dilutive.

Note 4 - Revenue from Contracts with Customers

Contracts with Customers

Most of the Company's revenue is derived from real estate sales of energy efficient homes and commercial property at North Vista Highlands. The majority of the Company's contracts contain a single performance obligations involving significant real estate development activities that are performed together to deliver a real estate property to customers. Revenues arising from real estate sales are recognized when or as the control of the asset is transferred to the customer. The control of the asset may transfer over time or at a point in time. For the sales of individual homes in a real estate development project, the Company has an enforceable right to payment for performance completed to date, revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

Under percentage completion method, revenue and profit from the sales of long-term real estate development properties is recognized by the percentage of completion method on the sale of individual units when all the following criteria are met:

a. Construction is beyond a preliminary stage.
b. The buyer is committed to the extent of being unable to require a refund except for non-delivery of the home or interest.
c. Sales prices are collectible.
d. Aggregate sales proceeds and costs can be reasonably estimated.

If any of the above criteria is not met, proceeds shall be accounted for as deposits until the criteria are met.

Under the percentage of completion method, revenues from individual real estate homes sold under development and related costs are recognized over the course of the construction period, based on the completion progress of a project. The progress towards complete satisfaction of the performance obligation is measured based on the Company's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract. In relation to any project, revenue is determined by calculating the ratio of incurred costs, including land use rights costs and construction costs, to total estimated costs and applying that ratio to the contracted sales amounts. Cost of sales is recognized by determining the ratio of contracted sales during the period to total estimated sales value, and applying that ratio to the incurred costs. Current period amounts are calculated based on the difference between the life-to-date project totals and the previously recognized amounts.

Any changes in significant judgments and/or estimates used in determining construction and development revenue could significantly change the timing or amount of construction and development revenue recognized. Changes in total estimated project costs or losses, if any, are recognized in the period in which they are determined.

Total revenue from the sales of completed real estate homes is recognized at the time of the closing of an individual unit sale. This occurs when the customer obtains the physical possession, the legal title, or the significant risks and rewards of ownership of the assets and the Company has present right to payment and the collection of the consideration is probable. For municipal road construction projects, fees are generally recognized at the time of the projects are completed.

Services. Under previous guidance, the Company recorded sales of ancillary services, such as preparation of the home site or other exterior enhancements, net of associated costs. Such services are provided as a convenience to the customer. As the Company is involved in the selection of subcontractors, under ASC 606, we have concluded that it is appropriate to recognize the sale of these ancillary services on a gross basis. The revenues associated with these programs for the nine months ended September 30, 2023 and the year ended December 31, 2022 were not material.

Additional Items. Expected consideration, and therefore revenue, reflects reductions for returns, allowances, and other incentives, some of which may be contingent on future events. In customer contracts for sales of manufactured homes, consideration includes certain state and local excise taxes billed to customers when those taxes are levied directly upon us by the taxing authorities. Expected consideration excludes sales and other taxes collected on behalf of taxing authorities. The Company elects to treat consideration for freight performed as a fulfillment activity. Therefore, Net revenue includes consideration for freight and other fulfillment activities performed prior to the customer obtaining control of the goods.

Practical Expedients and Exemptions. The Company generally expenses sales commissions when incurred because the amortization period would be one year or less. These costs are recorded within Selling, general and administrative expenses. In addition, the Company does not disclose the value of unsatisfied performance obligations for contracts with an expected length of one year or less.

Disaggregation of Revenue. The following table summarizes customer contract revenues disaggregated by reportable segment and the source of the revenue. All revenue from customers is recognized at a point in time, either when the customer takes delivery or when a third-party insurance contract is executed, as more fully discussed above.

	For the nine months ending September 30, 2023	For the year ending December 31, 2022
Home Building		
Pure Zero Construction LLC	$ 2,124,302	$ 6,461,812
Ski Company	186,224	1,889,230
Net revenue	$ 2,310,526	$ 8,351,042

Note 5 - Accounts Receivable, net and Earnings in excess of billings and estimated earnings on uncompleted contracts

At September 30, 2023 the Company had recorded $96,800 in accounts receivable, and $161,054 at December 31, 2022 in accounts receivable recorded.

Under the percentage completion method of accounting for contracts with customers, where calculated revenues are greater than actual contract amounts billed, the Company records an asset "Earnings in excess of billings and estimated earnings on uncompleted contracts" on its Balance Sheet. Allowances are maintained for potential credit losses based on historical experience, present economic conditions and other factors considered relevant by the Company. These allowances are recorded against the Company's accounts receivable. The Company had $0 in Earnings in excess of billings and estimated earnings on uncompleted contracts at September 30, 2023 and December 31, 2022.

Note 6 - Inventory

Inventory costs at September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023	**December 31, 2022**
Raw Materials	$ -	$ -
Construction in progress	-	-
Inventory held for re-sale	-	-
Total Inventory	**$ -**	$ **-**

During 2020, the Company exited its production facilities and disposed of all raw materials in production inventories totaling $72,284, and construction in progress of $34,000. The Company recorded the disposal as Cost of Goods Sold in the Statement of Operations. In addition, the Company impaired construction in progress of $50,750 and inventory held for re-sale of $83,153 at December 31, 2020 down to a carrying value of $0, which is included in Cost of Goods Sold in the Statement of Operations.

Note 7 - Property and Equipment

Property and equipment at September 30, 2023 and December 31, 2022 was as follows:

	September 30, 2023	December 31, 2022
Vehicles	$ -	$ -
Equipment	470,590	470,590
Total Vehicles and Equipment	470,590	470,590
Less: accumulated depreciation	140,000	80,000
Property and equipment, net	$ 330,590	$ 390,590

Depreciation expense was $60,000 and $80,000 for the nine months September 30, 2023 and the year ended December 31, 2022, respectively. The Company made $5,595 in purchases during the year ended December 31, 2022. During the year ended December 31, 2022, company shareholders contributed $460,000 in equipment and other assets.

Note 8 - Other Assets

As of December 31, 2020, the Company assessed the carrying value of the cross-licensing agreement and decided that the asset should be fully impaired: [1] due to market conditions not conducive to building tiny homes on wheels; and [2] the primary customer the technology was intended for, did not succeed with their plans to build within a planned community. The Company recorded an impairment of this asset in 2020 of $397,800 as a Loss on Impairment of Licensing Agreement in its Statement of Operations.

On January 22, 2021, the Company finalized a term sheet to acquire 100% of the Common Stock of Pure Zero Construction, LLC a modern technology and home building company. Upon execution of a definitive agreement Pure Zero will be an outward facing home builder brand focused on building affordable, healthy, Zero Energy Ready homes in a post pandemic market. The plan is to scale Pure Zero through an aggressive acquisition strategy as it builds single family homes in the North Vista Highlands housing development in Pueblo, CO. The homes being constructed in North Vista Highlands will set a standard for the future of housing. Technology innovation will highlight nontoxic interiors, superior indoor air quality, water filtration, EMF reduction, a COVID sanitation locker, virus resistant flooring / surfaces, new kitchen technology, and innovative work / workout space with HVAC technology to take comfort to a new level. A resort style clubhouse and pool is in final planning stages to create day one living for its residents. The mixed use / downtown area will feature a variety of retail, restaurants, and community centric activities.

On February 1, 2021, the Company finalized its next step in its acquisition and growth strategy with its subsidiary, Pure Zero Construction, to acquire 100% of the Common Stock of Legacy Homes of Pueblo. Legacy is a home builder that has been building quality homes for over 29 years and is recognized as a high-quality home builder that utilizes the latest technology in home building practices, pride it its work ethic, material quality, and understands the comfort, joy, and longevity a high-quality home brings. The Legacy Homes management team will head up the combined entity and bring its network of sub-contractors, suppliers, and 29 years of experience to establish Pure Zero Construction as the scalable builder in the North Vista subdivision with the first homes that began construction in May 2021.

The Company recorded the following purchase accounting entries during the years ended December 31, 2022 and December 31, 2021:

	December 31, 2022 (Pure Zero Construction)	December 31, 2021 (Legacy Homes)	Total
Shares issued	7,000,000	7,000,000	14,000,000
Value of shares issued for purchase	$ 620,900	$ 1,400,000	$ 2,020,900

Cash acquired	-	410,028	410,028
Property and equipment acquired	230,000	4,995	234,995
Liabilities assumed	-	(806,026)	(806,026)
Goodwill (included as Other Assets on the Company's Balance Sheet)	$ 850,900	$ 1,008,997	$ 1,859,897

During the year ended December 31, 2022, company shareholders contributed $230,000 in other assets.

Note 9 - Customer Deposits

The Company typically requires customers to submit a deposit and progress payments for home purchases in connection with their construction of tiny homes in progress. At September 30, 2023 and December 31, 2022, the balance in customer deposits was $18,190 and $18,190, respectively. At September 30, 2023 and December 31, 2022, the Company had refundable deposits from customer on it's former Salida property of $2,387 and $2,387, respectively.

Note 10 - Notes Payable

The Company's notes payable (net of discounts) at September 30, 2023 are as follows:

	Convertible Notes, Net	Convertible Notes, Net In Default	Convertible Notes Payable, In Default - Related Party	Convertible Notes, Net - Related Party	BCF and Warrant Discounts, DFC - Related Party	Notes Payable	Notes Payable, In Default	Mortgage and Equipment Finance Loans	BCF and Warrant Discounts, DFC	Total Notes Payable
Current portion of Notes Payable										
Balance at January 1, 2023	$ -	$ 1,087,202	$ 350,000	$ 1,180,785	$ (1,124,774)	$ -	$ 2,717,889	$ 220,000	$ -	$ 4,431,102
Proceeds from notes payable issued	-	-	-	-	-	-	-	228,000	-	228,000
Conversion of notes payable to Common Stock	-	-	-	-	-	-	-	-	-	-
Notes payable issued for settlement of liabilities	-	-	-	-	-	-	-		-	-
Repayments of notes payable	-	-	-	-	-	-	-	(160,573)	-	(160,573)
Transfer of notes payable to notes in default and long-term notes payable	-	-	-	-	-	-	-	-	-	-
Amortization of BCF and Warrant Discounts, DFC	-	-	-	-	(56,011)	-	-	-	-	(56,011)
Balance at September 30, 2023	$ -	$ 1,087,202	$ 350,000	$ 1,180,785	$ (1,180,785)	$ -	$ 2,717,889	$ 287,427	$ -	$ 4,442,518
Long-term Notes Payable										
Balance at January 1, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from notes payable issued	-		-	-	-	-	-	138,000	-	138,000
Proceeds from Mortgage payable	-		-	-	-	-	-	-	-	-
Repayments of notes payable	-		-	-	-	-	-	-	-	-
Gain on debt foregiveness	-		-	-	-	-	-	-	-	-
Transfer of notes payable from short-term notes payable	-		-	-	-	-	-	-	-	-
Amortization of BCF and Warrant Discounts, DFC	-		-	-	-	-	-	-	-	-
Balance at September 30, 2023	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 138,000	$ -	$ 138,000
Total Notes Payable, Net	$ -	$ 1,087,202	$ 350,000	$ 1,180,785	$ (1,180,785)	$ -	$ 2,717,889	$ 425,427	$ -	$ 4,580,518

The Company's notes payable (net of discounts) at December 31, 2022 are as follows:

	Convertible Notes, Net	Convertible Notes, Net In Default	Convertible Notes Payable, In Default - Related Party	Convertible Notes, Net - Related Party	BCF and Warrant Discounts, DFC - Related Party	Notes Payable	Notes Payable, In Default	Mortgage and Equipment Finance Loans	BCF and Warrant Discounts, DFC	Total Notes Payable
Current portion of Notes Payable										
Balance at January 1, 2022	$ -	$ 1,087,202	$ 350,000	$ 1,080,785	$ (608,550)	$ -	$ 2,717,889	$ 220,000	$ -	$ 4,847,326
Proceeds from notes payable issued	-	-	-	100,000	(472,235)	-	-	-	-	(372,235)
Conversion of notes payable to Common Stock	-	-	-	-	-	-	-	-	-	-
Notes payable issued for settlement of liabilities	-	-	-	-	-	-	-		-	-
Repayments of notes payable	-	-	-	-	-	-	-	-	-	-
Transfer of notes payable to notes in default and long-term notes payable	-	-	-	-	-	-	-	-	-	-
Amortization of BCF and Warrant Discounts, DFC	-	-	-	-	(43,989)	-	-	-	-	(43,989)
Balance at December 31, 2022	$ -	$ 1,087,202	$ 350,000	$ 1,180,785	$ (1,124,774)	$ -	$ 2,717,889	$ 220,000	$ -	$ 4,431,102
Long-term Notes Payable										
Balance at January 1, 2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Proceeds from notes payable issued	-		-	-	-	-	-	-	-	-
Proceeds from Mortgage payable	-		-	-	-	-	-	-	-	-
Repayments of notes payable	-		-	-	-	-	-	-	-	-
Gain on debt foregiveness	-		-	-	-	-	-	-	-	-
Transfer of notes payable from short-term notes payable	-		-	-	-	-	-	-	-	-
Amortization of BCF and Warrant Discounts, DFC	-		-	-	-	-	-	-	-	-
Balance at December 31, 2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Notes Payable, Net	$ -	$ 1,087,202	$ 350,000	$ 1,180,785	$ (1,124,774)	$ -	$ 2,717,889	$ 220,000	$ -	$ 4,431,102

Convertible Notes Payable

Convertible Notes Payable Transactions - 2023

There were no transactions recorded as Convertible Notes Payable during the nine months ended September 30, 2023.

Convertible Notes Payable Transactions - 2022

There were no transactions recorded as Convertible Notes Payable in the year ending December 31, 2022.

Convertible Notes Payable – Related Parties Transactions - 2023

There were no transactions recorded as Convertible Notes Payable – Related Parties during the nine months ended September 30, 2023.

Convertible Notes Payable – Related Parties Transactions - 2022

The Company issued a Convertible Promissory note for $100,000, with related a party in the year ending December 31, 2022, for working capital of Pure Zero Construction LLC.

Discounts on Convertible Notes Payable related to Beneficial Conversion Feature and Warrants

Discounts on Convertible Notes Payable Transactions - 2023

There were no transactions recorded as Discounts on Convertible Notes Payable during the nine months ended September 30, 2023.

Discounts on Convertible Notes Payable Transactions - 2022

The Company recorded $472,234.55 as a discount for the inducement of a 2021 note payable, resulting from the issuance of 5,731,000 shares of the Company's common stock at $0.0824 per share.

Amortization of Discounts on Convertible Notes Payable – Related Party

The Company recorded amortization expense of $56,011 of amortization expense for the nine months ended September 30, 2023, related to the 2021 convertible notes, related party, and $43,989 of amortization expense in the year ended December 31, 2022, related to the 2021 convertible notes, related party.

Notes Payable

Notes Payable Transactions – 2023

During the nine months ended September 30, 2023, the Company entered into a construction finance loan with Agile Capital Funding for proceeds of $228,000. During the nine months ended September 30, 2023, the Company repaid $160,573 on this loan, leaving a remaining balance at September 30, 2023 of $67,427.

During the nine months ended September 30, 2023, the Company entered into a note payable with a related party for proceeds of $138,000. The note is interest free until December 1, 2023, then 5% per annum until maturity. The note matures on December 1, 2028.

Notes Payable Transactions – 2022

There were no transactions recorded as Notes Payable in the year ending December 31, 2022.

Notes Payable, in Default

As of September 30, 2023 and December 31, 2022, these notes considered in default totaled $4,155,091. The Company is engaged in on-going discussions with the noteholders with respect to settlement of outstanding notes payable.

Convertible Notes Payable – Related Party in Default Transactions - 2023

There were no transactions recorded as Convertible Notes Payable – Related Party in Default Transactions during the nine months ended September 30, 2023.

Convertible Notes Payable – Related Party in Default Transactions - 2022

There were no transactions recorded as Convertible Notes Payable – Related Party in Default Transactions in the period ending December 31, 2022.

Notes Payable in Default Transactions - 2023

There were no transactions recorded as Notes Payable in Default Transactions during the nine months ended September 30, 2023.

Notes Payable in Default Transactions - 2022

There were no transactions recorded as Notes Payable in Default Transactions in the year ending December 31, 2022.

Note 11 - Leases

During the year ended December 31, 2018, the Company entered into an operating lease agreement for certain of our offices with lease period expiring in 2018. Effective April 2018 and during the remainder of 2018 and 2019, the Company extended the original lease term for additional one-month terms, provided that, in no event, may the terms of the lease exceed November 30, 2022.

During the year ended December 31, 2020, the Company moved out of the 44,000 sq ft manufacturing facility thereby creating a default under the lease. At December 31, 2020, the full settlement on the lease was included in accrued rent on the Balance Sheet.

As of March 31, 2021, the Company settled the default on the lease with a one year note of $115,000. The settlement is being recorded with Pueblo County Court. The Company settled its facility lease obligations by issuing a Note Payable of $115,000, at an annualized interest rate of 6%, with a maturity date of March 15, 2022. The Company recorded an additional expense (loss) in 2020 of $41,496 related to this settlement.

The Company, through its wholly owned subsidiary Pure Zero Construction, leases office space in Pueblo, CO. The lease is approximately $2,530 on a month-to-month basis. During the third quarter of 2023, the Company terminated this office lease.

The Company, through its wholly owned subsidiary Pure Zero Construction, leases production space for the Ski company contract, in Pueblo, CO. The lease is approximately $3,500 on a month-to-month basis. Subsequent to September 30, 2023, the Company terminated this lease.

Total lease expense for the nine months ended September 30, 2022 and September 30, 2022, respectively, was $49,921 and $25,706.

Note 12 - Related Party Transactions

Related Party Transactions - 2023

During the nine months ended September 30, 2023, the Company made payments to a related party for accrued expenses totaling $10,600, and a capital distribution of $24,800 to the same related party.

During the nine months ended September 30, 2023, the Company entered into a note payable with a related party for proceeds of $138,000. The note is interest free until December 1, 2023, then 5% per annum until maturity. The note matures on December 1, 2028.

Related Party Transactions - 2022

During the year ended December 31, 2022, the Company issued 7,000,000 shares of common stock at $0.0887 per share, for the acquisition of Pure Zero Construction, LLC, now a fully owned subsidiary of Sprout.

During the year ended December 31, 2022, the Company issued 5,731,000 shares of common stock at $0.0824 per share, as an inducement for the note to provide working capital for Pure Zero Construction LLC, recorded as discount on a 2021 note (capped at the value of the note).

During the year ended December 31, 2022, the Company issued a convertible promissory note of $100,000 to a related party, to provide working capital for Pure Zero Construction LLC.

During the year ended December 31, 2022, company shareholders contributed $690,000 in equipment and other assets.

Note 13 - Warrants

Warrant Transactions – 2023

The Company had no warrant transactions during the nine months ended September 30, 2023.

Warrant Transactions – 2022

The Company had no warrant transactions in 2022.

The Company used the Black-Scholes pricing model to estimate the fair value of the warrants. The following inputs were used in the Black-Scholes option pricing model:

	December 31, 2019	December 31, 2018	December 31, 2017
Expected volatility	196.58%	379.5% - 387.3%	380.1% - 386.1%
Expected dividends	0%	0%	0%
Contractual term (in years)	4.0 years	3.5 - 4.0 years	4.0 - 5.0 years
Risk-free rate	1.83%	2.54% - 2.58%	1.76% - 1.99%

A summary of warrant activity for the nine months ended September 30, 2023 and the year ended December 31, 2022 is as follows:

Warrants	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2023	200,000	$ 0.50	
Granted	-	-	
Exercised	-	-	
Expired	(200,000)	0.50	
Outstanding at September 30, 2023	-	$ -	0.00
Outstanding at January 1, 2022	966,000	$ 3.28	
Granted	-	-	
Exercised	-	-	
Expired	(766,000)	(4.00)	
Outstanding at December 31, 2022	200,000	$ 0.50	0.07

Note 14 - Commitments, Contingencies, and Legal Proceedings

Commitments and Contingencies

At September 30, 2023 and December 31, 2022, the Company has no outstanding commitments or contingencies. During the normal course of business, from time to time, the Company rents equipment and facilities on a month-to-month basis, as the need arises. As noted above, the Company settled all liabilities associated with the production facility lease in 2021.

Legal Proceedings

From time to time, we are a party to claims and legal proceedings arising in the ordinary course of business. Our management evaluates our exposure to these claims and proceedings individually and in the aggregate and provides for potential losses on such litigation if the amount of the loss is determinable and the loss is probable.

During the nine months ended September 30, 2023 and the year ended December 31, 2022, the Company was engaged in legal discussions related to the following:

- Pueblo leased production facility. During the year ended December 31, 2020, due partly to market conditions and the impact of the Covid-19 virus, the Company moved out of its 44,000 sq ft manufacturing facility, thereby creating a default under the property lease. During the year ended December 31, 2021, the Company settled its facility lease obligations by issuing a Note Payable of $115,000, at an annualized interest rate of 6%, with a maturity date of March 15, 2022. The Company recorded an additional expense (loss) in 2020 of $41,496 related to this settlement. The Company is engaged in on-going discussions with the noteholder with respect to settlement of this note.

- During the year ended December 31, 2022, the Company was not in financial position to comply with terms of certain assets under leasing agreements originating in 2016. In addition, during 2022, the Company was not in financial position to make payments to certain vendors. In 2021, the lessor and certain vendors, imposed liens on the NVH property. As part of the NVH transaction noted above, all liens on NVH were settled and removed, and satisfaction of Judgement was recorded with the appropriate courts.

- Default on notes payable. At September 30, 2023, the Company was not in financial position to pay notes payable upon reaching maturity. These notes payable have been classified on the Company's Balance Sheet at September 30, 2023, as "Notes payable, in default." The Company is a party to certain assertions made with respect to these notes in default, received during the year ended December 31, 2022. The Company is engaged in on-going discussions with the noteholders with respect to settlement of outstanding notes payable.

Note 15 - Subsequent Events

Subsequent to September 30, 2023, the Company, through its wholly owned subsidiary PZC, began planning efforts related to a grant agreement with an effective date of October 1, 2023, with the State of Colorado (through the Innovative Housing Incentive Program) to provide the engineering, design and build up to 150 affordable and energy-efficient factory-built homes for Coloradoans.

Subsequent to September 30, 2023, Gary Burke died, a significant STHI shareholder, noteholder and partner in Pueblo Sprout Development, LLC. The Company has put its North Vista Highlands operations on "hold" until plans are agreed to by Mr. Burke's estate and managing relatives.

Subsequent to September 30, 2023, the Company terminated its office facilities lease. The Company is looking for and is in discussions with potential landlords and other building owners for suitable office and production facilities.