

**Fill in this information to identify the case:**

Debtor 1 <u>Blue Earth, Inc.</u>
Debtor 2 (Spouse, if filing)
United States Bankruptcy Court <u>Northern District of California</u>
Case number: <u>16-30296</u>

FILED  
 U.S. Bankruptcy Court  
 Northern District of California  
 3/29/2016  
 Edward J. Emmons, Clerk

**Official Form 410  
 Proof of Claim**

12/15

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

**Part 1: Identify the Claim**

<b>1. Who is the current creditor?</b>	<u>Hobbs &amp; Towne, Inc.</u>	
	Name of the current creditor (the person or entity to be paid for this claim)	
	Other names the creditor used with the debtor _____	
<b>2. Has this claim been acquired from someone else?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
<b>3. Where should notices and payments to the creditor be sent?</b>  Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<b>Where should notices to the creditor be sent?</b>	<b>Where should payments to the creditor be sent? (if different)</b>
	<u>Hobbs &amp; Towne, Inc.</u>	_____
	Name	Name
	<u>1288 Valley Forge Rd. #88 PMB 269 PO Box 987 Valley Forge, PA 19482</u>	_____
	Contact phone <u>484-831-9162</u>	Contact phone _____
	Contact email <u>rhobbs@hobbstowne.com</u>	Contact email _____
	Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____	
<b>4. Does this claim amend one already filed?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
<b>5. Do you know if anyone else has filed a proof of claim for this claim?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

<p><b>6. Do you have any number you use to identify the debtor?</b></p>	<p><input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____</p>
<p><b>7. How much is the claim?</b></p>	<p>\$ <u>261660.00</u></p> <p><b>Does this amount include interest or other charges?</b>  <input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).</p>
<p><b>8. What is the basis of the claim?</b></p>	<p>Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).                  Limit disclosing information that is entitled to privacy, such as healthcare information.</p> <p style="text-align: center;"><u>Services Performed</u></p>
<p><b>9. Is all or part of the claim secured?</b></p>	<p><input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes. The claim is secured by a lien on property.</p> <p><b>Nature of property:</b>  <input type="checkbox"/> Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i>.  <input type="checkbox"/> Motor vehicle  <input type="checkbox"/> Other. Describe: _____</p> <p><b>Basis for perfection:</b> _____</p> <p>Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)</p> <p><b>Value of property:</b> \$ _____</p> <p><b>Amount of the claim that is secured:</b> \$ _____</p> <p><b>Amount of the claim that is unsecured:</b> \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)</p> <p><b>Amount necessary to cure any default as of the date of the petition:</b> \$ _____</p> <p><b>Annual Interest Rate</b> (when case was filed) _____ %</p> <p><input type="checkbox"/> Fixed  <input type="checkbox"/> Variable</p>
<p><b>10. Is this claim based on a lease?</b></p>	<p><input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes. <b>Amount necessary to cure any default as of the date of the petition.</b> \$ _____</p>
<p><b>11. Is this claim subject to a right of setoff?</b></p>	<p><input checked="" type="checkbox"/> No  <input type="checkbox"/> Yes. Identify the property: _____</p>

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes. Check all that apply:	<b>Amount entitled to priority</b>
A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
	<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
	<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
	<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
	<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(_) that applies	\$ _____
* Amounts are subject to adjustment on 4/1/16 and every 3 years after that for cases begun on or after the date of adjustment.		

**Part 3: Sign Below**

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157 and 3571.

Check the appropriate box:

- I am the creditor.
- I am the creditor's attorney or authorized agent.
- I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 3/29/2016  
MM / DD / YYYY

/s/ Robert B Hobbs

Signature

Print the name of the person who is completing and signing this claim:

Name Robert B Hobbs  
First name Middle name Last name

Title Managing Partner

Company Hobbs & Towne, Inc.

Address 1288 Valley Forge Rd, Unit 91  
Identify the corporate servicer as the company if the authorized agent is a servicer  
Number Street  
Valley Forge, PA 19482  
City State ZIP Code

Contact phone 484-831-9162 Email rhobbs@hobbstowne.com

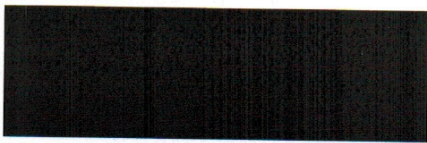
**Debtor - Blue Earth Bankruptcy – case number 16-30296**

**Unsecured Creditor – Hobbs & Towne, Inc. (“HTI”)**

**Summary of the Claim & Explanation of the other documents presented**

Attached with the Proof of Claim Form are 3 contracts signed by Blue Earth and Hobbs & Towne, Inc. (“HTI”). HTI was retained to perform Executive Search Services for Blue Earth and delivered the services contracted. An outstanding balance of **\$261,660**. is still owed to HTI.

1. The first contract attached and dated August 20, 2015 between Blue Earth and HTI was for two (2) searches: a CFO Search and a General Counsel Search. This contract guaranteed a total payment of \$150,000 to HTI for Executive Search Services which were performed. Blue Earth paid HTI \$100,000.
  - **Blue Earth still owes HTI \$50,000 from this contract for search services performed.**
2. The second contract dated November 2, 2015 between Blue Earth and HTI was for three (3) searches: a Divisional President search, a Senior Engineer search, and a Manager Engineering Services search. This contract guaranteed a total payment of \$150,000 to HTI for Executive Search Services which were performed.
  - **Blue Earth Still owes HTI \$150,000 from this contract for search services performed.**
3. The third contract dated December 2, 2015 between Blue Earth and HTI was for a Controller Search. This contract concluded with a search fee of \$61,660 for the search services performed.
  - **Blue Earth still owes HTI \$61,660. From this contract for search services performed.**



August 20, 2015

Johnny Thomas, CEO  
Blue Earth, Inc.

**TERMS OF AGREEMENT BETWEEN BLUE EARTH, INC. AND HOBBS & TOWNE, INC.:**

- Positions exclusively retained for search: 1) Chief Financial Officer; 2) General Counsel.
- Hobbs & Towne, Inc. will provide all standard recruiting services for the Chief Financial Officer and General Counsel positions for a discounted and flat fee of \$75,000 for each search. One half (50%) of the fees may be paid in Blue Earth, Inc. stock. If the value of the stock on the day of receipt is less than the amount invoiced, Blue Earth shall issue additional shares to equal the value of the invoice.
- A retainer fee of \$25,000 per position is due to initiate the searches. An installment of \$25,000 per position is due 30 days after initiation of the searches. The balance for each search (\$25,000 for each) will be earned upon the conclusion of each search.
- Payment is due to Hobbs & Towne, Inc. within 10 days of Invoice receipt.
- Hobbs & Towne, Inc. does not charge or pass along administrative costs or back-office expenses incurred during the search process; however, Blue Earth, Inc. will reimburse Hobbs & Towne, Inc. for expenses incurred through the interviewing process, including candidate reimbursement and travel incurred by both Hobbs & Towne, Inc. and the candidate.
- Any and all external candidate inquiries and solicitations for the Chief Financial Officer and General Counsel positions will be directed to Hobbs & Towne, Inc. for screening and inclusion into the retained search process. If Blue Earth hires one of the following candidates for the CFO role or the GC role, the balance of the fee due to Hobbs & Towne, Inc. for that search will be discounted by \$12,500 : Gavin Slader, Ryan Bennett, Chris Bailey, Dave Cathcart, Drew Evans, Jeff Spencer, Don Dysert, John Cook, Dirk Michels, Chip Presten.
- Any candidate presented by Hobbs & Towne, Inc. to Blue Earth, Inc. and hired by Blue Earth, Inc. for these or any position other than listed in this contract, and within twelve months of submission, is subject to the terms of this agreement.
- Positions may be added, but not substituted, to this contract with the same terms documented in writing signed by each party.
- If, within the first six months of employment, the placed candidate's employment is terminated for any reason other than lack of work or significant change in the Blue Earth, Inc.'s status (specifically acquisition, downsizing, layoff, divestiture, reduction in force, etc.), Hobbs & Towne, Inc. will refill the Chief Financial Officer or General Counsel position at no additional fee, other than expenses associated with the search process. Compliance with all fee payment schedules needs to be met by Blue Earth, Inc. to activate the guarantee.

Agreed:

Robert B. Hobbs, Managing Partner & Co-Founder  
Hobbs & Towne, Inc.

Johnny Thomas, CEO  
Blue Earth, Inc.

Date

November 23, 2015

Rob Potts, Chief Operating Officer  
Blue Earth, Inc.  
Provo Utah

**TERMS OF AGREEMENT BETWEEN BLUE EARTH, INC. AND HOBBS & TOWNE, INC.:**

- Positions exclusively retained for search:
  1. President CHP
  2. Senior Engineer
  3. Manager Engineering Services
- Hobbs & Towne, Inc. will provide all standard recruiting services for the 3 positions listed for a fee of 33.33% of the placed candidates' first-year cash compensation.
- A retainer fee of \$25,000 (for the President position) and \$30,000 (\$15,000 for the Sr. Engineer and \$15,000 for the Manager Engineering Services) is due to initiate the searches. An installment of \$25,000 (for the President position) and \$30,000 (\$15,000 for the Sr. Engineer and \$15,000 for the Manager Engineering Services) is due 30 days after initiation of the searches. The retainer and installment fees will be applied to and subtracted from the final total fee for each position. The balance of each search (minimum of \$25,000 for the President and \$15,000 for each of the other two searches) will be earned upon conclusion of that search. A credit of \$5000 will be applied to the final balance for each search (representing an overall credit of \$15,000).
- Payment is due to Hobbs & Towne, Inc. within 10 days of Invoice receipt.
- Hobbs & Towne, Inc. does not charge or pass along administrative costs or back-office expenses incurred during the search process; however, Blue Earth, Inc. will reimburse Hobbs & Towne, Inc. for expenses incurred through the interviewing process, including candidate reimbursement and travel incurred by both Hobbs & Towne, Inc. and the candidate. In an attempt to limit travel, reduce expenses, and have a "greener" interview process, Hobbs & Towne, Inc. will make every attempt to conduct formal interviews via video.
- Any and all external candidate inquiries and solicitations for the President search, the Senior Engineer search and the Manager Engineering Services search will be directed to Hobbs & Towne, Inc. for screening and inclusion into the retained search process.
- Any candidate presented by Hobbs & Towne, Inc. to Blue Earth, Inc. and hired by Blue Earth, Inc. for these or any position other than listed in this contract, and within twelve months of submission, is subject to the terms of this agreement.
- Positions may be added, but not substituted, to this contract with the same terms documented in writing signed by each party.
- If, within the first six months of employment, the placed candidate's employment is terminated for any reason other than lack of work or significant change in Blue Earth, Inc.'s status (specifically acquisition, downsizing, layoff, divestiture, reduction in force, etc.), Hobbs & Towne, Inc. will conduct a replacement search for the specific position at no additional fee, other than expenses associated with the search process. Blue Earth, Inc. agrees to initiate the replacement search within 60 days of candidate's departure. Compliance with all fee payment schedules needs to be met by Blue Earth, Inc. for this guarantee to be honored.

Agreed:



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Robert B. Hobbs, Managing Partner & Co-Founder  
Hobbs & Towne, Inc.

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Rob Potts, COO  
Blue Earth, Inc.

11/23/15



December 2, 2015

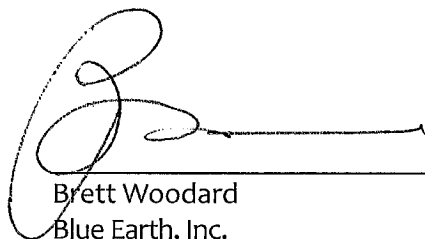
Brett Woodard  
Blue Earth, Inc.  
Provo UT

**TERMS OF AGREEMENT BETWEEN BLUE EARTH, INC. AND HOBBS & TOWNE, INC.:**

- Position exclusively retained for search: Controller
- Hobbs & Towne, Inc. will provide all standard recruiting services for the Controller position for a fee of 33.3% of the placed candidate's first-year cash compensation.
- A retainer fee of \$17,500 is due to initiate the search. An installment of \$17,500 is due 30 days after initiation of the search. The retainer and installment fee will be applied to and subtracted from the final total fee. The balance (minimum of \$17,500) will be earned upon conclusion of the search.
- Payment is due to Hobbs & Towne, Inc. within 10 days of Invoice receipt.
- Hobbs & Towne, Inc. does not charge or pass along administrative costs or back-office expenses incurred during the search process; however, Blue Earth, Inc. will reimburse Hobbs & Towne, Inc. for expenses incurred through the interviewing process, including candidate reimbursement and travel incurred by both Hobbs & Towne, Inc. and the candidate. In an attempt to limit travel, reduce expenses, and have a "greener" interview process, Hobbs & Towne, Inc. will make every attempt to conduct formal interviews via video.
- Any and all external candidate inquiries and solicitations for the Controller position will be directed to Hobbs & Towne, Inc. for screening and inclusion into the retained search process.
- Any candidate presented by Hobbs & Towne, Inc. to Blue Earth, Inc. and hired by Blue Earth, Inc. for this or any position other than listed in this contract, and within twelve months of submission, is subject to the terms of this agreement.
- Positions may be added, but not substituted, to this contract with the same terms documented in writing signed by each party.
- If, within the first six months of employment, the placed candidate's employment is terminated for any reason other than lack of work or significant change in Blue Earth, Inc.' status (specifically acquisition, downsizing, layoff, divestiture, reduction in force, etc.), Hobbs & Towne, Inc. will conduct a replacement search for the Controller position at no additional fee, other than expenses associated with the search process. Blue Earth, Inc. agrees to initiate the replacement search within 60 days of candidate's departure. Compliance with all fee payment schedules needs to be met by Blue Earth, Inc. for this guarantee to be honored.

Agreed:

Robert Hobbs, CEO & Founding Partner  
Hobbs & Towne, Inc.



Brett Woodard  
Blue Earth, Inc.

12-2-2015  
Date